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Debt Management and National Development in Nigeria Under President Buhari's Administration

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Abstract

This study explored debt management and national development in Nigeria under President Buhari's administration, 2015-2023. It sets to ascertain the impact of Nigeria's debt profile, domestic and external debt servicing on national development under the administration. Expo-Facto research design was adopted, as well as secondary sources of data collection. The data collected were a118nalysedqualitatively through content analysis. The study adopted the Fiscal IllusionTheory as its theoretical framework. Fundamentally, the study established that **t**here was significant relationship between poor management of Nigeria's debt profile, domestic/external debt servicing and national development under President Buhari's administration. The researchers recommended that the federal government should formulate policies and programmes to straighten the Debt Management Office (DMO), as well as prioritize the management of Nigeria's debt profile, to ensure that the country does not exceed her domestic and external borrowing liIit to enhance national development in the nation.

Keywords: Debt Management, Debt Profile, Domestic Debt Servicing, External Debt Servicing National Development, Administration.

Introduction

Over the past decade, kidnapping-for-ransom has evolved into one of the most entrenched and economically sustained forms of violent crime in Nigeria. What began as a regionally concentrated phenomenon linked to militancy in the Niger Delta has transformed

into a decentralized and highly adaptive criminal enterprise affecting highways, peri-urban corridors, educational institutions, and rural communities across the federation (Alemika, 2023; Nwanegbo, 2024). Recent national crime and labor statistics suggest that structural unemployment, youth marginalization, and regional inequalities continue to provide recruitment pools for organized criminal networks (National Bureau of Statistics [NBS], 2023). Simultaneously, public trust in formal security institutions remains fragile due to persistent corruption, slow prosecution rates, and limited intelligence integration (Transparency International, 2023).

Effective debt management helps maintain financial health, avoid debt distress, and achieve long-term goals. It is like handling finances when money is borrowed. For countries, businesses, or individuals, it is about managing debt effectively – borrowing wisely, repaying on time, and ensuring that it does not become a burden. The important of debt management goes beyond borrowing money, it cuts across planning and controlling how to repay debts, without being overwhelmed. It also means ensuring that borrowed money is used effectively and repaid sustainably (Bruno, 2021).

National development in Nigeriaduring PresidentBuhari's administration was guided by medium-term plans, such as the National Development Plan (NDP), aiming for economic diversification, infrastructure improvement, enhanced security, and a skilled population to create jobs and lift people out of poverty. The approach had evolved from earlier plans, emphasizing private sector involvement and citizen engagement for inclusive transformation. Core challenges include tackling unemployment, high poverty levels, reliance on oil, and deep-rooted structural issues, but the macroeconomic reforms aim to create a foundation for growth and investment (Wadhwa, 2023;Egunjiobi, 2024;Nkereuwem, 2021).

Furthermore, there is no doubt that during PresidentBuhari's administration, Nigeria's foreign policy focused on national sovereignty - prioritizing absolute national sovereignty with peaceful multilateral diplomacy and foreign relations. Theadministration also focused on economic diplomacy emphasizing oninability to attract foreign investments, bilateral trade, and security; stressing on anti-corruption, looking at poor implementation of domestic and foreign anti-corruption policies.According to Charloricand Levine(2022), some potential areas of challenge in Nigeria relations during this period includetrade imbalance, for example, the UK's trade relations with Nigeria was sufficient, but there was challenges in achieving a balanced trade relations that benefits both countries. Again, while UK had provided significant development assistance to Nigeria, there was challenges in ensuring that these efforts were effective and sustainable.

Despite the above developments, the Buhari administration and its bilateral relations with developed and developing countries from 2015 to 2023 witnessed many challenges. For instance, terrorism, economic crisis, debt crisis and corruption amongst others were paramount within the period under study. Hence,this study focused on examining debt management and national development in Nigeria under President Buhari's administration.

