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Original Research Article

Public Debt Burden and Issues of Economic Growth in Nigeria: Are there Solutions?

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Abstract

The study examined the impact of the public debt on the economic growth of Nigeria. The aim was to present the nature, the danger of debt accumulation and strategic solutions to the problem debt incurrence for sustainable growth of the economy. It is an exploratory study that reviewed empirical studies in respect of impact of public debt burden on economies around the world particularly Nigeria the focus of the study. It was found from the review that borrowing has impacted negatively on the growth of Nigerian economy. Diversification of the nation's economy from oil to non-oil sector, creation of conducive environment for businesses to thrive and curbing the menace of financial leakages and corruption are some of the recommendations of the study to reverse the increasing trend of public debt accumulation in Nigeria.

Keywords**:** Public debt, Sustainable growth, Diversification of economy, financial leakages, Conducive environment.

JEL Classification Codes: B22, B26, D31, F65

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Introduction

Normally, at the beginning of every fiscal year, government of a country-developing and developed make its intention known to the citizens through budget it has prepared. The economic performance of the immediate previous year is reviewed and detailed overview of the intended economic activities and policies of government for the year are given. A breakdown of the budget usually shows government plans on taxation (direct and indirect), borrowing (internal and external) and expenditure plan to stimulate micro and macro-economic growth (Karl & Musgrave, 2005).

Generally, government policies and developmental activities have attendant financial implications. Therefore, government collect revenue to finance programmes. The most potent source of government revenue for expenditure financing across nations is taxation (Uche & Adebiyi, 2002). However, the source (Taxation) cannot produce all the needed finance to execute all public policies and programmes hence government often resort to borrowing (Oni & Dotun, 2010).

There are two types/sources of public debt-internal and external (Ekeji & Nnaji 2013). While sources such as Treasury Bills (TB), Treasury Certificates (TC) and Government Development Stocks (GDS) are the major internal sources where public debt can be contracted, loans from international lending institutions such as International Monetary Fund (IMF), the World Bank (WB), African Development Bank (AfDB) and Paris Club (PC) are the major sources of external debt available to countries across the globe especially the developing nations of Africa like Nigeria.

Worth of note is that while internal borrowing can easily be repaid through increase in taxes or printing of more local currency though, with attendant problems such as tax evasion and inflation, external borrowings create more problems and difficult to repay due to harsh conditions of lenders and debtor country would have to struggle to export goods and services to earn foreign exchange to repay.

Unfortunately, debt repayment in Nigeria is a problem due to the mono cultural nature of the economy depending majorly on one revenue source (Ossar & Tanko 2015). Collaborating Ossar & Tanko (2015), Vincent (2018) viewed that over reliance of the nation on oil for revenue to the neglect of other viable sectors that could have been exploited for foreign earnings is a major factor that has compounded debt/incurrence and repayment problem in Nigeria. Rather sad too while the oil revenue often suffers a lot of shrinks according to demand in the international market and prevailing socioeconomic and political condition across the globe that could force oil producing nations to cut supply, the fund/revenue from this source suffer all manners of short falls due to mismanagement, wastages, leakages, corruption, embezzlement and misappropriation. Regarding revenue short falls Kolafe (2018) asserted that the major problem with management of Nigerian oil revenue is mismanagement. Collaborating the view of Kolafe (2018), Nduka (2019) opined that the financial discipline that is lacking in the first instance in Nigeria leading to her voracious desire for imported goods with one mismanaged source of revenue and ever depending on foreign sources to finance her capital projects including economic enterprises such as nations refineries have compounded the ever accumulation of public debts in the country. The accumulation of debt has blurred the strategic productive vision and economic growth of the country (Halilus & Mani 2014; Fasari & Nui, 2016). Debt accumulation and zigzag but negative economic growth of Nigeria will continue as long as these borrowed funds are not tied to meaningful and impactful projects(Danlami&Teilla,2019).

Objective of the study

In view of the negative effects of public debt on economy , the paper presents as its main objective the nature of the debt and ways to minimize its incurrence in Nigerian economy. The paper therefore is an enlightenment tool to government on the danger of reliance on borrowing for programme execution and also to provide strategic solutions on how to handle the problem of ever accumulating public debt for sustainable growth of the economy.

