TODAY'S RECKLESS BORROWING: ECONOMIC INCARCERATION AND INFERTILITY FOR TOMORROW

AN INAUGURAL LECTURE PRESENTED

BY

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DEDICATION

I dedicate this inaugural lecture to the Almighty God, whose infinite wisdom, grace, and blessings have been my unwavering source of strength and inspiration.

SECTION ONE

INTRODUCTION

Background

Debt has long been regarded as a tool for economic expansion, allowing nations to bridge fiscal gaps, stimulate growth, and finance development projects. Proponents of borrowing argue that when properly managed, debt can accelerate infrastructural development, enhance productivity, and drive economic modernization (Yusuf & Mohd, 2021; Egiyi, 2017). Egiyi (2017) notably emphasized that borrowing, when aligned with national development priorities and guided by strategic fiscal planning, can serve as a catalyst for structural transformation—especially in emerging economies struggling with capital limitations. In her view, debt should be seen not as an end but as a means to unlock latent economic potential, build institutional capacity, and expand public goods provision. However, history has shown that not all borrowing leads to economic progress. Reckless borrowing—characterized by unsustainable debt accumulation, poor financial planning, and unproductive expenditures—has the potential to imprison a nation economically, leaving it unable to sustain its future growth and development (Muhanji & Ojah, 2011; Krugman, 1988; IMF, 2024).

The Nigerian experience with debt provides a compelling case study of how reckless borrowing can morph into economic incarceration, where repayment obligations cripple fiscal independence and divert resources from essential developmental projects (Onuoha et al., 2024). Nigeria has, on multiple occasions, found itself ensnared in cycles of debt accumulation and relief, from the structural adjustment programs (SAPs) of the 1980s to the debt forgiveness agreements of the early 2000s (Guest Writer, 2024). Yet, despite past lessons, the country continues on a perilous trajectory, amassing debts that are often poorly utilized, leading to declining economic productivity and increasing fiscal vulnerability (Sanghro, 2024).

Reckless borrowing does not merely impose short-term financial burdens; it has far-reaching consequences that extend across generations. The concept of economic incarceration refers to a scenario where excessive debt obligations restrict a nation's ability to implement independent fiscal policies, forcing it into subservient relationships with creditors and international financial institutions (Harper et al., 2020). In such cases, national budgets become heavily weighted towards debt servicing, at the expense of investments in critical sectors such as education, healthcare, and industrial development. In essence, reckless borrowing mortgages the future, leading to economic infertility—an inability to generate self-sustaining growth and development.

The paradox of borrowing is that while it is often justified as a means to enhance economic prosperity, it can also serve as a mechanism for long-term stagnation and dependency (Yusuf & Mohd, 2021). Countries that borrow to finance consumption rather than investment, or that secure loans with unfavorable terms, find themselves entrapped in cycles of perpetual indebtedness. Egiyi (2022a) offers a sobering critique of such fiscal recklessness, arguing that debt, when misused, not only distorts macroeconomic stability but also mortgages the economic future of a nation's most vulnerable populations. She emphasizes that in the absence of accountability and strategic foresight, borrowed funds become instruments of political survival rather than economic progress. This mismanagement exacerbates debt crises, leading to austerity measures that further constrain economic growth and social welfare.

Beyond Nigeria, numerous developing economies have experienced similar patterns of reckless borrowing and its resultant economic stagnation. Countries such as Argentina, Zimbabwe, and Greece have struggled with the consequences of excessive debt accumulation, with economic policies dictated by external creditors rather than national priorities (Robinson & Acemoglu, 2020). The case of Greece, for example, illustrates how unchecked borrowing can lead to severe economic crises, forcing governments to implement painful austerity measures that ultimately stifle growth and social progress (Frangakis, 2015).

This discussion is particularly urgent for Nigeria and other debt-dependent economies due to the escalating debt burdens and their profound socio-economic implications. Nigeria's public debt has surged to levels that raise concerns about sustainability, with external debt obligations increasingly threatening national sovereignty and fiscal stability. According to recent reports from the Debt Management Office (DMO), Nigeria's external debt has grown significantly, with a substantial portion allocated to debt servicing rather than developmental projects (PunchNg, 2024). This pattern is mirrored in several African and Latin American nations where debt dependency stifles long-term economic planning and growth (World Bank, 2024).

For developing economies, the ramifications of reckless borrowing extend beyond fiscal constraints to broader socio-economic challenges, including rising unemployment, inflation, and weakened infrastructure. As debt servicing consumes a growing share of national revenue, governments are left with fewer resources to invest in critical sectors such as education, healthcare, and industrial development. In Nigeria, for example, the high debt burden has exacerbated inflationary pressures, currency devaluation, and dwindling foreign reserves, further complicating economic recovery efforts (Binuyo et al., 2024).

Furthermore, the increasing reliance on borrowing from foreign creditors, including China's Belt and Road Initiative (BRI) and international financial institutions, has raised concerns about the terms and conditions of these loans. In many cases, loan agreements include clauses that could undermine national sovereignty, such as infrastructure-for-debt arrangements that grant foreign entities control over critical national assets in the event of default (International Law Editorial, 2024; de Kluiver, 2023).

Addressing the issue of reckless borrowing requires a multi-faceted approach that involves sound fiscal discipline, greater transparency in loan agreements, and a shift towards more productive debt utilization. Developing economies must adopt policies that prioritize investment-driven borrowing, ensuring that loans contribute to sustainable economic growth rather than perpetuating cycles of dependency and austerity. Strengthening institutions to enforce accountability in public financial management is also essential to curbing the adverse effects of reckless borrowing.

This lecture seeks to debunk the myths surrounding borrowing as an unqualified economic good. It critically examines how reckless borrowing leads to economic incarceration, highlighting the policies and practices that have entrapped Nigeria and other nations in cycles of debt dependence. By drawing from economic theories, historical case studies, and contemporary debt analysis, this lecture aims to illuminate the dangers of irresponsible fiscal policies and propose alternative strategies for sustainable economic management.

Understanding the distinction between productive and reckless borrowing is crucial for policymakers, economists, and the general public. Borrowing, when channeled appropriately, can be a force for development. However, when undertaken recklessly—without a clear strategy for repayment, economic productivity, or infrastructural expansion—it becomes a tool of economic subjugation. This work will, therefore, explore how Nigeria and other nations can escape the shackles of reckless borrowing and reclaim economic sovereignty.

SECTION TWO

THEORETICAL FOUNDATIONS

Debt, in its most fundamental sense, is a financial tool that can either catalyze prosperity or precipitate economic ruin (Egiyi, 2022a). Throughout history, borrowing has been heralded as an instrument for bridging fiscal shortfalls, financing critical infrastructure, and sustaining economic growth. However, this instrument is not without its perilous edges. Countries that have leveraged borrowing to their advantage often exhibit strong fiscal discipline, robust institutions, and strategic investment planning. Conversely, nations burdened by reckless borrowing find themselves ensnared in a cycle of stagnation, high debt servicing costs, and economic decline.

At what point does debt cease to be a means of economic expansion and instead become a harbinger of financial collapse? Why do some economies flourish under structured debt mechanisms while others experience long-term contraction? The fundamental issue is not merely the act of borrowing but the sustainability and productivity of the borrowed funds. An interrogation of economic theories on debt and development is imperative to demystify the paradox of borrowing.

Key Economic Theories on Debt and Development

Classical vs. Keynesian Perspectives on Borrowing

Economic thought on borrowing has long been shaped by two competing paradigms: the classical economic school, as epitomized by Adam Smith and David Ricardo, and the Keynesian framework, pioneered by John Maynard Keynes. These perspectives provide profoundly different insights into the role of debt in economic management, with implications that remain highly relevant in contemporary fiscal discourse, particularly for economies grappling with structural imbalances.

The classical school, deeply rooted in laissez-faire principles, asserts that markets function most efficiently when left to operate with minimal government interference. Adam Smith (1776), in *The Wealth of Nations*, underscored the self-regulating nature of markets, where supply and demand dynamics dictate economic outcomes without the distortions of excessive government intervention. Similarly, David Ricardo (1817) reinforced the notion that public borrowing disrupts the natural economic order, creating artificial demand that distorts price mechanisms and ultimately burdens future generations with unsustainable debt. From this standpoint, governments should prioritize fiscal responsibility, ensuring that expenditures are financed through internally generated revenue rather than deficit spending. Borrowing, particularly when excessive, is perceived as a distortionary tool that undermines private sector efficiency, fuels inflationary pressures, and crowds out productive investment. Ricardo's theory of debt neutrality—commonly known as Ricardian Equivalence—suggests that rational economic agents anticipate future tax burdens resulting from public debt and, as a result, adjust their consumption and investment behaviour accordingly. This renders debt-financed government stimulus ineffective, reinforcing the argument for fiscal restraint.

John Maynard Keynes (1936), in *The General Theory of Employment, Interest, and Money*, provided a radical departure from classical orthodoxy by advocating for active government intervention in economic cycles. Keynesian theory posits that deficit spending is not inherently detrimental; rather, it is a powerful instrument for mitigating economic downturns, stimulating aggregate demand, and fostering recovery during periods of recession. Keynes argued that when private sector demand falters, public sector borrowing and spending can compensate by injecting liquidity into the economy, thereby spurring employment and production. Empirical evidence from developed economies, particularly the United States during the Great Depression and post-World

War II reconstruction efforts, demonstrates the efficacy of this approach. Strategic borrowing—when deployed towards infrastructure development, industrial expansion, and public goods provision—can generate long-term economic multipliers that far outweigh short-term fiscal burdens. Keynesian economics thus challenges the rigid constraints of classical fiscal conservatism, emphasizing that the timing and purpose of borrowing are more consequential than borrowing itself.

While Keynesian prescriptions have yielded positive outcomes in advanced economies with well-functioning institutions, their applicability in developing economies, particularly Nigeria, remains a subject of intense scrutiny. Theoretically, deficit financing should stimulate growth; however, in an economic landscape plagued by structural inefficiencies, corruption, and weak institutional frameworks, the expected benefits of borrowing are often elusive. Nigeria's fiscal trajectory presents a paradox: despite consistent government borrowing, infrastructural deficits persist, unemployment remains high, and economic diversification efforts yield limited results. A significant proportion of borrowed funds is allocated to recurrent expenditure rather than capital investment, undermining long-term productivity gains. Additionally, debt servicing obligations consume an increasing share of government revenue, raising concerns about fiscal sustainability.

This predicament necessitates a fundamental question: does Nigeria's economic structure possess the absorptive capacity required to transform borrowed funds into meaningful economic development? Or does continued reliance on borrowing, in the absence of robust institutional safeguards, exacerbate macroeconomic vulnerabilities, perpetuating cycles of debt dependency?

The classical and Keynesian schools provide invaluable insights into the borrowing debate, yet their applicability must be contextualized within the realities of individual economies. While Keynesianism advocates for strategic deficit financing, its success is contingent upon prudent fiscal management, institutional integrity, and an economic environment capable of translating borrowed funds into productive outcomes. In the Nigerian context, where inefficiencies and governance challenges persist, blind adherence to Keynesian borrowing strategies without structural reforms may yield diminishing returns, reinforcing the classical caution against unchecked debt accumulation.

Thus, a hybrid approach—grounded in the discipline of classical fiscal prudence while leveraging the strategic interventions of Keynesian economics—may offer a more viable pathway for sustainable economic development.

Debt Overhang Theory – When Borrowing Ceases to Be a Catalyst and Becomes a Curse

The Debt Overhang Theory, as articulated by Krugman (1988) and Sachs (1989), presents a grim picture of economies encumbered by excessive debt burdens. At its core, the theory posits that when a nation accumulates unsustainable levels of debt, it reaches a point where further borrowing ceases to stimulate economic growth and instead becomes an impediment. In such scenarios, the anticipated returns on investment are overshadowed by the obligation to service existing debt, leading to a decline in private sector confidence and reduced capital inflows. Investors, recognizing the heightened risks associated with fiscal instability, become reluctant to allocate resources to such economies, fearing that excessive government liabilities will eventually result in defaults, austerity measures, or severe economic dislocations. This phenomenon stifles capital formation, discourages productive investments, and ultimately traps the economy in a vicious cycle of stagnation and underperformance (Cohen, 1993).

Historical precedents illustrate the devastating effects of debt overhang on national economies. The Latin American debt crisis of the 1980s remains a cautionary tale, where excessive external borrowing by several nations resulted in unsustainable debt burdens that crippled economic growth for decades (Sebastian, 2024). Faced with overwhelming debt service obligations, governments in the region were forced to adopt severe austerity measures, cutting critical public spending while still struggling to meet their financial commitments. The result was prolonged economic distress, declining living standards, and a loss of investor confidence that took years to rebuild. Similarly, Greece's sovereign debt crisis in the early 21st century underscored how unchecked borrowing, coupled with structural inefficiencies, can precipitate a national economic collapse, forcing the country into stringent bailout agreements that eroded fiscal sovereignty.