Statement of the Problem

From 2015 to 2023,it was observed that Nigerians public debt rose to the most under the Buhari administration when compared to the previous governments since 1999. Giving to the Premium Times Analysis of the Government's Domestic and Foreign Debts (2018), the Nigerian foreign debtgrew three times more than the combined figure recorded by the past three administrations. For example, according to them,the Obasanjo government met $28 billion as foreign debt in 1999, it left $2.11 billion in 2007 after successfully ensuring a write off by the London and Paris clubs of foreign creditors, whilethe Yar'adua/Jonathan government added $1.39 billion to what they met, and the Jonathan government incurred additional $3.8 billion, taking the country's total foreign debt to $7.3 billion when that administration came to an end in 2015 (NBS, 2023). Nigeria's external loan reached $28.57 billion by December 2020, meaning an extra $21.27 billion had been accumulatedthree times the combined amount by past governments since 1999, includingthe Buhari administration. However, domestic debtis considered relatively less harmful to the value of Naira than foreign debt, the figure rose from ₦795 billion in 1999 when the Obasanjo government came to power, to ₦8.8 trillion in 2015 when the Buhari administration assumed office. By December 2020, Nigeria's domestic debt stood at ₦16.02 trillion- twice as much the combined amount taken by the past three governments (NBS, 2023).

The country under former president Olusegun Obasanjo paid $30 billion debts to the London and Pairs clubs of foreign creditors, whereas 15 years later in 2021, the Buhari administration, Nigeria's public debt became high again, putting pressure on the government's revenue and performance. A report by the World Bank placed Nigeria among the top 10 countries with the highest debt risk, exposing Nigeria as the fifth with $11.7 billion debt exposure, behind India ($22 billion), Bangladesh ($18.1 billion), Pakistan ($16.4 billion), and Vietnams ($14.1 billion). In recent periods, there has been a fore over Nigeria's borrowing plans and debt profile. The Debt Management Office (DMO) said as of March 31, 2021, Nigeria's total public debt stood at N33.1 trillion and ($87.24 billion) accumulated between 1999 and 2021. The overall public debt, DMO said, is the public debt stock which includes the external and domestic debts of the federal, state governments and the Federal Capital Territory. The Federal government share of the public debt jumped from N3.55 trillion in 1999 to N26.91 trillion in March 2021. This means the nation's debt stock rose by over 650 percent in 21 years (NBS, 2022).

In spite of the loan support goals on prosperity, security, migration, development and co-operation in the international field, most affected within and outside the country was the level of exchange rate. Again, looking at terrorism, economic crisis and corruption amongst others, which Nigeria witnessed from 2015, one will envisage inadequacy in debt management. Despite the above unfortunate developments, the Buhari's administration from 2015 to 2023 witnessed many challenges such as debt crisis. For example, in 2021, foreign loan under Buhari's bilateral relations tripled Nigerian economy. Therefore, the concern of this research is to examine the impact of debt management on national development in Nigeria under President Buhari's administration.

Objectives of the Study

The general objective of this study is to examine the impact of debt management on national development in Nigeria under President Buhari's administration. The specific objectives include:

1. To determine the relationship betweenNigeria's debt profile and national developmentin under President Buhari's administration.
2. To examine the impact of debt servicing onnational development in Nigeria under President Buhari's administration.
3. To ascertain howdomestic and external debts impacted on Nigeria's national development under President Buhari's administration.

Research Questions

Based on the objectives of the study, the following research questions are posed for the study:

1. What was therelationship between Nigeria's debt profile and national developmentin under President Buhari's administration?
2. What wasthe impact of debt servicing onnational development in Nigeria under President Buhari's administration?
3. How did domestic and external debts impact on Nigeria's national development under President Buhari's administration?

Research Hypotheses

Based on the research objectives and questions, the following hypotheses were postulated to guide the conduct of the study.

Ho_1: There was no significantrelationship between management of Nigeria's debt profile and national development under President Buhari's administration.

Ho_2: There was no significantrelationship betweendebt servicing andnational development under President Buhari's administration.

Ho_3: Domestic and external debts did not impact on Nigeria's national development under President Buhari's administration.

Concept of Debt Management

Debt management refers to strategies and processes used by governments, businesses, or individuals to manage debt effectively. It involves planning, monitoring, and controlling debt to achieve financial stability and sustainability. In the view ofWadhwa (2023), the key aspects include assessing debt capacity and risks, developing borrowing strategies, managing debt portfolios, ensuring timely repayment, mitigating risks (e.g., interest rate, currency), and improving creditworthiness. For him,effective debt management means borrowing for projects that boost growth (like infrastructure and education), managing repayments, and keeping debt levels sustainable. That is why Costa and De Queiroz (2025) see it as involving several key factors like debt sustainability analysis – assessing ability to repay, borrowing strategy – determining loan types and terms, risk management – mitigating interest rate, currency, and

refinancing risk, institutional framework cutting across effective governance and policies, transparency and accountability, revenue mobilization – boosting income to reduce reliance on debt, expenditure management – prioritizing spending, debt restructuring – renegotiating terms when needed, and regulatory compliance – adhering to laws and guidelines. However, these factors help to manage debt effectively and promote financial stability in a country.