Literature Review

Conceptual Clarification

Public Debt: refers to how much a country owes to lenders outside its shore (Dairu, 2017). Public debt also called national debt includes the totality of debt owed by government of a nation internally and externally. External debts are those obligations of government to international institutions such as IMF and AfDB (Udoka & Lari 2011). Internal debts are those debt obligation of government owed to residents of the country. The accumulation of debts or borrowings (internal and external) is as a result of accumulation of a country's budget deficits resulting from government spending more than it takes in through the instrumentality of taxation (Orgah, 2013). Joyade and Oni (2016) viewed that while internal debt (borrowing) of a country may not have significant burden on her citizen as payment of the interest and principal to service the debt involves a transfer of purchasing power from a section of the citizens to another and therefore productive, external component of public debt on the other hand is counter-productive involving greater burden as interest charges and repayment of the principal sum involves transfer of resources to creditors/lenders abroad. Collaborating Joyade & Oni (2016), Lawal and Muna (2017) stated that resources transfer to foreign nations is a sad and unfortunate fund raising and financing arrangement as interest payment alone is capable of reducing the net income of the debtor nation and therefore counter-productive especially where the funds are not properly utilized as the case with many developing nations of Africa.

Economic Growth: this refers to an increase in a country's physical output over a long period of time (Adams, 2004). A nation's total economic output, known as Gross Domestic Product (GDP) is a ratio between a nations' output in goods and services and the rate of growth of her population (Fola, 2003). A country is therefore said to have economic growth when the real output of goods and services increase at a faster rate than the growth of her population (Adams, 2004: Ogosu & Uwan 2009) Economic growth is a process by which a nations' wealth/ economy increases overtime (Kylon & Krusan, 2001).

One the critical multiplier effects of economic growth is wealth creation with development opportunities. It is an increase in the production of economic goods and services compared from period of time to another (Katuma, 2011). Economic growth is an increase in what a country produces overtime driven by four factors of production namely: Land, Labour, money/capital and material (David & Moore 2015). It is an increase in the value of national output, income and expenditure (Gupta & Gameliel, 2002). Essentially, the benefits of economic growth of a nation are: Improved standard of living of citizens, higher real incomes and ability of government to devote more resources in provision of infrastructure like health education etcetera.

Causes of Public Debt in Nigeria

Nigeria's economy like other nations in Sub-Saharan Africa is a developing one fraught with many challenges. Prominent among these challenges is paucity of funds to prosecute many of her developmental plans (Dokuwbo & Ola 2017). As a mono-cultural economy, the only source of her revenue do most times suffer price reduction for reasons such as glut in the supply of the commodity (oil), low demand in the international market and occurrence in the economy that might affect production. A good example of such occurrence in 2020 is Covid-19 pandemic where activities across the globe were brought to a standstill. Drastic revenue reduction in the year 2020 affected many developmental plans of the country and government resorted to borrowing to execute some of the programmes of the budget. For instance, the original planned budget of about N9.1 trillion benched marked against projected oil prices of $60per barrel has to be revised to about N 8.1 trillion benched marked against $30 per barrel as a result of the pandemic. Many countries especially developing nations of Africa like Nigeria borrowed to finance programmes in 2020 as a result of pandemic (Desmond, 2020).

Another bitter, sad and unfortunate of these many causes of the nation's debt crisis is large accumulation of budget deficit and government's inability to reduce her expenditure especially, the non-essential/non-value adding ones thus, Khalil and Junaidu (2019) noted that the most challenging issues endangering the growth of the nation's economy is budget deficit accumulation and failure of successive government to identify, measure accurately the cost of activities and governance in order to eliminate or reduce to the barest minimum the cost of activities and engagement that are non-productive (Horgan 2018). Morris (2019) noted that borrowing will be able the order where revenue from taxation can no longer sustain the level of government activities of which many of them (activities) are non- essential in nature and are impossible to eliminate or reduce for political reasons.