Nigeria's external debt profile, which has surged in recent years, raises urgent concerns about whether the country is teetering on the edge of a debt overhang crisis (Oyadeyi et al., 2024). With debt servicing costs consuming an increasingly disproportionate share of national revenue, the government's ability to fund critical sectors such as education, healthcare, and infrastructure is severely constrained. The ramifications of this trend are profound: deteriorating public services, insufficient investment in human capital, and a weakened capacity for economic diversification. Furthermore, with a substantial portion of external debt denominated in foreign currencies, fluctuations in exchange rates expose Nigeria to even greater fiscal vulnerabilities, exacerbating the cost of debt repayment and increasing the risk of financial distress.

A fundamental question arises: Are Nigerian policymakers fully cognizant of the long-term implications of the nation's current borrowing patterns, or is the country unwittingly marching towards a fiscal abyss reminiscent of past global debt crises? Without a strategic recalibration of borrowing policies, debt restructuring mechanisms, and fiscal discipline, Nigeria may soon find itself in a position where the cost of debt servicing eclipses the potential benefits of economic expansion. The Debt Overhang Theory serves as a stark reminder that while borrowing can serve as a catalyst for development, when mismanaged, it transforms into a stranglehold that chokes economic progress, leaving future generations to bear the burden of fiscal irresponsibility.

Ricardian Equivalence and the Illusion of Perpetual Borrowing

The Ricardian Equivalence Hypothesis, first introduced by David Ricardo (1917) and later formalized by Robert Barro (1974), presents a compelling argument against the efficacy of government borrowing as a tool for economic stimulus. The theory posits that when a government incurs debt, rational economic agents recognize that this borrowing must eventually be repaid through higher future taxes. Consequently, individuals adjust their spending behaviour in anticipation of this tax burden, increasing their savings rather than engaging in additional consumption. In essence, public debt merely shifts the fiscal burden across time rather than creating real economic expansion, thereby rendering deficit spending ineffective as a means of boosting aggregate demand (Barro, 1974).

At face value, Ricardian Equivalence assumes a high degree of rationality among economic agents, efficient financial markets, and a well-functioning government that transparently manages fiscal policies. In developed economies with stable institutions and a long history of sound economic governance, there is some evidence supporting this hypothesis. Households and businesses in such environments may indeed exhibit forward-looking behaviour, adjusting their consumption and investment decisions in response to government borrowing. However, the applicability of Ricardian Equivalence in developing economies remains highly contentious. Empirical studies challenge its universal relevance, particularly in nations plagued by weak financial institutions, widespread corruption, and low public trust in governance (Reinhart & Rogoff, 2008).

Nigeria’s borrowing patterns present a striking contradiction to the assumptions underlying Ricardian Equivalence. In theory, if citizens recognize that government debt today translates into higher taxes tomorrow, they should respond by curbing consumption and increasing savings. However, this assumes a level of fiscal transparency and policy consistency that is often absent in Nigeria's economic landscape. A significant portion of borrowed funds is not allocated towards productive investments that generate long-term economic growth. Instead, public debt frequently finances recurrent expenditures such as salaries, administrative costs, and politically motivated projects with limited developmental impact. In such an environment, individuals and businesses may not perceive a direct correlation between current borrowing and future taxation, as fiscal irresponsibility often leads to inflationary pressures, currency depreciation, or external debt restructuring rather than direct tax hikes.

Furthermore, Nigeria's debt servicing costs continue to escalate, consuming a substantial portion of government revenue. With little evidence that borrowed funds are translating into sustainable economic expansion, the fundamental question arises: Are Nigerian citizens genuinely adjusting their economic behaviour in expectation of future tax increases, or has the government fallen into a pattern of accumulating liabilities that will ultimately stifle future generations? Unlike in economies where citizens anticipate tax increases as a means of debt repayment, Nigeria's reality suggests a more insidious outcome—one where unchecked borrowing erodes macroeconomic stability, depreciates the national currency, and limits the government's ability to finance critical sectors without resorting to further borrowing.

This phenomenon reveals a troubling illusion: the notion that perpetual borrowing can sustain economic activity without long-term repercussions. The very essence of Ricardian Equivalence is undermined when a government's credibility in managing debt is called into question. In an environment where fiscal indiscipline prevails, citizens may not respond as rational economic actors adjusting for future tax burdens, but rather as participants in an economy where debt-fueled spending fosters short-term gains while obscuring long-term vulnerabilities. If Nigeria continues on this trajectory, the eventual reckoning may not manifest in the form of higher future taxes alone, but in deeper economic stagnation, capital flight, and a declining standard of living for future generations.

Defining Reckless Borrowing

Borrowing is considered reckless when it is not guided by sustainability principles, productive utilization, or long-term economic planning. Egiyi (2021) asserts that such borrowing reflects not just poor fiscal management, but a deeper failure of economic vision and leadership. She argues that reckless borrowing is not merely a technical error, but a structural flaw in governance—where short-term political gains are prioritized over intergenerational economic stability.

According to Egiyi (2021), the consequences of unprincipled borrowing are multifaceted: it distorts national budgetary priorities, weakens investor confidence, and entrenches dependency on future inflows to service past obligations—creating what she describes as a "debt treadmill" that leads nowhere but downward. In Nigeria and several other developing economies, this has translated into growing debt overhangs, fiscal fragility, and widening inequality.

This section builds on Egiyi's framework, offering a rigorous analysis of reckless borrowing by categorizing it into three primary dimensions:

1. Borrowing for consumption rather than production – where loans are used to fund wages, subsidies, or electioneering rather than capital projects with multiplier effects;
2. Borrowing without sustainability measures – reflecting an absence of repayment strategies, weak debt ceilings, and poor coordination with macroeconomic indicators;

3. Borrowing for non-strategic, politically motivated projects – where debt is incurred not for economic transformation but for prestige, favoritism, or geopolitical appeasement.

In Egiyi (2021)'s view, these practices do not merely weaken economic systems—they incubate future crises, mortgaging the growth potential of nations while masking incompetence behind the veneer of development.

Borrowing for Consumption Rather Than Production

A fundamental principle of sound fiscal management is that borrowed funds should generate returns that exceed their costs. When a government borrows primarily to fund consumption rather than productive investment, it creates economic liabilities without corresponding assets. Consumption-driven borrowing manifests in several ways, including excessive spending on government salaries, recurrent expenditures, and subsidies that do not enhance long-term economic productivity.

In Nigeria, a significant proportion of government borrowing is directed towards recurrent expenditure, including bloated government salaries and administrative costs (Egiyi, 2024). According to the Debt Management Office (DMO), over 70% of the country's revenue is allocated to debt servicing, leaving little room for capital investment (IMF, 2024). This trend creates a vicious cycle in which new loans are acquired to meet operational costs, rather than being channeled into sectors that can stimulate economic growth, such as manufacturing, agriculture, and infrastructure.

The economic implications of consumption-driven borrowing are severe. It leads to an overburdened fiscal structure, currency devaluation, and inflationary pressures, as government spending is not backed by increased productivity (Krugman, 2023). Furthermore, excessive reliance on debt-financed consumption creates a dependency syndrome, where governments continually seek new loans rather than implementing structural reforms that enhance revenue generation and economic efficiency (Ezugworie et al., 2020).

Borrowing Without Sustainability Measures

Sustainable debt management requires careful assessment of a country's repayment capacity, interest rate obligations, and macroeconomic conditions. Reckless borrowing occurs when debt accumulation is not aligned with a nation's fiscal capacity, leading to unsustainable debt burdens. The absence of sustainability measures manifests in excessive external borrowing, unfavorable loan terms, and the lack of concrete repayment plans.

Nigeria's current debt profile exemplifies this problem. Despite repeated warnings from financial institutions, the country continues to borrow at an alarming rate without implementing stringent debt sustainability measures (World Bank, 2024). In 2023 alone, Nigeria's external debt stock increased by over $5 billion, yet the revenue-to-debt ratio remains one of the worst in sub-Saharan Africa (CBN, 2024).

One major factor contributing to unsustainable borrowing is the failure to generate sufficient revenue to service existing debts. Nigeria's tax-to-GDP ratio is among the lowest globally, standing at approximately 6%, compared to an average of 18% in peer economies (OECD, 2024). Without robust revenue mechanisms, the country remains trapped in a cycle of borrowing to service existing obligations, leading to fiscal instability and heightened credit risk.

Another key sustainability issue is the unfavorable terms of many of Nigeria's loan agreements. Several infrastructure projects financed through external loans come with stringent repayment conditions, including high-interest rates and collateralization of national assets. This raises concerns about long-term sovereignty and economic independence, as future governments may find themselves unable to renegotiate debt obligations due to binding contractual clauses.

Borrowing for Non-Strategic, Politically Motivated Projects

Perhaps one of the most damaging aspects of reckless borrowing is the diversion of loan funds to projects that serve political rather than economic objectives. Non-strategic borrowing occurs when governments prioritize politically expedient projects over those with substantial economic returns. This often results in white elephant projects—high-cost, low-impact initiatives that fail to yield significant benefits to the broader economy.

Nigeria has witnessed numerous instances of politically motivated borrowing, where funds are secured for projects that either remain incomplete or fail to generate projected revenues. Egiyi (2024) contends that this pattern of borrowing is not accidental but symptomatic of a deeper political economy where optics override outcomes. She argues that such borrowing is often justified under the guise of national development but is, in reality, engineered to serve political cycles, reward loyalists, or create temporary illusions of progress. According to Egiyi, politically motivated borrowing in Nigeria exemplifies fiscal irresponsibility cloaked in populist ambition—where massive debts are incurred for grandiose projects lacking feasibility studies, economic justifications, or implementation capacity. These projects, often described as "white elephant ventures," have become notorious symbols of economic recklessness—massive in scale, yet hollow in substance. While originally conceived as transformative infrastructure initiatives, many of them failed to pass the test of fiscal prudence or developmental relevance. Rather than contributing to national productivity, they now stand as monuments to waste, accumulating interest obligations that suffocate future budgets and limit developmental spending.

For instance, multi-billion-dollar railway and airport projects, championed as flagship investments, have been plagued by cost overruns, grossly inflated contracts, bureaucratic bottlenecks, and allegations of corruption. As documented by Transparency International (2024), funds were either misappropriated, poorly monitored, or funneled into politically connected hands, leaving behind partially completed structures, underutilized facilities, or outright abandoned sites.

The Port Harcourt–Maiduguri railway rehabilitation, for example, was initiated in 2011 and awarded contracts totaling N67.3 billion. Yet over a decade later, substantial sections remain incomplete. Companies like Lingo Nigeria Limited, despite lacking railway construction experience, received billions of naira and delivered barely 40% of the work (Hassan-Adebayo, 2020). Similarly, the Ekiti State Agro-Allied International Cargo Airport, initially budgeted at N36.7 billion, ballooned to nearly N90 billion, even after claims that the airport was "99.5% ready" for operations (Ekiti News, 2025). In Zamfara State, the Gusau International Cargo Airport was re-awarded at an inflated cost of N62.8 billion—up from N11.4 billion—with less than 20% of the work completed (Akinbobola, 2024). These cases reveal a systematic pattern of inflated contracts, poor oversight, and questionable project outcomes.

What should have been engines of economic growth—enhancing logistics, improving connectivity, and attracting investment—have instead morphed into financial sinkholes. These liabilities not only fail to yield returns on investment but also exacerbate the country's debt burden, as Nigeria continues to service loans for assets that contribute little or nothing to GDP. The opportunity cost is staggering: scarce public funds are diverted from vital sectors like healthcare, education, and power supply—undermining long-term development and deepening economic vulnerability.

Another example is the practice of borrowing to finance politically driven subsidies. While subsidies may provide short-term relief, they often become fiscally unsustainable when underwritten by debt. In Nigeria, petroleum subsidies have consumed trillions of naira over the past decade, yet the country remains heavily dependent on imported refined petroleum products (CBN, 2024). Instead of directing borrowed funds towards building domestic refining capacity and supporting industrialization, successive governments have opted for politically expedient but economically regressive choices.

For instance, between 2010 and 2022, over ₦13 trillion was spent on fuel subsidies—funds that could have revitalized moribund refineries in Port Harcourt, Warri, and Kaduna or funded the construction of new ones. Despite these outlays, Nigeria still imports over 90% of its refined fuel, incurring additional costs from exchange rate fluctuations and freight charges. In 2022 alone, the government borrowed to cover over ₦4 trillion in subsidy costs, a move that further deepened the fiscal deficit and forced cuts in capital expenditure.

The consequences of these decisions are twofold: first, borrowed funds fail to generate productive assets or long-term returns, thereby exacerbating the debt overhang. Second, the reliance on debt-financed consumption undermines public confidence in governance, as citizens witness scarce resources being funneled into politically charged but economically hollow programs. The result is a cycle where loans serve immediate political interests while postponing, and ultimately compounding, economic hardship.

SECTION THREE

NIGERIAN DEBT TRAJECTORY

Debt is often framed as a means of bridging fiscal gaps, funding development projects, and stimulating economic growth. However, for Nigeria, borrowing has increasingly morphed into a pathway of economic incarceration, tightening the noose around future generations. The nation's debt history tells a tale of strategic miscalculations, ill-advised fiscal policies, and governance failures that have turned borrowing into a tool of economic subjugation rather than empowerment. This section provides an exhaustive analysis of Nigeria's debt trajectory, dissecting the key phases, reckless borrowing patterns, and their debilitating consequences.