Asiedu (2023) on his part sees the Nigeria's debt management indices as including debt-to-GDP-ratio, which assesses the country's ability to pay off its debtat 40% threshold set by the IMF and World Bank; debt service-to-revenue, which measures the proportion of government revenue allocated to debt servicing, which dropped to 68% in 2024 from 97% in 2023. In his analysis, Nigeria's external debt is around $38.2 billion, with a significant portion dominated in foreign currencies, exposing the country to exchange rate risks. He adds that domestic debt stood at approximately ₦53 trillion, with a significant portion held by the federal government. In the view of Adelekan and Adesuji (2023), the Interest Payments-to-GDP Ratio was capped at 4.5% by the Medium-Term Debt Management Strategy (MTDS). For them, the indices are used to evaluate Nigeria's debt sustainability and inform policy decisions, noting that the Debt Management Office (DMO) is responsible for managing Nigeria's debt and ensuring transparency.

Concept of National Development

According to Longman dictionary of contemporary English, national development refers to a phenomenon that embraces a whole nation. It is a comprehensive process enhancing a country's economic, social, political, and technological sectors to improve citizens' quality of life. That is why Charloric and Leveine (2022) posit that it involves structural transformation, sustainable growth, and equitable resource distribution, often driven by strategic planning, infrastructure investment, and good governance to reduce poverty and inequality.Edward (2022) highlight the **key aspects of national development to comprise**economic growth - increasing industrial/agricultural productivity, enhancing GDP, and fostering economic independence, social and human development - improving education, health, and reducing poverty, infrastructure and technology - building infrastructure to support modernization, manufacturing, and technological advancement, political stability and security - establishing effective governance, security, and reducing corruption.

National development in Nigeria is guided by medium-term plans, such as the National Development Plan (NDP) 2021-2025, aiming for economic diversification, infrastructure improvement, enhanced security, and a skilled population to create jobs and lift people out of poverty. The approach has evolved from earlier plans, now emphasizing private sector involvement and citizen engagement for inclusive transformation. Core challenges include tackling unemployment, high poverty levels, reliance on oil, and deep-rooted structural issues, but recent macroeconomic reforms aim to create a foundation for growth and investment.

Nigeria's Debt Profile and National Development under President Buhari's Administration

A country debt profile is the composition and characteristics of its debt, including debt stock – total amount of debt outstanding, comprising domestic and external debt; debt composition,which is the breakdown of the type; debt maturity profile – scheduling of debt repayment; and debt service payments – scheduling interest and principal payments due on outstanding debt. In view of the foregoing, Egunjiobi (2024) observesthat debt management had significant negative impacts on Nigeria's national development under President Buhari's administration. He argues thatNigeria's debt profileunder the administrationwas a subject of concern For example, according to DMO (2023), the country's debt profile increased from ₦42 trillion to ₦77 trillion, with debt servicing rising from ₦1.06 trillion in 2015 to ₦5.24 trillion in 2022. This led to concerns about debt sustainability and the government's ability to invest in critical sectors like infrastructure, health, and education. Again, this represents a significant burden on the national finances, with debt service-to-revenue ratio growing from 29% to 96% during the same period. As noted by the (DMO) that the debt accumulation under Buhari's administration had negative impacts on national development, which pointed toward reduced funding for social services. In this view,Nkereuwem (2021), affirms that high debt service repayments reduced the funds available for essential services like healthcare and education, stressing that it increased poverty under the administration as the debt burden contributed to rising poverty levels, unemployment, and inflation. In support of this position, Bamingi (2022) posited that Nigeria's debt profile and national development under President Buhari's administration limited economic growth, with excessive accumulation which hindered economic growth, prompting the country struggling to invest in the critical sectors of the economy.