Closely related to budget deficit accumulation and cost of governance reduction problem factors, is funds insufficiency and short fall in finance attributable to financial mismanagement, leakages, corruption and embezzlement that have rendered developmental plans difficult to execute and government had to resort to borrowing. Financial leakages in all firms have become endemic and a cankerworm that have arm twisted the wheel of development in Nigeria (Tope & Bode, 2018). On the issue of corruption, in Nigeria, Marthia (2020) noted that as good as government intervention may be, funds meant for programmes are viable projects usually ended up in private pockets. Mbah (2020) cited the probe of corruption allegation against management of Niger Delta Development Commission (NDDC) and other agencies of government in 2020 as examples of many cases of financial mismanagement that has been draining the resources of the country. For a drained economy, borrowing is one of the ways government can resort to in order to execute her programmes (Khalil & Junaidu 2019).

Other factors that accounted for continuous accumulation of public debt in Nigeria according to Onalo (2017 include non-exploration of huge amount of mineral deposits that could have been tapped for export, failure to develop the nation's manufacturing and agricultural sectors, wreck less abandonment of projects that could have been of value to industrialization quest of the nation, low level of saving and high propensity of citizens to consume imported goods and services among others. Collaborating the views of Onalo (2017), Tope and Bode (2018) opined that the issue of debt accumulation could have been *funding evil* of the past if the manufacturing and industrial potentials of Nigeria were developed citing the cases of the sorry state of the nation's textile and iron and steel industries that have been abandoned. The cumulative negative effects of abandonment of these revenue yielding sources/ projects and other factors is the rising debt profile on the nation (Marthia, 2020 and Mbah, 2020).

The tables below present the debt profile of the country in the last two years (2019-2020)

Table 1: Nigeria's Total Public Debt Portfolio as at December 31st 2020

Debt Category	Amount Outstanding US$.M	Amount Outstanding N.M	% of Total
Total External Debt	33,348.08	12,705,618.48	38.60%
FGN only	28,574.45	10,886,865.45	33.08%
States and FCT	4,773.63	1,818,753.03	5.53%
Total Domestic Debt	53,044.46	20,209,896.37	61.40%
FGN only	42,057.55	16,023,885.38	48.68%
States and FCT	10,986.91	4,186,010.99	12.72%
Total public Debtt	86,392.54	32,915,514.85	100%

Source: Publication of DMO, Abuja

Table 2: Nigeria's Total Public Debt Portfolio as at December 31, 2019

Debt Category	Amount Outstanding US$.M	Amount Outstanding N.M	% of Total
Total External Debt	27,676.14	9,022,421.64	32.93%
FGN only	23,111.27	7,534,274.02	27.50%
States and FCT	4,564.87	1,488,147.62	5.43%
Total Domestic Debt	56,377.18	18,378,959.65	67.07%
FGN only	43,781.12	14,272,644.79	52.09%
States and FCT	12,596.06	4,106,314.86	14.99%
Total public Debt	84,053.32	27,401,381.29	100%

Source: Publication of DMO, Abuja

Consequences of Public Debt in Nigeria

Though in periods of depression, insurgency and low economic activity, deficit budget financed through borrowing can be fruitful when used to stimulate the level of activity but in Nigeria, where funds are prone to various challenges, the finance source (debt) can be counter-productive as it tends to impose long term obligations on future generations (Morris,2019)

Other consequences of public borrowing especially externally on Nigerian economy according to Tope & Bode (2018) include economic destabilization due to stringent conditions of lenders, increased cost of financing budgeted government programmes/ projects, wreck less spending that triggered inflation, economic slavery and dependency that have imposed large economic burden on future generations and tax payers. Jethro and Mann (2019) observed that harsh conditions of lending institutions for funds borrowed by Nigeria is one of the major reasons of many harsh economic reforms the country has been going through. One of such harsh economic reformation is currency devaluation (Garba & Disu, 2018 and Danami & Teilla 2019). The ugly effect of devaluation is much of the Nigerian local currency exchange for few imported goods and services. Unfortunately, Nigerians prefer imported goods and services to local ones even if those goods and services may be inferior to those available locally. Currency devaluation has had a negative effect on the Nigerian economy as it has reduced the spendable income of government that ought to have been invested in the productive sector of the economy for growth (Garba & Disu, 2018).