Historical Phases of Nigeria’s Borrowing

Pre-Structural Adjustment Programme (SAP) Borrowing—Why It Was Different

Nigeria’s borrowing history extends far beyond contemporary debt concerns, with external financing playing a crucial role in economic planning even before independence. However, the nature and structure of debt acquisition before the adoption of the Structural Adjustment Programme (SAP) in 1986 were markedly different from present-day borrowing trends. The pre-SAP era was characterized by a relatively measured approach to debt accumulation, with loans primarily sourced through concessional financing and bilateral agreements with development partners and friendly nations. These borrowings were strategically directed towards infrastructure development, industrialization efforts, and the establishment of key public institutions that were expected to drive long-term economic transformation (Obadare, 2022). Egiyi (2022b) emphasizes that when borrowing is anchored on a clear developmental vision, underpinned by sound economic planning and institutional accountability, it has the capacity to catalyze structural transformation. She notes that in historical contexts where such borrowing strategies were employed—whether for roads, energy infrastructure, manufacturing hubs, or educational institutions—the long-term benefits often outweighed the short-term debt burdens. Egiyi (2022b) further argues that productive debt, especially when linked to capacity-building projects and income-generating ventures, not only sustains itself through returns but also enhances national competitiveness and self-reliance.

A major turning point in Nigeria's economic trajectory was the discovery of crude oil in the 1950s, which profoundly altered fiscal policy and national development planning. The subsequent oil boom of the 1970s generated immense revenues, fostering a perception of limitless economic prosperity. This period witnessed increased public sector spending, fueled by the expectation that oil wealth would sustain economic expansion indefinitely. Successive military administrations embarked on ambitious developmental projects, leveraging external borrowing to finance large-scale infrastructural initiatives such as road networks, power generation, steel production, and housing projects (Ajayi & Oke, 2012). In principle, many of these investments were aimed at enhancing economic productivity and national self-sufficiency. However, the implementation of these projects was frequently marred by inefficiencies, mismanagement, cost overruns, and systemic corruption, leading to instances where borrowed funds were not fully optimized for developmental impact.

Despite these shortcomings, the borrowing patterns of the pre-SAP era retained an element of fiscal discipline that is largely absent in contemporary times. Loans were predominantly tied to capital-intensive projects with long-term economic benefits rather than the funding of recurrent expenditures such as salaries and administrative costs. Government borrowing strategies, although imperfect, were generally aligned with developmental objectives, reflecting a broader commitment to national infrastructure growth. Moreover, the concessional nature of many of these loans meant that debt servicing obligations were not as burdensome as in later years, when non-concessional borrowing and commercial loans became the norm.

The relative fiscal prudence of the pre-SAP era stands in contrast to the reckless accumulation of debt witnessed in subsequent decades. The introduction of SAP in 1986 marked a pivotal shift, forcing Nigeria to liberalize its economy, devalue its currency, and increase reliance on external financing to bridge growing fiscal deficits. Unlike the pre-SAP years, where borrowing was at least nominally linked to developmental initiatives, post-SAP debt accumulation has been characterized by a heavy reliance on external loans to finance budget shortfalls, service existing debt obligations, and sustain an increasingly bloated government structure.

This raises a critical question: If pre-SAP borrowing, despite its inefficiencies, maintained a semblance of fiscal discipline and investment in capital projects, what structural weaknesses led Nigeria down a path of debt dependency in the post-SAP era? The answer lies in a combination of poor economic planning, rising corruption, and a failure to establish sustainable revenue-generation mechanisms beyond oil exports. Unlike the infrastructurally driven borrowing of earlier years, modern debt accumulation appears largely disconnected from any tangible growth agenda, exacerbating concerns over fiscal irresponsibility and economic vulnerability.

The Debt Crisis of the 1980s and Nigeria's IMF/World Bank Entanglement

The 1980s marked one of the most turbulent periods in Nigeria's economic history, as the nation grappled with a severe debt crisis triggered by external shocks and fiscal mismanagement. At the heart of this crisis was Nigeria's overreliance on crude oil exports, a vulnerability that was brutally exposed when global oil prices plummeted in the early part of the decade. With government revenues collapsing and foreign exchange reserves dwindling, Nigeria found itself unable to meet its external debt obligations. The debt-to-GDP ratio surged, and as loan repayments became increasingly unsustainable, the government sought emergency financial assistance from the International Monetary Fund (IMF) and the World Bank (Egiyi, 2017).

The IMF and World Bank, in response to Nigeria's request for support, imposed a series of structural reforms as conditions for assistance. The most notable of these was the Structural Adjustment Programme (SAP), which was introduced in 1986 under the administration of General Ibrahim Babangida. SAP was designed as a comprehensive economic reform package aimed at restoring macroeconomic stability, reducing fiscal deficits, and repositioning Nigeria's economy towards a more market-oriented structure. Its key policy measures included the devaluation of the naira, removal of subsidies, trade liberalization, privatization of state-owned enterprises, and reductions in government expenditure (Mutai et al., 2024).

In theory, SAP was intended to enhance economic efficiency by eliminating distortions in Nigeria's economy and attracting foreign investment. However, in practice, these reforms had catastrophic consequences for the average Nigerian. The drastic devaluation of the naira led to hyperinflation, making essential goods and services unaffordable for large segments of the population. The removal of subsidies, particularly on petroleum products and agricultural inputs, further exacerbated economic hardship, as transport costs soared and food prices escalated. Meanwhile, the rapid liberalization of trade exposed local industries to intense competition from foreign goods, leading to the collapse of numerous indigenous businesses and a surge in unemployment.

Perhaps most concerning was the fact that, despite the sacrifices imposed on Nigerians, the debt crisis was not meaningfully alleviated. Debt servicing obligations remained overwhelming, consuming an ever-increasing share of government revenue and severely limiting public investment in critical sectors such as education, healthcare, and infrastructure. The irony of SAP was that while it was meant to stabilize Nigeria’s economy, it instead entrenched economic dependency and deepened social inequalities. The World Bank and IMF’s insistence on austerity measures failed to address the fundamental structural weaknesses of Nigeria’s economy, including corruption, poor governance, and an overdependence on oil revenues.

The long-term consequences of Nigeria’s SAP-era debt crisis continue to reverberate today. The experience of the 1980s left a deep mistrust of international financial institutions among Nigerians, with many viewing the IMF and World Bank’s involvement as a form of economic imperialism that prioritized debt repayment over national development. The failure of SAP also serves as a cautionary tale about the dangers of borrowing without a clear, sustainable economic strategy. As Nigeria once again finds itself in the throes of rising debt and fiscal distress, the lessons of the 1980s remain bluntly relevant: without prudent economic management, borrowing can quickly become a trap rather than a tool for growth.

Debt Forgiveness in the 2000s—A Fresh Start or a Reset to Old Habits?

By the early 2000s, Nigeria's debt crisis had reached a tipping point. The accumulation of external liabilities, largely a consequence of unchecked borrowing and compounding interest payments, had rendered the country’s fiscal position unsustainable. With external debt surpassing $30 billion and debt servicing consuming a disproportionate share of national revenue, Nigeria faced significant developmental constraints. Social services were underfunded, infrastructure projects stagnated, and economic growth was stifled by the ever-growing burden of loan repayments. The government found itself trapped in a cycle where new borrowings were primarily used to service old debts rather than finance productive investments (Asabor, 2024).

Recognizing the severity of the situation, the Nigerian government, under President Olusegun Obasanjo, engaged in extensive negotiations with the Paris Club, a consortium of major creditor nations. In 2005, this diplomatic effort culminated in a landmark debt relief agreement, which saw the Paris Club cancel $18 billion of Nigeria's external debt in exchange for a final lump-sum payment of $12.4 billion. This historic deal, brokered with the support of multilateral institutions such as the International Monetary Fund (IMF) and World Bank, was hailed as a significant victory, providing Nigeria with a long-awaited opportunity to reset its economic trajectory and refocus on sustainable development (CGD, 2011).

In theory, this debt relief should have marked the beginning of a new era of fiscal prudence, freeing up resources for investment in critical sectors such as education, healthcare, power generation, and infrastructure. With a dramatically reduced debt burden, Nigeria was well-positioned to adopt long-term strategies aimed at economic diversification, industrialization, and improved governance. The expectation was that lessons from past mismanagement would guide policymakers towards a more disciplined and responsible approach to public finance, ensuring that the country did not fall back into unsustainable borrowing patterns.

However, the optimism surrounding Nigeria's debt forgiveness was short-lived. Rather than leveraging this fresh start to implement structural reforms and reduce dependency on external financing, successive administrations quickly reverted to old habits. Within a decade of the debt relief deal, Nigeria's borrowing resumed at an alarming pace, driven by a combination of budget deficits, infrastructure gaps, and reckless fiscal policies. The government's failure to significantly expand non-oil revenue sources meant that expenditure continued to outstrip earnings, necessitating further debt accumulation.

Compounding the problem was the absence of stringent accountability mechanisms to ensure that borrowing was channeled into productive investments. Instead of prioritizing capital projects with long-term economic benefits, much of the newly acquired debt was funneled into recurrent expenditure, including salaries, administrative costs, and politically motivated projects with minimal developmental impact. The re-emergence of debt dependency raised critical concerns: Had Nigeria truly learned from its past financial missteps, or had the 2005 debt relief simply provided temporary relief while masking deeper structural inefficiencies?

The post-debt forgiveness period underscores a fundamental challenge in Nigeria's economic governance—an inability to enforce fiscal discipline despite repeated warnings from economic analysts and international institutions. The country's failure to capitalize on the opportunity provided by debt relief reflects a broader issue of economic mismanagement, weak institutional oversight, and a political culture that prioritizes short-term gains over long-term stability.

Today, Nigeria finds itself once again burdened by rising debt, with external and domestic obligations increasing at an unsustainable rate. The lessons of the 2000s remain painfully relevant: debt forgiveness, while beneficial in alleviating immediate fiscal pressures, does not guarantee long-term financial stability unless accompanied by deep-seated reforms. Without a shift towards sustainable revenue generation, prudent expenditure management, and institutional transparency, Nigeria risks perpetually cycling through periods of debt accumulation, crisis, relief, and renewed borrowing—an economic déjà vu that threatens future generations.

Nigeria's Current Debt Profile: The Descent into Economic Captivity

Nigeria's public debt has surged to alarming levels, reflecting years of fiscal mismanagement, overreliance on borrowing, and an inability to expand domestic revenue sources. As of the second quarter of 2023, Nigeria's total public debt stood at an astonishing $113.42 billion, with external debt constituting a significant proportion of this burden (Ita, 2025). This rapid accumulation of liabilities has triggered growing concerns about the country's financial sustainability, as the debt service-to-revenue ratio has escalated to a staggering 96%—an indication that nearly all government revenue is consumed by debt repayment rather than being invested in critical developmental programs.

The implications of this debt profile are dire. With nearly the entirety of government earnings dedicated to servicing past obligations, the capacity to fund essential sectors such as healthcare, education, and infrastructure is severely constrained. The fiscal space required to implement policies that drive economic growth has been eroded, leaving the nation increasingly dependent on further borrowings to meet even routine obligations. This pattern creates a vicious cycle in which new debts are acquired not to finance productive investments but to service existing commitments, leading to a perpetual state of economic fragility.

One of the most troubling aspects of Nigeria's current debt structure is the composition of its external liabilities. Much of the borrowing has been sourced from multilateral institutions, foreign governments, and international bond markets. While some of these debts come with relatively concessional terms, a growing portion consists of commercial loans with high-interest rates, exposing Nigeria to exchange rate volatility and external shocks. The depreciation of the naira further exacerbates this burden, making dollar-denominated debt increasingly expensive to service. Consequently, the country remains at the mercy of international lenders, with little room for negotiation or policy autonomy.

Compounding the crisis is Nigeria's persistently weak revenue generation. Despite being Africa's largest economy, Nigeria has one of the lowest tax-to-GDP ratios on the continent, hovering around 6%—a stark contrast to the 15–20% average observed in peer economies (World Bank Group, 2024; Egiyi, 2023). The heavy reliance on oil revenue, which is subject to volatile global market fluctuations, has left government finances in a precarious position. Non-oil revenue streams, such as taxation and internally generated revenue, remain underdeveloped due to inefficient tax collection mechanisms, widespread tax evasion, and a large informal economy that operates outside the formal tax net.

Furthermore, corruption and fiscal leakages continue to erode whatever revenue is generated. Billions of dollars are lost annually through misappropriation, illicit financial flows, and fraudulent procurement practices. This financial hemorrhage not only exacerbates the debt crisis but also undermines public confidence in government spending, making revenue mobilization efforts even more challenging. The reluctance of citizens to comply with tax obligations is, in part, a rational response to the perception that public funds are being mismanaged rather than deployed for national development.

The rising debt burden also carries significant macroeconomic consequences. Investors, both domestic and foreign, view Nigeria's escalating debt levels with increasing apprehension. The risk of sovereign default or a forced restructuring of obligations looms large, discouraging investment inflows that are crucial for economic expansion. Credit rating agencies have repeatedly downgraded Nigeria's ratings, citing concerns over debt sustainability and fiscal irresponsibility. This, in turn, raises the cost of borrowing even further, creating a self-reinforcing cycle of financial strain.