Debt Servicing and National Development under President Buhari's Administration

Debt servicing is the process of paying back debts, including interest payments (the cost of borrowing), and principal repayments (reducing the amount borrowed). Debt servicing significantly impacted Nigeria's National Development under President Buhari's administration. This could have inspired DMO (2023) to note thatthe country's total external debt rose from $10.32 billion in 2015 to $40.06 billion in 2022, with debt servicing rising from N1.06 trillion in 2015 to N5.24 trillion in 2022, which led concerns about sustainability and the government's ability to invest in critical sectors like infrastructure, healthcare, and education.Accordingto DMO, during the administration, some negative impacts of debt management on national development include reduction of funding for social services, because there was high debt service payments which reduced funds available for essential services, with over 90% of retained revenue used for debt servicing; the debt burden contributed to rising poverty levels, with unemployment and inflation rates increasing; and limited economic growth, where the country was struggling to invest in critical areas. This ideology is not in consonance with the position of Costa and De Queiroz (2025), who held that debt management significantly impacted Nigeria's National Development under President

Buhari's administration. This could be because, the effective debt management showed a positive impact on economic growth, with studies indicating that public debt management had a significant positive effect on Nigeria's economic growth.

In view of the World Bank Reports (2023), Nigeria debt burdenhad negative consequences underBuhari's administration, where high debt service payments reduced funds available for essential services like healthcare and education, with 80% of government revenue allocated to debt servicing. DMO (2024) observes that the debt burden contributed to rising poverty levels, with unemployment and inflation rates increasing. Egunjiobi (2024) on his part argues that excessive debt accumulation hindered economic growth, with the country struggling to invest in critical sectors like infrastructure and human capital. He avers points out that the efforts made by Buhari's administration to address these challenges where not enough as the debt management was not strengthened to enhance the autonomy and capacity of the Debt Management Office (DMO) to enforce borrowing limits and ensure transparency. He contends that there was limited efforts to diversify revenue sources in Nigeria to reduce reliance on oil revenue and promote non-oil sectors to increase government revenue. His analysis points out that there was poor implementation of fiscal discipline, as there were challenges of enforcing fiscal responsibility laws and promoting accountability in debt management

Effective debt management showed a positive impact on economic growth, with studies indicating that public debt management had a significant positive effect on Nigeria's economic growth However, Egwemi (2018) Nigeria debt burdenalso had negative consequences underBuhari's administration,where high debt service payments reduced funds available for essential services like healthcare and education, with 80% of government revenue allocated to debt servicing. He observes that the debt burden contributed to rising poverty levels, with unemployment and inflation rates increasing. Adeola (2025) on his part argues that excessive debt accumulation hindered economic growth, with the country struggling to invest in critical sectors like infrastructure and human capital.

In the view ofWadhwa (2023), the efforts made by Buhari's administration to address these challenges where not enough as the debt management was not strengthened to enhance the autonomy and capacity of the Debt Management Office (DMO) to enforce borrowing limits and ensure transparency. He contends that there was limited efforts to diversify revenue sources in Nigeria to reduce reliance on oil revenue and promote non-oil sectors to increase government revenue. His analysis points out that there was poor implementation of fiscal discipline, as there were challenges of enforcing fiscal responsibility laws and promoting accountability in debt management.

Impact of Domestic and External Debt Servicing on Nigeria's National Development under President Buhari's Administration

Domestic debts servicing according to Bello (2023), are payments made by the government to domestic creditors, including interest and principal repayments, on debts incurred within the country, such as government bonds, treasury bills, and other local currency-denominated instruments. In simpler terms, it refers to payments made to local creditors (e.g., Nigerian

banks, investors). External debts servicing are payments made by the government to foreign creditors, including interest and principal repayments, on debts incurred from external sources, such as foreign loans, bonds, and other local currency-denominated instruments. In simpler terms, it refers to payments made toforeign creditors (e.g., international lenders, foreign governments) (Ukachukwu, 2018). However, expounding on the wave of domestic and external debt servicing on Nigeria's national development under President Buhari's administration, and underscoring its significance onmerits and demerits. Attah (2021) states that domestic debt servicing in Nigeria consisted of several merits, such as retention of funds within the economy, where payment were made to local creditors, funds were kept within Nigeria to support domestic financial institutions and investors; promotion of financial inclusion, where domestic debt instruments like government bonds could increase financial inclusion by providing investment opportunities for Nigerians; and monetary policy supports, where domestic debt management could help the Central Bank of Nigeria implement monetary policy and manage liquidity. In the view of Egwemi (2024), it also encompasses reduction of exchange rate risk, since payments are made in local currency (Naira), there is less exposure to exchange rate fluctuations; which encourages local investment by issuing domestic debt, therefore, the government can mobilize local savings for development projects. However, it is crucial to manage domestic debt sustainably to avoid crowding out private sector investment or pressuring interest rates.