Further on the consequence, Marthia (2020) stated that borrowing by successive government in Nigeria has created debt illusion and economic sabotage that has blurred the innovative ability of government in terms of strategic investment. Low investment of the borrowed fund has multiplier effect on employment creation, national output and economic growth of the country (Khalil & Junaidiu, 2019). Marthia (2020) observed that quite apart from Covd-19 pandemic, paucity of investable funds occasioned by debt servicing is responsible for the negative Gross Domestic Product (GDP) growth rate Nigeria recorded in most periods in 2020. For instance, the nation recorded a GDP growth rate of -14.3% and -6% in the first and second quarter respectively in 2020 (NBS report). Thus, Marthia (2020) remarked that the nation’s economy will continue to witness negative growth rate in her GDP as long as the country continues to rely on borrowing especially, those from IMF, PC and WB that have stringent and impoverishing conditions.

To summarize the totality of the negative effect of the borrowing especially the external on the Nigerian economy, Mbah (2020) stated that it is an economic slavery that tends to permanently impede the wheel of economic growth of the country.

Empirical Review

Studies in Other Economies

Amani (2018) examine the impact of government debt on macroeconomic indicators: evidence from G7 and ASEAN countries. The aim was to investigate the impact of government debt on certain macroeconomic and wellbeing indicators in a group of industrialized and developing countries. The results of empirical analysis of correlation indicated a positive relationship between government debt and macroeconomic indicator (GDP per capita) in G7 countries while government debt of ASEAN countries has a negative impact on macro-economic and wellbeing indicators.

Cristiana and Philipp (2010) carried out an investigation into the impact of high and growing government debt on economic growth: An empirical investigation for the Euro area. The study investigated the average impact of government debt on per capita GDP growth in twelve (12) Euro area countries over a period of 40 years starting from 1970. Findings revealed a non-linear impact of debt on growth with a turning point beyond which the government debt to GDP ratio has a deleterious impact on long term growth.

Robert (2014) conducted a study on the impact of domestic public debt on private investment in Kenya. Data on domestic debt, GDP, interest rates and private investment of the country for the period 1967-2007 were obtained. Results of unit root test revealed that GDP growth has induced private investment in the countries.

Nur, Shafinar and abdul (2019) did a review on whether or not public debt affects economic growth. The aim was to ascertain whether there exists mutual consensus on the effects of public debt on the economic growth of a country of group of economies. A systematic review on related articles from scopus data base was conducted. A standard procedure in the preferred reporting items for systematic review and Meta analysis adopted. Thirty three (33) articles were chosen and reviewed. It was found that there is no mutual Conesus on the relationship between public debt and economic growth.

Naeem (2011) examined the impact of public debt on the economic growth of Pakistan. The purpose was to investigate the consequences of public debt on economic growth and investment in Pakistan for the period 1972-2009. Hybrid model was developed that explicitly incorporates the role of public debt in growth equations. Auto Regressive Distributed Lad (ARDL) technique was applied to estimate the model. It was revealed that public external debt has negative relationship with per capital GDP and investment conforming to the existence of debt overhang effect. It was also found that domestic debt has negative relationship with investment and per capita GDP.

Studies in Nigeria

Ogege and Ekpudu (2010) conducted a study on the effects of debt burden on the Nigerian economy. The purpose was to ascertain the effect of debt burden on the growth of the country's economy. Data for the study were obtained from the Central Bank of Nigeria (CBN) statistical bulletin. Ordinary Least Square (OLS) statistical tool was employed to test the relationship between debt burden and growth of Nigerian economy. Findings showed that there is a negative relationship between debt stock and economic growth implying that increase in debt stock of the nation will lead to decrease in the growth rate.

Essien and Ndalo (2017) studied the impact of public debt burden in Nigeria. The aim was to examine the effects of government borrowing on the growth of the economy. Data on internal, external borrowing and GDP growth rate for five years (2014-2018) were obtained from the statistical bulletins of CBN, the National Bureau of statistics (NBS) and the Debt Management Office (DMO). The result of regression analysis revealed a negative impact of public debt on GDP growth rate.