What is most concerning, however, is the absence of a concrete debt management strategy that prioritizes long-term economic stability over short-term political expediency. Successive administrations have continued to pursue borrowing as a primary means of funding government activities, with little regard for the structural adjustments needed to reverse the trend. Without decisive reforms aimed at improving revenue generation, curbing excessive spending, and ensuring that borrowed funds are directed towards productive ventures, Nigeria risks descending into full-scale economic captivity—where fiscal sovereignty is eroded, policy decisions are dictated by external creditors, and future generations inherit an economy shackled by insurmountable debt.

If corrective measures are not implemented urgently, the consequences could be catastrophic. Nigeria may find itself unable to meet its obligations, leading to defaults that would severely damage its global financial reputation. More importantly, the social cost of this debt crisis will be borne by the citizens—rising inflation, unemployment, and declining public services will deepen poverty and inequality, perpetuating the cycle of economic distress. The lessons of history are clear: unbridled borrowing without a corresponding strategy for economic growth and fiscal discipline will only lead to deeper economic incarceration, with the nation’s future held hostage by the reckless financial decisions of today.

Key Reckless Borrowing Practices in Nigeria Today

Excessive Foreign Loans with Unfavourable Terms

Nigeria’s contemporary borrowing trajectory has been marked by an alarming over-reliance on external loans obtained under stringent repayment conditions. Unlike previous decades, when concessional loans—typically characterized by lower interest rates and extended repayment periods—formed the backbone of the country’s external debt portfolio, the present era has seen a shift towards more aggressive borrowing from private creditors. These include the Eurobond markets and Chinese financial institutions, both of which impose significantly less favorable terms, often laden with high-interest rates and shorter maturity periods (Mutai et al., 2024).

The implications of this shift in borrowing patterns are profound. The reliance on Eurobonds exposes Nigeria to heightened exchange rate risks, as these debts are dollar-denominated. Given the persistent depreciation of the naira, the real cost of repaying these obligations continues to escalate, further straining already fragile government finances. Unlike concessional loans from multilateral institutions such as the World Bank and the International Monetary Fund (IMF), which often come with technical assistance and capacity-building support, Eurobonds provide no such developmental advantages. Instead, they represent a purely commercial arrangement, where the government must rely on volatile revenue streams—primarily from oil exports—to meet its obligations.

Even more concerning is China's growing dominance in Nigeria's loan portfolio. The structure of Chinese loans has raised critical questions regarding the country's economic sovereignty. Unlike Western creditors, whose loans often include transparency requirements and governance benchmarks, Chinese financial institutions have developed a reputation for opaque lending practices, which, in many cases, bypass standard legislative oversight. The clauses embedded within these agreements frequently contain provisions that permit China to seize strategic national assets in the event of loan defaults. This has led to widespread speculation that Nigeria, like several other African nations, may be falling into a new form of economic colonialism—debt diplomacy disguised as development assistance.

This concern is not merely theoretical. Precedents exist across Africa, where Chinese creditors have taken over key infrastructure projects due to loan defaults. The case of Sri Lanka's Hambantota Port serves as a cautionary tale: unable to meet its debt obligations, Sri Lanka was forced to cede control of the port to China on a 99-year lease (Schultz, 2017). Given Nigeria's increasing reliance on Chinese loans to fund critical infrastructure projects such as railways, power plants, and roads, it is not unreasonable to question whether similar outcomes could unfold within its borders.

A fundamental flaw in Nigeria's current borrowing strategy is the apparent lack of rigorous cost-benefit analysis before acquiring these loans. In many cases, debts are incurred for projects that fail to generate sufficient revenue to service the loans. Infrastructure projects financed through external loans frequently suffer from inefficiencies, delays, and cost overruns, further exacerbating the debt burden. Moreover, the absence of stringent accountability mechanisms has resulted in misallocation of borrowed funds, with a significant portion of external loans diverted towards recurrent expenditure rather than capital investments that could yield long-term economic benefits.

Beyond the direct financial consequences, excessive foreign borrowing has also resulted in diminished policy independence. With a growing portion of national revenue committed to servicing external debt, Nigeria finds itself increasingly vulnerable to the dictates of its creditors. The IMF and World Bank, for instance, have historically imposed structural adjustment conditions as a prerequisite for financial assistance, compelling borrowing nations to implement austerity measures that often prove detrimental to social welfare. Similarly, Chinese loans, though marketed as "no-strings-attached" financing, frequently carry hidden geopolitical consequences, subtly influencing foreign policy decisions and limiting the country's ability to act in its best interests on the global stage.

The pertinent question remains: has Nigeria inadvertently surrendered its economic sovereignty through reckless borrowing? If urgent measures are not taken to reassess the terms of its external liabilities, the nation risks sliding into a perpetual state of financial servitude—where national assets, economic policies, and even diplomatic alignments are dictated by creditor nations. Avoiding this fate requires a fundamental shift in fiscal strategy. Strengthening domestic revenue mobilization, implementing prudent debt management policies, and ensuring greater transparency in loan agreements must become immediate priorities. Otherwise, Nigeria will continue to mortgage its future in exchange for short-term financial relief, leaving future generations shackled by the weight of decisions made today.

Continuous Reliance on Borrowing to Fund Recurrent Expenditures

One of the most alarming trends in Nigeria's borrowing pattern is the persistent use of debt to finance recurrent expenditures such as salaries, pensions, and administrative costs (Michael, 2024). This practice has become deeply entrenched in fiscal policy, despite its evident unsustainability. Unlike capital expenditures, which contribute to long-term economic growth through the development of infrastructure, industrial projects, and technological advancements, recurrent spending does not generate revenue to offset the debt incurred. Consequently, the government finds itself in a perpetual borrowing cycle, taking on new loans simply to meet existing obligations rather than to stimulate economic expansion.

This trend contradicts fundamental public finance principles, which dictate that borrowing should be channeled towards productive investments that yield future economic returns. The essence of debt financing is to bridge temporary resource gaps for investments that ultimately enhance revenue generation, not to sustain a bloated bureaucracy or fund consumption-driven expenditures. When loans are utilized for purposes that do not contribute to economic productivity, the inevitable outcome is fiscal fragility, where debt servicing obligations increasingly consume national revenue, leaving little for developmental initiatives. Nigeria's debt service-to-revenue ratio, which has reached an unsustainable 96%, underscores the gravity of this problem, as nearly all government income is now absorbed by debt repayments rather than channeled towards growth-enhancing programs (Balogun, 2023).

The reliance on borrowing to fund recurrent expenditures reflects a deeper structural problem: an inefficient and excessively large public sector. The Nigerian government remains one of the highest-cost bureaucracies in Africa, with a sprawling administrative framework characterized by redundant agencies, overlapping functions, and an inflated wage bill. The cost of governance has continued to rise disproportionately to economic performance, fueled by unchecked public spending, political patronage, and a lack of fiscal discipline. Rather than implementing reforms to streamline public administration and enhance efficiency, successive governments have instead resorted to borrowing as a short-term fix, further compounding the country's financial distress.

A consequence of this borrowing pattern is the erosion of public confidence in fiscal governance. The misallocation of borrowed funds not only weakens investor sentiment but also exacerbates the nation's risk profile in global financial markets. Lenders and credit rating agencies monitor how borrowed funds are utilized, and when a significant portion is directed towards non-productive expenditures, the country becomes less attractive to investors. This often results in higher borrowing costs, as Nigeria is increasingly forced to rely on expensive Eurobonds and non-concessional loans from private creditors, rather than securing low-interest loans from multilateral institutions. In effect, the country's debt structure is shifting towards higher risk and costlier obligations, further straining its limited resources.

Beyond the economic implications, the continuous use of borrowing to finance recurrent spending has significant social consequences. With scarce fiscal resources being allocated to debt servicing and bureaucratic expenses, critical sectors such as education, healthcare, and infrastructure remain grossly underfunded. This misallocation stifles human capital development, reduces social welfare, and hampers economic competitiveness. A nation that prioritizes debt-fueled administrative expenses over strategic investments in development risks long-term stagnation, as future generations inherit the burden of debt without the corresponding benefits of growth-driven policies.

Rather than persisting in this fiscally irresponsible trajectory, Nigeria must embrace fundamental reforms that prioritize revenue generation and expenditure efficiency. The over-reliance on borrowing as a primary fiscal strategy must give way to policies that enhance domestic revenue mobilization through improved taxation, economic diversification, and a reduction in wasteful government spending. Borrowing, when necessary, should be strictly tied to projects that have measurable economic returns, rather than serving as a tool for political expediency and administrative sustenance. The failure to realign borrowing patterns with economic objectives will only accelerate the nation's descent into financial insolvency, placing an untenable burden on both present and future generations. The pertinent question remains: how long can a nation continue to borrow simply to sustain itself, rather than to develop itself?

Borrowing-Corruption Nexus—How Borrowed Funds Are Siphoned

Corruption has long been the Achilles' heel of Nigeria's borrowing strategy. The mismanagement of borrowed funds has transformed what should be an instrument for economic progress into a conduit for enriching political elites at the expense of national development (Etefe, 2023). Rather than being deployed for productive investments that generate long-term economic value, a substantial portion of Nigeria's external and domestic borrowings is siphoned through fraudulent contracts, inflated project costs, and outright embezzlement. This systemic corruption has deepened Nigeria's debt crisis, as borrowed funds, instead of catalyzing growth, merely enrich a select few while leaving the broader population to shoulder the repayment burden.

The historical record is replete with high-profile scandals involving borrowed funds. Under the administration of President Olusegun Obasanjo, the $16 billion power sector scandal remains one of the most glaring examples of how external loans intended for infrastructure development were misappropriated (The Nation, 2019). Despite the massive borrowing and expenditure purportedly directed at improving Nigeria's power generation capacity, the sector remains in shambles, with frequent blackouts and a failing electricity grid. No tangible results emerged from this staggering investment, and successive administrations have continued to sink borrowed funds into the sector with little to show for it.

Similarly, under the Goodluck Jonathan administration, the country witnessed the looting of the \$2.1 billion arms procurement fund, which was intended to bolster the fight against insurgency (Okogba, 2019). Instead of being used to equip the military, the funds were allegedly funneled into political campaigns and private accounts, exacerbating the security crisis and undermining Nigeria's defense capabilities. The administration also presided over an era of unchecked oil revenue leakages and questionable foreign loans, further entrenching the borrowing-corruption nexus.

The Muhammadu Buhari administration, despite its initial anti-corruption stance, was not immune to the misappropriation of borrowed funds. The COVID-19 intervention funds, much of which came from external loans secured from the International Monetary Fund (IMF) and the World Bank, became a target of corruption. While these funds were meant to provide relief to vulnerable Nigerians and support the healthcare sector, audits and investigative reports revealed widespread mismanagement, with funds allegedly diverted for personal and political use (Alhassan, 2024). Furthermore, under Buhari's tenure, Nigeria's debt stock soared, with a significant portion allocated to projects that either failed to materialize or were shrouded in opacity, raising concerns about financial accountability.

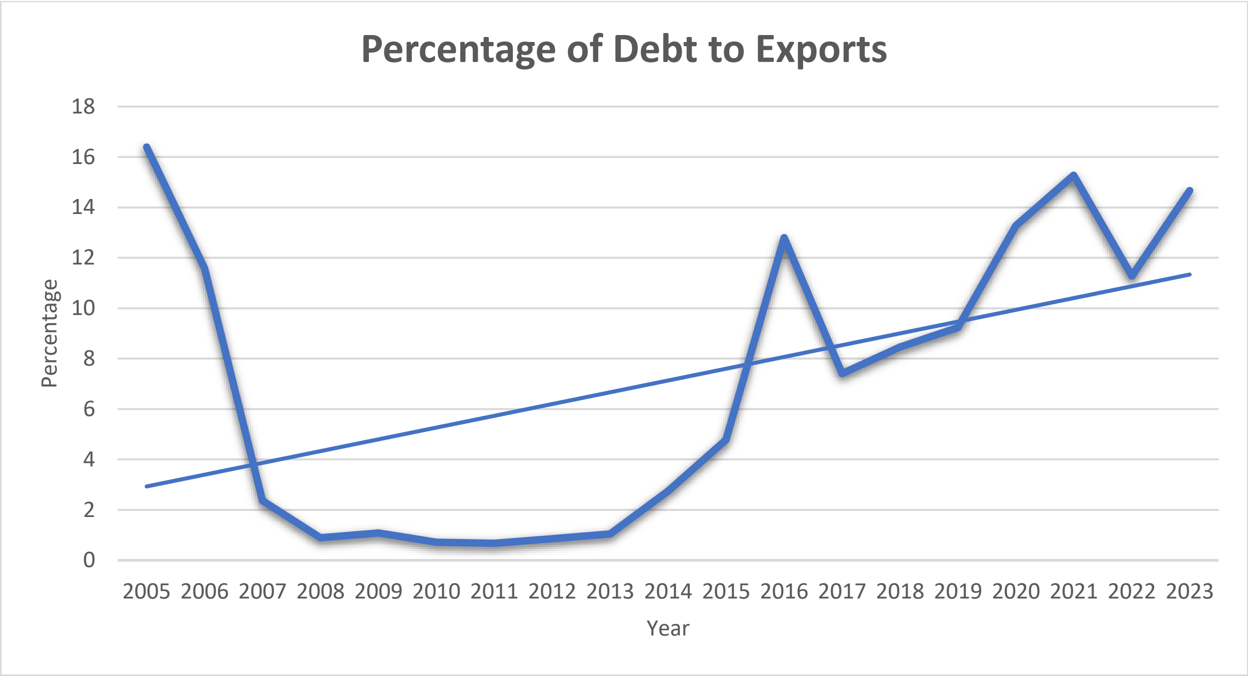
Under the current administration, the pattern persists. The government continues to secure large-scale loans with limited transparency regarding their utilization. Questions remain about the true beneficiaries of these borrowings, as well as the feasibility of repaying them without plunging the nation into deeper financial distress. Infrastructure contracts, particularly those linked to Chinese loans, are often inflated, and concerns about kickbacks and underhand dealings in loan negotiations have been raised by financial analysts and opposition lawmakers.