Examining the demerits of domestic debt servicing in Nigeria, Caves (2020) observes that it involves high interest costs, domestic debt which often carries high interest rates, increasing the government's debt servicing burden; and crowding out private sector, where government borrowing from domestic market can crowd out private sector access to credit, limiting investment and growth. He argues that excessive domestic borrowing can lead to increased money supply, fueling inflation, and reduces government flexibility, pointing out that high domestic debt servicing can limit the government's ability to respond to economic shocks or invest in development priorities. Reliance on short-term domestic can create roll-over risks, making it challenging to manage debt sustainability. Meanwhile, these factors highlight the need for judicious domestic debt management in Nigeria(Wadhwa, 2023).

Writing on external debt servicing and Nigeria's national development under President Buhari's administration, Michael (2021) states its pros and cons for Nigeria, cutting across easy access to foreign capital, as external debt allowed Nigeria to tap into foreign capital markets to access funds for development projects and budget support, maintaining that it was used to finance infrastructure projects such as roads, power plants, and telecommunications to boost economic growth. He asserts that external debt reduced domestic funding sources, spreading risk and potentially reducing borrowing costs, stressing that it provided a stimulus to the economy, supporting growth and development initiatives. On the contrary, Adelekan and Adesuji (2023) note that Nigeria could not repay all her external debt during Buhari's administration, which in his opinion, did not build international creditworthiness.

External debt servicingduring Buhari's administration had several demeritsfor Nigeria, which cut across drain on foreign exchange reserves – repaid external debt in foreign currency

depleted Nigeria's foreign exchange reserves, potentially destabilized the economy; exchange rate risks – fluctuated the exchange rates which increased the cost of debt servicing, made it harder to predict and budget for payments; and high interest rates, where external debt often come with high interest rates, which increased the overall cost of borrowing and diverted resources form development priorities.However, external debt servicing also come with risks, such as debt burden, creating room for high external debt servicing costs which can strain government finance; exchange rate risks, creating undue opportunity for fluctuations in exchange rate which can increase debt servicing costs; and conditionality where external loans may come with conditions that impact Nigeria's policy autonomy(Adesote & Abimbola, 2022).

Empirical Studies

Some studies have been done in related areas of this work. They are summarized thus:Asiedu(2023) focused on debt profileand Nigeria's economy. The main objective was to determine the extent to which debt profile has affected the debt crisis in Nigeria's economy. Ex-post facto research design was adopted for the study. The researcher utilized secondary sources of data collection. The data collected were analyzed qualitatively. The study was anchored on the Debt Overhang theory. It was found that highdebt profile hadnegatively affect the Nigeria's economy. Based on the findings, it was recommended that Nigeria should work towards lowdebt profile topositively improve the economy.

Charloric.& Levine(2022)examined domesticdebt servicing and economic growth in Nigeria (2007-2015). The study was set to interrogate the domesticdebt servicing and economic growth in Nigeria. Ex-post facto research design was adopted for the study. The researcher used secondary sources of data collection. The data collected were analyzed qualitatively. The study anchored on the Crowding Out Theory. It was found that the Cameroon and France bilateral relationship was not effective to yield good administration and strengthen the security architecture in Cameroon. Based on the findings, it was recommended that the Cameroon and France bilateral relationship should be effectively designed to yield good administration and strengthen the security architecture in Cameroon.

Egwemi (2024) focused on externaldebt servicing and nation building in Nigeria. The focalpurpose was to examine the extent externaldebt servicing affected nation building in Nigeria. Ex-post facto research design was adopted for the study. The researcher employed secondary sources of data collection. The data collected were analyzed qualitatively through content analysis. The study was anchored on the Institutional Weakness Theory. It was found that externaldebt servicing could impact on nation building in Nigeria, if well utilized. Based on the findings, it was recommended that the government at all level should utilizeexternaldebt to enhance nation building in Nigeria.

Aremu (2022) researched on domesticdebt servicing and nation building; using Ghana as a study. The main objective of the study was to determine the impact ofdomestic debt servicing on nation building inGhana. To give the study enough clarity, the Game theory was adopted. The theory is a systematic means of analysis and is anchored on realism which is the central

paradigm of political realists. The study made use of explanatory research design. The sources of data collection were mainly from secondary data. The data collected were analyzed qualitatively. The study revealed that domestic debt servicing impacted on Ghanaiannation building. Based on that, it was recommended that the government should encouragedomestic debt servicing to impact on the nation building.

Theoretical Framework

The study adopted FiscalIllusion Theory. The theory was first discussed historically in 1967 by Buchanan who introduced the concept of fiscalillusion, arguing that government may misperceive the true cost of public spending, followed by Oates (1988) who discussed the implications offiscalillusion for public finance. However, this theory proposes that government underestimate the true cost of debt, leading to excessive borrowing and poor fiscal decisions.

This theory is situated within the context of the study. For example, Nigeria's debt accumulationunder President Buhari's administration was partly due to fiscal illusion, with the government underestimating the long-term cost of debt servicing in Nigeria. The theory provide a framework for understanding the complex relationships between debt management and national development in Nigeria.

Research Methods

The study employed documentary research design for data collection. It is a type of research that involves analyzing and interpreting documents, records, and other written materials to gain insight into a particular phenomenon or issue (Ubah, Ochienta &Nwonu, 2015). This study also used descriptive explanation leveraging sources of data collection to interrogate the subject matter. Descriptive explanations are used in exploratory studies to allow researchers to gather information fromtextbooks, journals, internet materials,and media commentaries on television and radio, which were summarized, presented and interpreted for the purpose of clarification.Thus, the data collected were analyzed qualitatively through content analysis.

Analytical Discourses Based on Research Questions

1. What was the relationship between management of Nigeria's debt profile and national development under President Buhari's administration?

There was significantrelationship between management of Nigeria's debt profile and national development under President Buhari's administration. There is no doubt that a country debt profile is the composition and characteristics of its debt, whichcuts across debt stock, debt composition, debt maturity profile, and debt service payments – scheduling interest and principal payments due on outstanding debt. Further assessment indicated that poormanagement of Nigeria's debt profile through excessive domestic and external borrowing led to increased money supply, fueling inflation during President Buhari's administration. Confirming the result, Egunjiobi (2024) observedthat debt management had significant negative impacts on Nigeria's national development under President Buhari's administration.

He argued that Nigeria's debt profileunder the administration was a subject of concern For example, according to DMO (2023), the country's debt profile increased from ₦42 trillion to ₦77 trillion, with debt servicing rising from ₦1.06 trillion in 2015 to ₦5.24 trillion in 2022. This led to concerns about debt sustainability and the government's ability to invest in critical sectors like infrastructure, health, and education. Again, this represented a significant burden on the national finances, with debt service-to-revenue ratio growing from 29% to 96% during the same period. As noted by the (DMO) that the debt accumulation under Buhari's administration had negative impacts on national development, which pointed toward reduced funding for social services. In support this position, Nkereuwem (2021), affirmed that high debt service repayments reduced the funds available for essential services like healthcare and education, stressing that it increased poverty under the administration as the debt burden contributed to rising poverty levels, unemployment, and inflation. Corroborating the result, Bamingi (2022) posited that Nigeria's debt profile and national development under President Buhari's administration limited economic growth, with excessive accumulation which hindered economic growth, prompting the country struggling to invest in the critical sectors of the economy, as shown in the table below:

Table 1: Showing the Breakdown of Nigeria's Debt Profile duringBuhari's Administration

Year	Total Debt in (N Trillion)	External Debt in (N Trillion)	Domestic Debt in (N Trillion)	Exchange Rate (USD/NGN)
Q1 2015	12.06	1.8	8.5 (FGN) + 1.6 (States & FCT)	197
Q2 2016	13	2.2	9.7 (FGN) + 1.65 (States & FCT)	196.95
Q3 2023	49	19	24 (FGN) + 5 (States & FCT)	770.38
Q4 2023	97.34	38	53 (FGN) + 5.8 (States & FCT)	899.393

Source: Debt Management Office, 2023.