The cycle of borrowing and looting has devastating consequences for Nigeria's economic stability. When loans are misappropriated, the expected multiplier effects—such as job creation, industrial expansion, and infrastructure improvement—fail to materialize. Instead, the country is left with ballooning debt obligations, forcing it to allocate an increasing share of national revenue to debt servicing rather than economic growth initiatives. The reckless diversion of borrowed funds also undermines investor confidence, making it harder for Nigeria to secure favorable loan terms in the future. Lenders factor in governance risks when extending credit, and Nigeria's poor track record of loan utilization has contributed to its declining creditworthiness.

If borrowing is to serve its intended purpose of fostering economic development, an overhaul of Nigeria's fiscal management framework is imperative. Strengthening institutional oversight, enhancing transparency in loan negotiations, and holding public officials accountable for misappropriated funds are necessary steps to break the borrowing-corruption cycle. Otherwise, Nigeria will remain trapped in a vicious cycle where each new loan serves as an avenue for elite enrichment while the broader economy sinks further into debt dependency. The fundamental question remains: if borrowing continues to enrich a corrupt few while impoverishing the nation, can Nigeria ever truly achieve economic sovereignty?

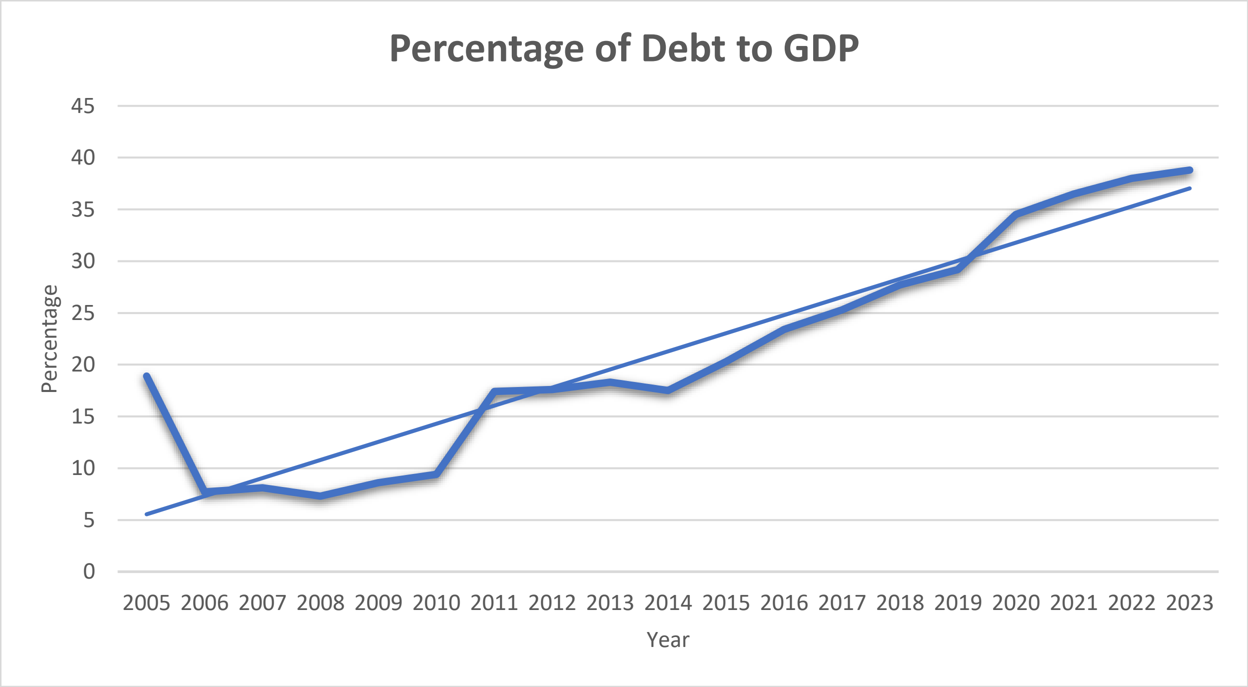
Debt Sustainability Analysis: Trends in Nigeria's Debt-to-GDP and Debt Service-to-Exports Ratios (2005–2023)

Fig. 1: *Trend Analyses of the Debt to Exports Ratio from 2005 to 2023*



Source: Computed from Data from CBN Statistical Bulletin, 2023

Fig. 2: *Trend Analyses of the Debt to GDP Ratio from 2005 to 2023*



Source: Computed from Data from CBN Statistical Bulletin, 2023

The line diagrams illustrate Nigeria's Debt-to-GDP (DebtGDP) Ratio and Debt Service-to-Exports (DebtExp) Ratio from 2005 to 2023 depicts a clear trend of increasing debt burden over the years, with notable fluctuations influenced by economic conditions, global commodity prices, and fiscal policies.

In the early years, the diagram would show a steep decline in both DebtGDP and DebtExp between 2005 and 2007. DebtGDP dropped from 18.9% to 8.1%, while DebtExp saw an even sharper decline from 16.40% to 2.37%. This sharp downward movement reflects Nigeria's debt relief agreements during the mid-2000s, which significantly reduced its external debt stock and, consequently, the proportion of export earnings spent on debt servicing.

Following this period of relief, the diagram would exhibit a relatively flat trend between 2008 and 2013, as DebtGDP fluctuated between 7.3% and 18.3%, while DebtExp remained below 1.1%. This period suggests that Nigeria maintained a controlled debt profile, with manageable servicing costs. The low and stable DebtExp values indicate that export revenues were sufficient to meet external debt obligations without significant strain.

A noticeable upward shift in both indicators would appear in the diagram from 2014 to 2016. DebtGDP increased from 17.5% to 23.4%, while DebtExp jumped from 2.74% to 12.81%. This steep incline coincides with the 2014–2016 oil price crash, which significantly reduced Nigeria's export earnings, making debt servicing more burdensome. The divergence between these two indicators suggests that while Nigeria's total debt stock was increasing relative to GDP, its ability to service debt was weakening due to falling export revenues.

Following the sharp rise, the diagram would show some stabilization between 2017 and 2019. DebtGDP steadily increased from 25.3% to 29.2%, while DebtExp fluctuated between 7.40% and 9.24%. This suggests that while the total debt stock continued to grow, debt servicing costs remained relatively stable, likely due to improved export earnings or restructuring of debt obligations.

A sharp spike in both indicators would be evident in the diagram during 2020 and 2021. DebtGDP soared to 34.5% in 2020 and further to 36.5% in 2021, while DebtExp surged to 13.27% and 15.27%, respectively. The global economic downturn caused by the COVID-19 pandemic resulted in weaker export performance and increased government borrowing to finance stimulus measures. The simultaneous rise in both indicators signifies growing fiscal pressure, with higher debt obligations and declining repayment capacity.

By 2022 and 2023, DebtGDP peaked at 38.8%, the highest level in the dataset, while DebtExp showed fluctuations, dropping to 11.28% in 2022 before rising again to 14.67% in 2023. The diagram would illustrate a continued upward trend in DebtGDP, reflecting sustained borrowing, while DebtExp remains volatile, indicating Nigeria's external debt servicing challenges relative to fluctuating export revenues.

The overall trajectory in the line diagram underscores a progressive increase in Nigeria's debt burden, with a marked deterioration in debt servicing capacity, especially post-2014. The widening gap between DebtGDP and DebtExp in later years highlights the growing reliance on borrowing amid unstable export revenues. This calls for policy measures focused on debt sustainability, including export diversification, prudent borrowing practices, and enhanced revenue generation to mitigate risks associated with rising debt levels.

SECTION FOUR

ECONOMIC CONSEQUENCES

Borrowing, when undertaken prudently, serves as a catalyst for economic transformation. However, reckless borrowing, as witnessed in Nigeria's contemporary debt trajectory, leads to a dystopian economic reality characterized by servitude, stagnation, and intergenerational financial imprisonment. The consequences of unregulated debt accumulation are neither abstract nor distant—they manifest in the daily struggles of citizens, the deterioration of public infrastructure, and the fiscal asphyxiation of future generations. This section explores the multifaceted economic consequences of reckless borrowing, emphasizing its role in economic incarceration and the infertility of tomorrow.

Debt Servitude: How Reckless Borrowing Enslaves Future Generations

The notion that debt merely facilitates development ignores its long-term repercussions, particularly when borrowing outpaces revenue generation. Nigeria's debt burden has escalated to the point where debt servicing consumes a disproportionate share of government revenue (Yakubu, 2025). This creates a perpetual cycle where future generations inherit obligations they did not create, leading to economic servitude. The government, rather than prioritizing revenue diversification and fiscal prudence, continues to rely on external loans to sustain expenditures, deepening the nation's financial vulnerability. The consequences are far-reaching, as Nigeria finds itself locked in a vicious cycle where new debts are taken not for productive ventures but to repay past borrowings, a phenomenon known as debt overhang.

A fundamental question arises: Who benefits from Nigeria's borrowing spree? While politicians justify loans as necessary for infrastructure and development, the reality is that a substantial portion is lost to inefficiency, mismanagement, and outright corruption. The intended benefits of these loans—economic growth, employment generation, and improved public services—are rarely realized, as funds are either diverted into non-productive ventures or embezzled outright. From inflated contracts to abandoned projects, the story of Nigeria's borrowing is riddled with cases of waste and abuse. Multibillion-dollar initiatives, such as power sector reforms and railway projects, have repeatedly failed to yield commensurate returns, raising questions about the true motives behind such borrowings.

The next generation will bear the consequences—higher taxes, reduced government spending on social services, and limited economic opportunities. As debt accumulates, future administrations will have little fiscal space to implement policies that promote sustainable development. Public sector wages may face stagnation, pension funds may become unsustainable, and critical infrastructure projects may remain underfunded. The most alarming aspect of this trajectory is that young Nigerians, who should be inheriting a thriving economy, will instead be burdened with repaying debts they had no part in contracting. The result is a disillusioned generation, forced to bear the weight of past economic mismanagement while struggling with declining living standards.

Beyond immediate fiscal constraints, the long-term implications of debt dependency extend to economic stagnation and intergenerational injustice. The more Nigeria borrows without establishing a productive economy capable of generating revenue, the more the country cedes its economic sovereignty to external creditors. Loan agreements often come with stringent conditions, including policy prescriptions that undermine domestic economic planning. Structural adjustment policies in the past have already demonstrated how externally dictated economic frameworks can lead to economic dislocation rather than stability. Should Nigeria's debt burden continue to rise unchecked, the nation risks becoming a pawn in the hands of creditors, forced to adopt measures that prioritize debt repayment over national development.

The fate of a country perpetually paying for past excesses is one of lost potential. Investment in education, healthcare, and critical social programs is sacrificed on the altar of debt servicing. With capital expenditure continually constrained, infrastructure decay becomes inevitable, further eroding the country's competitiveness. Future generations will not only inherit an economy weighed down by liabilities but will also face an environment where innovation and productivity are stifled by a lack of resources and opportunities. Nations that successfully transitioned from underdevelopment to economic powerhouses—such as South Korea and Singapore—did so by investing in human capital and strategic industries, not by recklessly accumulating debt without a clear repayment strategy.

Ultimately, reckless borrowing is not just a financial miscalculation; it is a form of economic enslavement that mortgages the future for the unsustainable indulgences of today. The debt trap in which Nigeria finds itself is not merely a consequence of external borrowing but of poor governance, short-term thinking, and a failure to implement sound fiscal policies. If urgent reforms are not undertaken to break this pattern, the country will continue to spiral into deeper economic dependence, where each new generation is less empowered than the one before. The moral question lingers: Should a nation's future be held hostage by the financial recklessness of its past leaders? The answer lies in the choices made today, as they will determine whether Nigeria's economic destiny remains one of subjugation or one of genuine liberation.

Currency Devaluation and Inflation: Borrowing-Induced Inflationary Pressures

The depreciation of Nigeria's currency over the years is partly attributable to excessive external borrowing. The issuance of sovereign bonds and external debt denominated in foreign currencies places downward pressure on the naira, leading to inflationary spirals (Asonuma, 2016). When the government borrows externally, obligations must be repaid in foreign currencies, increasing the demand for dollars and other hard currencies. This exacerbates foreign exchange volatility, causing the naira to weaken further. As the currency depreciates, import costs rise, leading to higher prices for goods and services. Given Nigeria's heavy reliance on imported consumer and industrial goods, the effects of currency devaluation are swiftly felt across all sectors of the economy, from food prices to manufacturing inputs.