The key highlights from the above table showed thatthe total debt increased from ₦12.06 trillion in Q1 2015 to ₦97.34 trillion in Q4 2023. The external debt rose from ₦1.8 trillion in Q1 2015 to ₦38 trillion in Q4 2023. The domestic debt grew from ₦8.5 trillion (FGN) and₦1.6 trillion (States & FCT) in Q1 2015 to 53trillion (FGN) and 5.8trillion (States & FCT) in Q4 2023.

2. What was the impact of debt servicing on national developmentin Nigeria under President Buhari's administration?

There wassignificantrelationship betweendebt servicing andnational developmentin Nigeria under President Buhari's administration. Nigeria's debt management during this administration hadsignificant impacts onnational development. Additionalevaluationduring

the administration revealed some negative impacts of debt management on national development to include reduction of funding for social services, because there was high debt service payments which reduced funds available for essential services, with over 90% of retained revenue used for debt servicing; the debt burden contributed to rising poverty levels, with unemployment and inflation rates increasing; and limited economic growth, where the country was struggling to invest in critical sectorsThis result is notin consonance with the position ofCosta and De Queiroz (2025), who held thatdebt management significantly impacted Nigeria's National Development under President Buhari's administration. This could be because,the effective debt management showed a positive impact on economic growth, with studies indicating that public debt management had a significant positive effect on Nigeria's economic growth.

Contrary to this, World Bank Reports (2023) stated thatNigeria debt burden had negative consequences underBuhari's administration, where high debt service payments reduced funds available for essential services like healthcare and education, with 80% of government revenue allocated to debt servicing. Supporting this position, DMO (2024) observed that the debt burden contributed to rising poverty levels, with unemployment and inflation rates increasing. Egunjiobi (2024)argued that excessive debt accumulation hindered economic growth, with the country struggling to invest in critical sectors like infrastructure and human capital. Corroborating the finding,Wadhwa (2023) posited that the efforts made by Buhari's administration to address the challenges where not enough as the debt management was not strengthened the autonomy and capacity of the Debt Management Office (DMO) to enforce borrowing limits and ensure transparency. He contends that there was limited efforts to diversify revenue sources in Nigeria to reduce reliance on oil revenue, and promote non-oil sectors to increase government revenue. His analysis points out that there was poor implementation of fiscal discipline, as there were challenges of enforcing fiscal responsibility laws to promote accountability in debt management

Table 2: Showing the Debt Servicing under President Buhari's Administration (2015-2022)

DEBT	YEAR		TOTAL
	2015	2022	
External Debt in (Dollar)	$10.32 billion	$40.06 billion	$50.38 billion
Debt Servicing in (Naira)	₦1.06 trillion	₦5.24 trillion	₦6.3 trillion

Source: Extract From World Bank Reports (2022)

It is evident that the Nigeria's total external debt rose from $10.32 billion in 2015 to $40.06 billion in 2022, with debt servicing rising from N1.06 trillion in 2015 to N5.24 trillion in 2022, which led concerns about sustainability and the government's ability to invest in critical sectors like infrastructure, healthcare, and education.

3. How did domestic and external debts impact on Nigeria's national development under President Buhari's administration?

To an extent,domestic and external debts impacted on Nigeria's national development under President Buhari's administration. For example, according to Attah (2021), domestic debt servicing in Nigeria has several merits cutting across retaining funds within the economy as payments are made to local creditors, keeping funds within Nigeria, and supporting domestic financial institutions, as well as investors; it promotes financial inclusion where domestic debt institutions like government bonds can increase financial inclusion by providing investment opportunities for Nigerians. In his analysis, he posited that domestic debt management can help the Central Bank of Nigeria implement monetary policy and manage liquidity. For him, it reduces exchange rate risk since payments are in local currency (Naira), there is less exposure to exchange rate fluctuations. He concludes that it encourages local investment because by issuing domestic debt, the government can mobilize local savings for domestic projects. However, it is critical to manage domestic debt sustainably to avoid crowding out private sector investment or pressuring interest rates.