As debt servicing obligations rise, foreign reserves are depleted, making currency stabilization increasingly difficult. Central banks in heavily indebted economies often find themselves in a dilemma—whether to deplete reserves to support the currency or allow depreciation to take its course. In Nigeria's case, interventions by the Central Bank of Nigeria (CBN) have proven insufficient to prevent the naira from plummeting. The government's continued reliance on external borrowing further weakens investor confidence, as creditors demand higher interest rates to compensate for the risk of lending to an economy with a fragile currency. The outcome is a vicious cycle where each new loan exacerbates exchange rate instability rather than alleviating economic constraints.

Empirical studies indicate that countries with high debt-to-GDP ratios experience chronic inflationary pressures due to increased money supply and diminished investor confidence (Lu, 2023). Nigeria's inflation rate, exceeding 28% in 2024 (National Bureau of Statistics, 2024), is not merely the result of global economic factors but is deeply rooted in reckless fiscal policies that prioritize short-term borrowing over long-term sustainability. High inflation erodes purchasing power, disproportionately affecting low- and middle-income earners who find their wages insufficient to meet basic needs. For a country where over 40% of the population already lives below the poverty line, sustained inflationary pressures push even more households into economic distress, worsening inequality and social instability (World Bank, 2024).

Inflation induced by reckless borrowing also distorts financial markets. Rising inflation expectations lead to higher interest rates, increasing borrowing costs for businesses and individuals. When private sector credit becomes expensive, investment declines, and economic growth stagnates. The government, in turn, faces higher domestic borrowing costs, making debt repayment even more challenging. The net effect is a financial environment where economic activity slows, unemployment rises, and public confidence in monetary policy weakens. The informal sector, which constitutes a significant portion of Nigeria's economy, is particularly vulnerable to inflation, as small businesses struggle with declining consumer demand and rising operational costs.

Beyond its direct impact on prices and exchange rates, excessive borrowing-driven inflation undermines macroeconomic stability. Persistent inflation devalues savings, discouraging long-term investment and financial planning. As inflation erodes the real value of wages, labor unrest and strikes become more frequent, disrupting productivity. This macroeconomic instability further discourages foreign direct investment (FDI), as investors seek more predictable and stable environments. Countries that have successfully managed inflation have done so by implementing disciplined fiscal and monetary policies, yet Nigeria continues to defy these lessons by sustaining policies that exacerbate inflation rather than contain it.

The real victims of borrowing-induced inflationary pressures are the citizens whose economic security is systematically eroded by misguided government policies. While policymakers justify external loans as necessary for infrastructure and economic growth, the reality is that each new round of borrowing fuels further devaluation, reducing the standard of living for ordinary

Nigerians. Without urgent reforms to curb reckless borrowing and implement sound monetary strategies, Nigeria risks slipping deeper into stagflation—an economic condition characterized by stagnant growth and persistently high inflation. A country that mortgages its financial future for unsustainable borrowing is one that guarantees economic hardship for its people, today and for generations to come.

Public Infrastructure Decay: How Unproductive Borrowing Leads to Economic Sterility

Debt, when used effectively, can stimulate infrastructural growth and economic productivity. The historical experience of developed economies demonstrates that well-managed borrowing, when channeled into transformative infrastructure projects, lays the foundation for long-term economic expansion. However, in Nigeria's case, borrowing has largely been squandered on projects that either remain incomplete or fail to generate expected returns (Jeremiah, 2024). Billions of dollars have been secured under the guise of funding critical infrastructure, yet the visible outcomes are negligible. While successive administrations have justified borrowing as a necessity for closing Nigeria's infrastructure gap, a more critical evaluation exposes a pattern of financial recklessness, misallocation of resources, and outright corruption that renders these loans counterproductive.

The reality of Nigeria's public infrastructure landscape tells a story of misplaced priorities and systemic inefficiency. Roads, power plants, and hospitals meant to be financed through loans often become abandoned due to poor planning, inflated contracts, and the diversion of funds for personal enrichment (Egiyi, 2024). The much-publicized Ajaokuta Steel Complex, which was meant to be a cornerstone of industrialization, remains an unproductive asset despite multiple rounds of foreign loans. Similarly, railway projects initiated with borrowed funds frequently suffer from delays, substandard execution, or cost overruns that make them financially unsustainable. Even in the power sector, where billions have been borrowed to improve electricity generation and distribution, the country continues to suffer from erratic supply, forcing businesses and households to rely on expensive alternative energy sources. The result is a paradox where, despite increased borrowing, Nigeria's infrastructure deficit continues to widen rather than shrink.

A fundamental flaw in Nigeria's debt-financed infrastructure projects is the lack of productivity-driven planning. In economies where borrowing is managed effectively, infrastructure investments are strategically aligned with economic output, ensuring that projects generate sufficient revenue to repay loans and create long-term economic benefits. In contrast, Nigeria's borrowing strategy has been largely disconnected from this principle. The absence of rigorous cost-benefit analyses before embarking on large-scale projects means that many of them are not commercially viable. For instance, airports, highways, and energy projects funded through external loans frequently fail to attract the level of usage necessary to justify their costs, thereby straining government finances rather than improving them. The misalignment between debt financing and productive output transforms what should be an economic stimulus into a fiscal liability.

This inefficient borrowing pattern has significant implications for the broader economy. The failure to utilize borrowed funds productively results in economic sterility, where the expected multiplier effects of infrastructure investment—job creation, improved business efficiency, and increased foreign investment—fail to materialize. Infrastructure is meant to act as an enabler of economic expansion, lowering the cost of doing business and fostering competitiveness in the global market. However, when debt-driven projects are mismanaged, they become economic deadweights, trapping the country in a cycle of repayment obligations without corresponding economic gains. Businesses continue to suffer from inadequate infrastructure, logistics inefficiencies persist, and Nigeria remains an unattractive destination for foreign investors who prioritize operational stability.

The situation is further exacerbated by the government's inability to maintain existing infrastructure, leading to rapid deterioration and continuous reallocation of scarce resources towards rehabilitation rather than expansion. Newly constructed roads, bridges, and public facilities often require repairs within a few years due to poor-quality construction and lack of maintenance planning. This reactive approach to infrastructure management ensures that even when projects are completed, they do not deliver sustained economic value. Instead of serving as catalysts for development, these projects become recurrent expenditure liabilities, demanding further borrowing to address their failures.

The borrowing spree, rather than fostering economic vibrancy, has ultimately led to infrastructural decay and stagnation (Premium Times, 2024). Nigeria's debt-financed infrastructure model has neither enhanced productivity nor improved the standard of living for its citizens. Instead, it has deepened economic inefficiencies, eroded fiscal stability, and entrenched dependency on foreign lenders. Unless a drastic shift in debt management policies occurs—one that prioritizes accountability, value-driven investments, and transparent execution—Nigeria will remain trapped in a paradoxical state where rising debt levels coexist with worsening infrastructure conditions. The path forward requires not just a reduction in reckless borrowing but a fundamental rethinking of how public debt is deployed to achieve genuine economic transformation.

Fiscal Straitjacket: The Burden of Loan Repayment Strangling Economic Growth

An economy shackled by debt is one with limited fiscal flexibility, where government decision-making is constrained not by economic priorities but by the sheer weight of loan obligations. Nigeria's debt-service-to-revenue ratio currently stands at an unsustainable 96% (Balogun, 2023), meaning that almost every naira earned by the government is funneled into repaying past debts rather than being invested in productive sectors. This fiscal straitjacket leaves little room for economic stimulus, infrastructure expansion, or social welfare programs, effectively stalling national development. A government that spends nearly all its revenue on debt servicing has minimal capacity to respond to economic crises, invest in human capital, or pursue policies that foster industrialization and technological advancement (Egiyi, 2017). This is the defining reality of Nigeria's fiscal position—a nation in which economic policy is dictated not by long-term strategic planning but by immediate loan repayment obligations.

The consequences of this constrained fiscal space are particularly evident in critical sectors such as education, healthcare, and industrial development. Nigeria's public universities remain chronically underfunded, forcing institutions to rely on ad-hoc funding arrangements, while the healthcare sector struggles with inadequate infrastructure, a severe brain drain, and a persistent shortage of medical supplies. The manufacturing sector, which should serve as the backbone of economic growth, remains stifled by poor access to credit, high operational costs, and inconsistent government policies. The reason is simple: a government drowning in debt lacks the fiscal leeway to invest in the very sectors that would drive sustainable economic growth. Instead, policymakers resort to short-term measures—raising taxes on an already overburdened private sector, implementing austerity policies that stifle economic activity, or securing yet another round of borrowing to stay afloat. These reactionary policies create a cycle of fiscal instability, where short-term fixes continually replace the structural reforms needed for long-term economic resilience.

What is the alternative? Fiscal prudence dictates that a country should balance borrowing with revenue generation, ensuring that debt remains a tool for growth rather than a burden on future generations. However, Nigeria's over-reliance on crude oil revenue, coupled with weak taxation policies, exacerbates its fiscal vulnerabilities. Despite multiple attempts at economic diversification, oil remains the primary revenue source, leaving the economy highly susceptible to global price fluctuations. The volatility of oil markets means that government earnings are unpredictable, leading to frequent budget shortfalls and an overdependence on external loans to bridge fiscal gaps. Compounding this problem is a taxation system that remains grossly inefficient—Nigeria's tax-to-GDP ratio is among the lowest in the world, hovering at around 6% (OECD, 2024), far below the African average of 17%. This weak revenue base makes it nearly impossible to sustain the government's growing expenditure, leading to an endless reliance on borrowing.

The consequence of this unsustainable fiscal model is a governance framework where new loans are secured to pay off existing obligations, plunging the nation deeper into a perpetual debt trap (Abindaw et al., 2023). This debt rollover strategy, while providing short-term liquidity, does nothing to address the underlying structural deficiencies in the economy. Instead, it perpetuates a financial mirage—an illusion of stability that masks an underlying fiscal crisis. With each successive administration inheriting an even larger debt burden, future governments will be forced into even more aggressive borrowing, compounding the problem rather than resolving it. This debt spiral is not merely a theoretical concern; it has real and immediate consequences for Nigeria's economic sovereignty. The more indebted a country becomes, the less control it has over its own economic policies, as creditors begin to impose stringent conditions on fiscal management. Already, Nigeria faces mounting pressure from international financial institutions to implement austerity measures, subsidy removals, and currency devaluations—policies that, while theoretically aimed at stabilizing public finances, often disproportionately harm the poorest segments of society.

If Nigeria continues on this trajectory, the long-term outlook is bleak. A country caught in a perpetual cycle of borrowing and debt repayment cannot lay the foundation for sustainable economic growth. The government must adopt a more disciplined approach to public finance, prioritizing revenue mobilization, expenditure efficiency, and strategic investment in productive sectors. This requires not only expanding the tax base but also curbing wasteful spending, reducing leakages, and ensuring that borrowed funds are directed towards high-yield projects rather than politically motivated expenditures. Without such reforms, Nigeria will remain ensnared in a fiscal straitjacket, where debt, rather than being a catalyst for development, becomes an instrument of economic stagnation. The time for decisive action is now—failure to reverse this reckless borrowing trend will only tighten the financial noose around future generations, leaving them with fewer opportunities, heavier tax burdens, and an economy perpetually struggling to break free from the chains of debt dependency.

Intergenerational Crisis: How Today's Reckless Borrowing Mortgages the Unborn

One of the most profound yet often overlooked consequences of reckless borrowing is its far-reaching impact on future generations. The economic choices made today do not exist in a vacuum—they shape the financial landscape that unborn Nigerians will inherit. When a government borrows irresponsibly without a clear strategy for repayment or productive reinvestment, it does not merely mortgage the present; it compromises the economic freedom of generations yet to come. The trajectory Nigeria is currently on suggests a grim inheritance—one in which the country's youth will be shackled to a debt burden they did not create, forced to bear the consequences of economic mismanagement and fiscal irresponsibility (Egiyi, 2024).

Intergenerational equity, a fundamental tenet of responsible governance, dictates that economic policies should be designed to ensure that future citizens are not unduly burdened by the financial decisions of their predecessors. However, Nigeria's fiscal trajectory has blatantly violated this principle. Young and unborn Nigerians are being sentenced to economic hardship before they even take their first breath, their futures mortgaged to sustain the excesses of today's political class. The rising debt burden translates into increased taxation, diminished public services, and restricted job opportunities. In a country where infrastructure, education, and healthcare are already in dire straits, what will remain for future generations if current leaders continue on this path of financial recklessness? The warning signs are already apparent—high youth unemployment, declining real wages, and an exodus of skilled professionals seeking better prospects abroad. If corrective measures are not implemented, the next generation will inherit an economy in which opportunities are scarce, social mobility is stifled, and prosperity is an unattainable dream.

The experiences of debt-ridden nations offer a cautionary tale. History is replete with examples of countries that have plunged into long-term economic crises due to irresponsible borrowing. Argentina, once a thriving economy, has been locked in a cycle of debt defaults, currency devaluations, and IMF bailouts, leaving its citizens to endure perpetual economic instability. Venezuela's debt-fueled economic collapse has resulted in hyperinflation, widespread poverty, and mass emigration, while Greece, after years of reckless borrowing, faced a crippling financial crisis that led to severe austerity measures and decades of economic stagnation. These countries serve as stark reminders of the dangers of unchecked debt accumulation. The question that must be asked is: Is Nigeria setting itself up for a similar fate? The warning signs are already there—rising inflation, weakening investor confidence, and an increasing portion of government revenue being diverted towards debt servicing rather than development. Without immediate corrective action, Nigeria may find itself trapped in an economic downward spiral from which recovery will take generations.

Beyond the economic ramifications, there is an ethical dimension to reckless borrowing that cannot be ignored. What right does the present generation have to make financial decisions that will severely constrain the opportunities of those yet unborn? Leadership is a custodial responsibility, one that demands foresight and prudence. However, Nigerian policymakers, rather than acting as responsible stewards of the nation's wealth, have engaged in fiscal short-sightedness that prioritizes immediate political gain over long-term stability. The result is a system where debts are accumulated not for transformative economic projects but to sustain an inefficient and bloated bureaucracy. Rather than investing in industries that would create jobs for the youth, borrowed funds are channeled into unproductive ventures that yield little to no economic return. In essence, today's borrowing is not an investment in the future—it is a theft from it.

The economic consequences of this mismanagement will not be limited to spreadsheets and financial reports; they will manifest in the everyday struggles of Nigerian families. As debt levels rise, the government will be forced to impose heavier tax burdens on individuals and businesses, stifling entrepreneurship and discouraging investment. Essential services such as healthcare and education will continue to suffer from chronic underfunding, while infrastructure projects will remain stalled or abandoned altogether. The younger generation, instead of inheriting a nation poised for growth and prosperity, will be left to pick up the pieces of a broken economy, navigating a landscape defined by scarcity, unemployment, and unfulfilled potential.

The time for complacency is over. If Nigeria does not reverse this reckless borrowing trend, the intergenerational consequences will be catastrophic. Future generations deserve better than an economy crippled by debt, a government paralyzed by financial constraints, and a society trapped in a cycle of economic stagnation. The choices made today will determine whether Nigeria's youth will thrive in an environment of opportunity or struggle under the weight of inherited financial servitude. Leadership must rise to the occasion, prioritizing fiscal responsibility over short-term political expediency. Failure to do so will not only condemn the present generation to economic hardship but will also ensure that the unborn enter a world where prosperity remains an elusive dream.

SECTION FIVE

MYTH OF BORROWING AS ECONOMIC SALVATION

Borrowing has long been painted as an indispensable tool for economic growth and development. Governments, financial institutions, and policymakers often justify debt accumulation under the guise of stimulating investment, accelerating infrastructure development, and bridging fiscal deficits. However, when borrowing is mismanaged, it becomes a destructive force that entraps economies in cycles of dependency, corruption, and fiscal collapse. The notion that debt, irrespective of its utilization, is a panacea for economic woes is a gold-coated excrement—a deceptive promise that conceals the long-term perils of reckless borrowing. This section dissects the myths surrounding borrowing as economic salvation, exposing how ill-conceived debt policies create short-term illusions while setting the stage for long-term financial disaster.

Illusion of "Good Debt" in the Wrong Hands

The conventional economic wisdom distinguishes between 'good debt' and 'bad debt.' Good debt, when utilized efficiently, finances projects that yield long-term economic benefits, such as infrastructure, healthcare, and education. It is the engine of sustainable development, enabling nations to invest in growth-enhancing initiatives that improve the quality of life for citizens. Bad debt, on the other hand, represents unsustainable borrowing—loans secured without a clear repayment strategy, often wasted on unproductive ventures that fail to generate sufficient economic returns. However, the Nigerian experience demonstrates a troubling reality: even good debt, when placed in the hands of reckless or corrupt policymakers, morphs into economic poison, compounding the nation's financial woes rather than alleviating them.

Nigeria and several other African nations have acquired billions in concessional loans, often under the guise of funding transformative economic projects. These loans, provided by multilateral institutions such as the World Bank, International Monetary Fund (IMF), and China's Exim Bank, are theoretically meant to spur industrialization, expand critical infrastructure, and enhance public service delivery. Yet, despite this influx of capital, the economic outcomes remain dismal. Misallocation, inefficiency, and outright embezzlement have turned what should have been productive borrowing into an insurmountable liability. This phenomenon is epitomized by the proliferation of white elephant projects—grandiose infrastructure initiatives that consume vast sums of borrowed capital but never reach completion or fail to contribute meaningfully to economic growth (Egiyi, 2024).

Nigeria's borrowing history is littered with failed or mismanaged projects. The Ajaokuta Steel Mill, a project that has spanned decades and absorbed billions of dollars in funding, remains non-operational, highlighting how debt-financed industrial ambitions can turn into financial black holes. Similarly, the East-West Road, a critical infrastructure project meant to improve connectivity in the Niger Delta, has suffered from continuous delays and budget overruns, with little to show for the funds expended. Even social-sector-focused loans, such as those allocated for education and healthcare, have often failed to yield expected outcomes due to mismanagement and systemic corruption. In the wake of the COVID-19 pandemic, Nigeria secured billions in emergency loans from global financial institutions, ostensibly to mitigate the health and economic crisis. However, reports later revealed significant discrepancies in how these funds were utilized, with allegations of diversion and waste dominating public discourse (Igwe, 2020).

A pertinent question emerges: Does borrowing always equate to economic progress? If debt were inherently beneficial, then Nigeria's staggering debt profile should have translated into a robust economy marked by industrial expansion, job creation, and improved living standards. Yet, the opposite is true. Instead of financing genuine development, a significant portion of borrowed funds has been funneled into recurrent expenditures, inflated government contracts, and outright looting. As a result, debt accumulation without corresponding productivity merely deepens economic fragility, entrapping nations in a vicious cycle of borrowing to repay previous loans rather than investing in sustainable growth (Eze & Ukwueni, 2023).

This cyclical debt dependency is evident in Nigeria's fiscal framework, where new loans are routinely acquired to service old debts. The government's debt-service-to-revenue ratio currently stands at an alarming 96% (IMF, 2024), meaning that almost all government earnings are allocated to repaying creditors, leaving little room for capital investment in critical sectors. This fiscal strangulation inhibits economic expansion, as funds that could have been deployed for productive ventures are instead funneled into loan repayments. The consequence is a governance model where debt becomes a self-perpetuating burden—one that does not fund development but rather sustains a dysfunctional economic system.

The illusion of "good debt" is further shattered when considering the structural inefficiencies in Nigeria's economic management. Ideally, well-structured borrowing should be accompanied by strong institutions, transparent governance, and rigorous accountability mechanisms to ensure that loans serve their intended purpose. However, in Nigeria's case, weak regulatory frameworks and political patronage have enabled the misappropriation of funds on an unprecedented scale. Rather than fostering economic transformation, borrowing has often been weaponized as a tool for political expediency, with successive administrations using debt to finance bloated bureaucracies, electioneering expenditures, and vanity projects that offer little to no return on investment.

The Nigerian borrowing spree also raises concerns about sovereignty and economic independence. External creditors, particularly China, have extended significant loans for infrastructure development under agreements that often include clauses granting them control over strategic national assets in the event of default. Several African nations, including Zambia and Kenya, have already faced the consequences of such loan arrangements, where key infrastructure assets, such as ports and power plants, are at risk of foreign takeover due to debt repayment failures. Nigeria, with its ballooning debt obligations, is treading a precarious path that could see future governments negotiating away national assets as collateral for unsustainable borrowing.

The lesson is clear: debt is not inherently good or bad; rather, its impact depends on how it is managed. When deployed effectively, borrowing can serve as a catalyst for national development, fostering industrialization, innovation, and economic resilience. However, when placed in the wrong hands, debt becomes a tool for financial recklessness, undermining economic stability and mortgaging the future of an entire nation. Without a radical shift in Nigeria's fiscal policies—one that prioritizes accountability, prudent spending, and revenue diversification—the country risks perpetuating a borrowing culture that does more harm than good. If Nigeria is to break free from this cycle, borrowing must be redefined—not as a means to sustain wasteful governance, but as a carefully calibrated tool for genuine economic transformation.

False Growth Narrative: How Borrowed Funds Create Short-Term Illusions of Economic Prosperity

Borrowed funds, particularly when funneled into recurrent expenditures or politically motivated projects, create artificial economic booms that mask underlying structural weaknesses. When governments secure external financing to subsidize consumption rather than invest in productive sectors, the immediate effect may appear positive—higher public sector salaries, increased social spending, and temporary boosts in GDP. These indicators often create the illusion of economic progress, reinforcing the belief that debt-fueled expansion is a viable growth strategy. However, such short-term gains are deceptive because they do not reflect genuine productivity improvements or long-term economic resilience (World Bank, 2024).

A classic example is Nigeria's reliance on foreign loans to fund budget deficits instead of generating internal revenue through taxation and industrial growth. Budgetary allocations financed through debt may sustain government operations in the short term, but they fail to address fundamental economic inefficiencies. Over time, as repayment obligations mount, governments are forced into austerity measures, currency devaluations, and excessive taxation, all of which erode whatever transient benefits debt-financed spending may have created (Egiyi, 2024). The result is a cycle where borrowed funds are used to create an illusion of stability, only for the economy to face severe contractions once creditors demand repayment.

The consequences of debt-driven economic growth extend beyond government finances. As public debt increases, investor confidence dwindles, leading to capital flight and reduced foreign direct investment. The private sector, instead of benefiting from government spending, often bears the brunt of excessive borrowing through inflationary pressures, higher interest rates, and constrained access to credit. Ultimately, an economy that relies on borrowing to sustain itself risks becoming a fragile system where the facade of prosperity crumbles the moment external funding dries up.

The key question remains: If debt-driven economic growth were genuinely sustainable, why do many heavily indebted nations experience frequent economic crises? The answer lies in the ephemeral nature of borrowed prosperity—when economic expansion is not underpinned by genuine productivity, it collapses under the weight of its own deception. Sustainable growth requires strategic investment in industries that generate wealth, not just the artificial stimulation of demand through borrowed money. Without a fundamental shift towards productive economic policies, Nigeria risks perpetuating a cycle of illusionary growth that ultimately leads to stagnation and crisis.

Borrowing as a Substitute for Productivity: Why It Is a Lazy Economic Strategy

Sustainable economic growth is driven by productivity—innovation, industrialization, and efficient resource utilization. However, rather than fostering entrepreneurship, strengthening local industries, and enhancing domestic production, many governments, including Nigeria's, have adopted a complacent approach: using borrowing as a shortcut to economic stability. Instead of implementing structural reforms that promote wealth creation, policymakers take the easier route of acquiring foreign loans to finance recurrent expenditures and consumption, creating a fragile economic model that is neither self-sustaining nor resilient (Egiyi, 2024).

The dangers of this borrowing-dependent strategy are far-reaching:

- **Dependency Syndrome**: When borrowing becomes the default fiscal strategy, governments lose the political will to implement difficult but necessary economic reforms. Reliance on external loans discourages long-term planning, as policymakers become more focused on securing new credit lines rather than driving domestic productivity (Tung & Nguyen, 2024).
- **Crowding Out Productive Investment**: Excessive government borrowing absorbs available credit in the financial system, leading to higher interest rates that make it more expensive for businesses to access capital. This stifles entrepreneurship and discourages investment in productive sectors, ultimately weakening the real economy (Yusuf & Mohd, 2021).

- **Sovereignty Erosion**: Countries that accumulate unsustainable debt often find themselves beholden to creditors who impose stringent conditions on economic policy. This external control can force governments to implement austerity measures or prioritize debt repayment over critical domestic needs, undermining national development goals (Egiyi, 2022b).

Debt can never serve as a replacement for productivity-driven economic growth. A nation that fails to develop strong domestic industries will remain vulnerable to external shocks, fiscal instability, and perpetual economic stagnation. Borrowing should complement, not substitute, productivity. Without investment in manufacturing, technology, and local value chains, debt-funded growth will always be an illusion—one that collapses under the weight of its own unsustainability.

Comparative Cases

Ghana: A Cautionary Tale of Debt Dependence

Ghana, once hailed as an African economic success story, serves as a stark warning of the perils of excessive borrowing. In its pursuit of rapid development, the country aggressively accumulated external debt to finance large-scale infrastructure projects and social programs. Initially, this strategy fueled impressive short-term economic expansion, creating the illusion of sustainable growth. However, as repayment obligations mounted and revenue generation lagged behind, Ghana found itself in a fiscal crisis, ultimately seeking an IMF bailout in 2023 to stabilize its deteriorating economy (Akolgo, 2023).

The Ghanaian experience highlights a fundamental economic truth: *Debt-financed growth is unsustainable when not supported by robust domestic production and revenue diversification*.

Without a strong industrial base and an efficient taxation system, nations become trapped in cycles of borrowing to service previous loans rather than investing in long-term economic transformation.

Nigeria's current debt trajectory closely mirrors Ghana's, raising serious concerns about an impending economic reckoning. If borrowing continues to outpace revenue growth, the country risks facing a similar fate—one where the burden of debt repayment constrains development, erodes investor confidence, and forces desperate fiscal measures that could destabilize the economy.

China's Debt Diplomacy in Africa—Economic Assistance or Neocolonial Entrapment?

China's deepening financial engagement with Africa has become a focal point of global economic discourse, with competing narratives about whether it represents a catalyst for development or a new form of economic subjugation. On the surface, China's extensive infrastructure investments—spanning roads, railways, ports, and power grids—appear to be a boon for Africa's long-standing developmental needs. However, beneath this façade lies a complex web of opaque loan agreements, stringent repayment terms, and strategic economic dependencies that raise fundamental concerns about sovereignty and long-term financial stability (McCarthy, 2023).