Contrarily,Caves (2020) averred that there are some demerits of debt servicing in Nigeria which include high interest costs, as domestic debt often carrieshigh interest rates, increasing the government's debt servicing burden; and crowding out private sector where government borrowing from domestic markets can troop out private sector access to credit, limiting investment and growth. On this note, heargued that excessive domestic borrowing can lead to increased money supply, fueling inflation, and reduces government flexibility, pointing out that high domestic debt servicing can limit the government's ability to respond to economic shocks or invest in development priorities. In line with the finding, Wadhwa (2023) advocated that reliance on short-term domestic debt can create roll-over risks, making it challenging to manage debt sustainability.

Speaking on the positivity, Michael (2021)highlighted thepros and cons of external debt servicing, as well as the Nigeria's national development under President Buhari's administration, cutting-across easy access to foreign capital, where external debt allowed Nigeria to tap into foreign capital markets to access funds for development projects and budget support, maintaining that it was used to finance infrastructure projects such as roads, power plants, and telecommunications to boost economic growth. He asserts that external debt reduced domestic funding sources, spreading risk and potentially reducing borrowing costs, stressing that it provided a stimulus to the economy, supporting growth and development initiatives. On the contrary, Adelekan and Adesuji (2023) note that Nigeria could not repay all her external debt during Buhari's administration, which in his opinion, did not build international creditworthiness.

Supporting this result, Bola (2020) observed thatexternal debt servicingduring Buhari's administration had several demeritsfor Nigeria, which cut across drain on foreign exchange reserves – repaid external debt in foreign currency depleted Nigeria's foreign exchange reserves, potentially destabilized the economy; exchange rate risks – fluctuated the exchange rates which increased the cost of debt servicing, made it harder to predict and budget for

payments; and high interestrates, where external debt often come with high interest rates, which increased the overall cost of borrowing and diverted resources form development priorities.

Corroborating this position, Adesote and Abimbola (2022)held that external debt servicing come with risks, such as debt burden, creating room for high external debt servicing costs which can strain government finance; exchange rate risks, creating undue opportunity for fluctuations in exchange rate which can increase debt servicing costs; and conditionality where external loans may come with conditions that impact Nigeria's policy autonomy, as evidenced below:

Table 3: Showing the Breakdown of Nigeria's Domesticand External Debt Servicing duringBuhari's Administration

Year	Domestic Debt Servicing	External Debt Servicing
2016	₦1.23 trillion	$353.09 million
2017	₦1.48 trillion	$464.05 million
2018	₦1.8 trillion	$1.47 billion
2019	₦1.69 trillion	$1.33 billion
2020	₦1.85 trillion	$1.56 billion
2021	₦2.05 trillion	$2.4 billion (equivalent to ₦1.07 trillion)
2022	₦2.56 trillion	₦1.07 trillion (external debt servicing)

Source: Debt Management Office (DMO) Reports, (2021-2023)

Evidence has shown that in 2016, Nigeria domestic debt servicing stood at ₦1.23 trillion, while external debt servicing stood at $353.09 million, which was economically higher.In 2017, Nigeria domestic debt servicing increased to ₦1.48 trillion, while external debt servicing increased to $464.05 million. However, the domestic andexternal debt servicing continued to increase until 2020 whendomesticdebt servicing significantly increased from₦1.85 trillion to ₦2.05 trillion, andtheexternal debt servicingsignificantly increased from $1.56 billion to $2.4 billion (equivalent to ₦1.07 trillion), in 2021. Again, in 2022, Nigeria's total domesticdebt servicing bill was ₦12.66 trillion, representing a 115% increase from 2016. The implication is that during Buhari's administration debt servicing limited the government's ability to invest reasonably in the following sectors: infrastructure development, healthcare, education, power generation, etc. which negatively affected the national development.

Conclusion

The impact of debt management on national development has been a thing of concern to Nigerians, with many observing reduced funding for social services, increased poverty, and limited economic growth in the country.However, effective debt management is crucial for Nigeria's national development. Research suggests that optimal investment of borrowed funds

in productive ventures can positively impactdebt profile, domestic or external servicing, and by extension boost national development in Nigeria.

Recommendations

Based on the findings, the following recommendations were made:

1. TheFederal government should prioritize themanagement of debt profile to occasion national development in Nigeria.
2. The government at all levels shouldformulate policies and programmescapable of reducingdebt servicing to enhancenational developmentin Nigeria.
3. TheFederal governmentshould straighten the Debt Management Office (DMO) with the capacityofensuring that Nigeria does not exceed her domestic andexternal borrowing limitto enhancenational development in the country.

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