Unlike traditional multilateral lenders such as the International Monetary Fund (IMF) or World Bank, China employs a bilateral lending model, often bypassing the rigorous transparency and accountability mechanisms associated with Western financial institutions. African governments, eager for rapid infrastructure expansion, have embraced Chinese loans without fully considering their long-term fiscal implications. These loans frequently come with high-interest rates and collateralization clauses that require strategic national assets—such as ports, railways, or mineral resources—to serve as guarantees for repayment. In cases of default, debtor nations face the risk of economic entrapment, where China gains disproportionate control over vital national infrastructure (Soy, 2023).

A prominent example of this dilemma is Kenya’s Standard Gauge Railway, a multibillion-dollar project financed by Chinese loans. Initially lauded as a transformative investment to boost trade and connectivity, the railway has since struggled to generate the necessary revenue to cover its debt obligations. Reports indicate that Kenya's government is grappling with mounting repayment pressures, with fears that defaulting on its obligations could lead to Chinese control over key transport assets (Soy, 2023). Similar concerns have been raised in Zambia, where China’s increasing economic leverage has led to speculation about Beijing’s influence over Zambia’s copper mining sector, a vital source of national revenue (Chibueze, 2023).

Nigeria is following a strikingly similar trajectory. Over the past decade, the country has significantly increased its reliance on Chinese loans to finance major infrastructure projects, including railways, highways, and energy developments. While these projects address critical infrastructure deficits, they come at the cost of rising debt obligations that threaten Nigeria’s long-term fiscal health. With limited transparency surrounding loan agreements, concerns persist over whether Nigeria’s growing indebtedness to China will eventually translate into a loss of economic autonomy. The lack of clear repayment strategies raises the specter of future economic dependency, where Nigeria may be forced into unfavorable trade deals, policy concessions, or asset relinquishments to meet its debt obligations (McCarthy, 2023).

At the heart of this debate lies a critical question: **Is Chinese lending a genuine vehicle for African economic development, or does it serve as a tool for financial dominance?** Proponents argue that China’s infrastructure financing has filled a void left by Western institutions that have been hesitant to fund large-scale projects in Africa. They contend that roads, railways, and power plants built through Chinese partnerships are crucial for economic modernization and industrialization. However, critics point to a growing pattern of debt distress in African nations, where heavy reliance on Chinese loans has resulted in unsustainable repayment burdens, reduced fiscal independence, and an increased risk of economic coercion (Akolgo, 2023).

The lesson from past debt crises is clear: unregulated borrowing—regardless of the lender—can lead to long-term economic instability. If African nations fail to establish prudent fiscal policies, diversify revenue streams, and renegotiate unfavorable loan terms, they risk becoming entangled in debt obligations that compromise their sovereignty. Without strong governance, transparency, and strategic economic planning, China's financial assistance may morph into an economic stranglehold that limits Africa's ability to chart its own independent development path.

SECTION SIX
CONCLUSION

Reaffirming the Central Argument: Reckless Borrowing as an Economic Time Bomb

The persistent accumulation of debt, especially when undertaken without strategic foresight, poses a severe threat to the economic stability of any nation. As extensively discussed, Nigeria's reckless borrowing has led to economic stagnation, increased debt-servicing burdens, and the erosion of fiscal sovereignty. The pattern of borrowing not to invest but to finance recurrent expenditures has created a precarious situation where the nation's future is held hostage by past financial imprudence. If immediate corrective measures are not implemented, the country risks descending further into economic servitude, where debt repayment dictates national priorities rather than development goals.

One of the greatest misconceptions in economic governance is that borrowing, in and of itself, is a marker of progress. This fallacy has led successive Nigerian administrations to amass unsustainable levels of debt, often justified as necessary for infrastructure development. However, as evidenced by the failed or abandoned projects littering the country, much of this borrowing has served only to enrich a few while leaving the broader population to bear the economic consequences. Reckless borrowing, therefore, is not merely a financial misstep—it is an existential threat to Nigeria's economic future

Lessons from History: Nations That borrowed Wisely vs. Those That Fell into Economic Servitude

The global economic landscape is replete with cautionary tales of nations that succumbed to debt crises due to imprudent borrowing, as well as those that strategically leveraged borrowing for national development.

Argentina and Venezuela serve as grim reminders of the consequences of fiscal recklessness. In both cases, excessive borrowing, compounded by poor economic policies, led to hyperinflation, loss of investor confidence, and economic decline. Argentina, for example, has defaulted on its sovereign debt multiple times, resulting in prolonged economic distress and austerity measures that have only deepened public suffering.

Conversely, countries like South Korea and Singapore exemplify prudent borrowing strategies. South Korea, in the aftermath of the Korean War, took on debt but channeled it into industrialization, technological advancement, and education. The result was the transformation of a war-ravaged country into one of the world's leading economies. Singapore, under the leadership of Lee Kuan Yew, avoided excessive borrowing and instead prioritized foreign direct investment, sound fiscal management, and strategic public spending.

The distinction between these cases is clear: borrowing must be strategic, targeted, and accompanied by robust institutional frameworks that ensure funds are directed towards productive economic activities. Nigeria must learn from history and choose a path that fosters economic resilience rather than perpetual dependence on debt.

Moral Responsibility of Today's Leaders: A Debt-Free or Debt-Enslaved Future?

Leadership is ultimately about stewardship—ensuring that decisions made today do not compromise the well-being of future generations. Nigeria's current trajectory suggests a profound abdication of this responsibility, as reckless borrowing continues to mortgage the future of unborn citizens. A nation that consistently prioritizes borrowing over sustainable revenue generation is one that inevitably condemns its youth to a future of economic servitude.

It is imperative for Nigeria's policymakers to recognize that every loan secured today is a financial obligation imposed on future generations. The interest payments alone on existing debts already consume a disproportionate share of government revenue, leaving little room for critical investments in health, education, and infrastructure. The moral question, therefore, is clear: should today's leaders continue to mortgage the country's future for short-term political gains, or should they commit to an economic model that prioritizes sustainability over expediency?

Public accountability must also be reinforced to ensure that debt accumulation is not simply a means for political elites to enrich themselves at the expense of national stability. Transparency in debt procurement, effective oversight mechanisms, and stringent anti-corruption measures are critical in breaking the cycle of reckless borrowing.

Final Charge: Breaking the Cycle of Economic Incarceration

Nigeria stands at a defining crossroads. The choices made today will determine whether the country emerges as a resilient economic powerhouse or remains trapped in a cycle of debt dependency.

Breaking free from economic incarceration requires a multi-faceted approach:

- **Fiscal Discipline**: The government must prioritize revenue generation through diversified economic strategies rather than relying on unsustainable borrowing.

- **Productive Investment**: Borrowing should be limited to projects with measurable economic returns, ensuring that debt fuels growth rather than liabilities.
- **Strengthening Institutions**: Independent oversight bodies must be empowered to scrutinize debt agreements, ensuring transparency and accountability in public finance.
- **Public Awareness and Advocacy**: Citizens must demand responsible governance, as economic freedom is ultimately a collective responsibility.

Pathways to Redemption

Nigeria's economic future is not irreversibly doomed to the shackles of reckless borrowing. While the nation's current debt trajectory paints a grim picture of fiscal servitude, viable pathways to redemption exist. Addressing the borrowing crisis requires strategic policy interventions, institutional reforms, and a paradigm shift from dependency on debt-driven growth to self-sustaining economic strategies. The practical solution that can steer Nigeria away from debt-induced economic incarceration are:

Prudent Borrowing Strategies: Borrowing for Production, Not Consumption

One of the fundamental problems with Nigeria's borrowing pattern is the misuse of loans for recurrent expenditures rather than productive investments. Sound economic principles dictate that debt should be leveraged for investments that generate future revenue streams, such as infrastructure, industrialization, and human capital development. However, Nigeria's borrowing spree has largely been directed at funding government overheads, paying salaries, and servicing previous debts, creating a vicious cycle of dependency (World Bank, 2024).

A fundamental shift must occur wherein borrowing is strictly tied to projects with measurable returns. Countries that have successfully used debt as a growth catalyst—such as South Korea and Singapore—adopted a disciplined approach, ensuring that every borrowed dollar was strategically deployed into high-yield sectors (Tung & Nguyen, 2024). Nigeria must prioritize borrowing for industrial expansion, renewable energy, agriculture, and digital economy advancements to foster sustainable growth and debt repayment capacity.

Debt Transparency and Accountability: The Role of Public Oversight

Lack of transparency in Nigeria's borrowing process exacerbates fiscal recklessness. Many loans are secured without parliamentary scrutiny or public awareness, leading to misallocation and corruption (Farazmand et al., 2022; Egiyi, 2022c). A culture of secrecy surrounds debt negotiations, with contracts often containing unfavorable clauses that mortgage the nation's sovereignty.

Debt transparency requires comprehensive disclosure of loan terms, creditors, interest rates, and repayment schedules. Countries such as Chile and Sweden have institutionalized robust debt audit mechanisms, ensuring that borrowing decisions are made with full public knowledge and accountability (El-Dyasty & Elamer, 2022). Nigeria must adopt similar measures, including:

- A legal framework mandating parliamentary approval for all new loans.
- Public access to debt data through an independent debt management portal.
- Civil society involvement in monitoring debt utilization and government expenditures.

Enhanced accountability mechanisms would significantly reduce corruption and ensure that borrowed funds serve their intended developmental purposes rather than personal enrichment of the political elite (Egiyi, 2022d).

Alternative Financing Models: Leveraging Domestic Revenue Generation, PPPs, and Economic Diversification

Overreliance on external borrowing is a symptom of deeper structural weaknesses in Nigeria's revenue generation framework. A sustainable alternative to reckless borrowing is to strengthen domestic revenue mobilization through tax reforms, public-private partnerships (PPPs), and economic diversification.

1. Expanding Tax Revenues:

Nigeria's tax-to-GDP ratio remains among the lowest in the world at approximately 6% (Ochigbo, 2024). Enhancing tax compliance, broadening the tax base, and digitalizing revenue collection systems can significantly boost government income. Effective taxation policies in Rwanda and Kenya demonstrate how increased domestic revenue mobilization can reduce dependence on foreign debt.

2. Public-Private Partnerships (PPPs):

Instead of relying on sovereign debt for infrastructural development, Nigeria must harness the power of PPPs. Many countries have successfully implemented this model, using private sector financing for public projects while maintaining government oversight. Sectors such as energy, transport, and healthcare can greatly benefit from well-structured PPP arrangements (Fabre & Straub, 2023).

3. Economic Diversification:

A major driver of Nigeria's borrowing crisis is the country's heavy reliance on oil revenues, which fluctuate due to volatile global prices. Diversifying into non-oil sectors such as agriculture, manufacturing, and technology will create alternative revenue streams and reduce fiscal vulnerabilities (Olodun, 2024). Malaysia's transition from a commodity-dependent economy to a diversified industrial hub provides valuable lessons for Nigeria's economic restructuring (MIDA, 2024).

Strengthening Economic Institutions: Policies That Ensure Debt Sustainability

Sustained economic reforms cannot occur in the absence of strong institutions that regulate fiscal discipline and debt sustainability. Nigeria's institutional framework must be reinforced to prevent reckless borrowing, enhance economic governance, and promote financial stability.

1. Strengthening the Debt Management Office (DMO):

The DMO must be granted greater autonomy to independently assess loan viability and ensure that new borrowings align with national development goals. Establishing a debt sustainability threshold, beyond which borrowing is prohibited, will curb excessive debt accumulation (Gobna et al., 2022).

2. Fiscal Responsibility Laws:

Enforcing fiscal responsibility through legally binding frameworks will prevent deficit financing without corresponding revenue generation (Egiyi, 2020). Countries such as Germany and Switzerland have implemented "debt brake" policies that legally limit government borrowing to sustainable levels.

3. Strengthening Anti-Corruption Mechanisms:

Corruption exacerbates debt mismanagement. Ensuring that borrowed funds are properly utilized requires an empowered anti-corruption framework, where agencies such as the Economic and Financial Crimes Commission (EFCC) and independent audit bodies have the legal mandate to track public expenditures without political interference (Okogba, 2024).

Nigeria's debt crisis is not insurmountable, but addressing it requires bold leadership, economic foresight, and an unwavering commitment to the principles of sustainable development. The battle against economic incarceration starts with breaking the cycle of reckless borrowing, and the time to act is now.

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APPENDIX 1:

Percentage of Debt to GDP and Debt to Exports

Year	*DebtGDP*	*DebtExp*
2005	18.9	16.39651
2006	7.7	11.57924
2007	8.1	2.372559
2008	7.3	0.889152
2009	8.6	1.091573
2010	9.4	0.716262
2011	17.4	0.676956
2012	17.6	0.852085
2013	18.3	1.046363
2014	17.5	2.744261
2015	20.3	4.784783
2016	23.4	12.80529
2017	25.3	7.401721
2018	27.7	8.45932
2019	29.2	9.24012
2020	34.5	13.27133
2021	36.5	15.27472
2022	38	11.27758
2023	38.8	14.67478

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