Sylvester (2020) carried out a study on external debt and economic growth nexus: Empirical evidence from Nigeria. The aim was to examine the relationship between external debt and economic growth for policy analysis on public finance and public debt management. Data collected on the country's external debt and GDP growth rate were analyzed using root test and co-integration long run tests. The results showed that debt overhang variable and crowding out effect variable depress the level of investment affecting adversely, the economic growth of the country.

Mobolaji, Salau and Ola (2018) in a study examined the impact of public borrowing on Nigeria's economy for the period 2010-2016. The result obtained from regression analysis showed that public debt (borrowing) has negative impact on the economic growth of the country as the GDP growth rate indicated no significant improvement within the period considered.

Nbukwe and Kalu (2016) examined the relevance of public debt to economic growth in Nigeria. This is with a view to determining whether public debt has significantly impacted on the growth of the economy. Secondary data were sourced from the CBN, NBS and DMO on the nation's debt stock, GDP growth rate, employment and unemployment rates. The Generalized Least Square (GLS) regression method was employed on the panel model of analysis. Findings indicated that public borrowing has no significant impact on the growth of Nigeria's economy.

Musa and Tahir (2014) carried out a study for empirical evidence on the impact of public debt on the growth of Nigerian economy. The study examined the influence and impact of public debt on infrastructural development and GDP growth rate for the period 2007-2013. Evidence from review indicated that the impact of public debt on infrastructural development and GDP growth rate was not significant as the GDP of the country during the period showed a Zigzag/inconsistent growth pattern.

Abula and Ben (2016) studied the impact of public debt on economic development of Nigeria. The aim was to investigate the impact of public debt on economic growth in Nigeria. Using secondary sources, data were obtained from annual time series spanning 1986-2014. The study employed Augmented Dickey-fuller test and Johansen co-integration test. Results revealed the presence of a long-run relationship among the variables viz: External debt stock, domestic debt stock, external debt servicing, domestic debt stock servicing and economic growth proxied with GDP per capita income in Nigeria. The ECM result revealed that external debt stock and external debt servicing have significant negative relationship with economic growth in Nigeria. However, domestic debt servicing has a direct significant relationship with economic growth in the country.

Oyetunde (2015) in a study examined the effect of public debt on the growth of Nigeria's economy. Using trend analysis for the period 2000-2014, data obtained on public debt stock and GDP growth rate were analyzed using Ordinary Least Square (OLS) regression method. The result of the analysis indicated that the impact of public debt on the GDP growth rate did not follow a particular pattern or trend of growth.

Cordelia and Ogechi (2019) investigated the effect of foreign debt on the economic growth in Nigeria. Data for the study were obtained from the statistical bulletin of the WB and CBN for the period 1997-2017. The variables of the study were nominal

GDP, foreign debt stock, foreign debt servicing, inflation rate and exchange rate. While the nominal GDP represents the dependent variable, foreign debt stock inflation rate, exchange rate and foreign debt servicing were the explanatory variables. Results of analysis using OLS indicated that foreign debt exerted a significant negative influence/impact on economic growth of the country while foreign debt servicing showed a strong and significant positive impact on economic growth.

Theoretical Framework

The study is anchored on the classical/traditional theory of public debt pioneered by Adam Smith, Hume and David Ricardo in the 18th century. According to the classists, if government expenditure is financed through public borrowing, the present generation gets relieved from the cost and the burden is shifted to the future generation. The future generation suffers when the present generation reduces its savings in order to meet debt servicing obligation there by leaving a smaller amount of capital resources for the future. Reduction of savings of the present generation will amount to reduced inherited capital and productive capacity of which the future generation will stand to lose. The theory has three (3) key assumptions namely: (i) That public debt is more costly method of financing public expenditure than taxation (ii) That if the present generation does not reduce its consumption and increase its savings, the burden of public debt may pass on to the future generation and (iii) That Excess borrowing and mounting public debt by government may undermine the very credit worthiness of a nation and therefore, debt should be kept at the barest minimum and be offset as quickly as possible.

The theory is quite relevant to this for the fact that one its critical assumptions meaningful to economic growth is warning to reduce consumption and increase savings. One of the numerous reasons for mounting public debt in Nigeria, is her propensity for consumption especially imported goods and services detrimental to saving, investment and growth (Khalil & Junaidu,2019).

Methodology

The study is an exploratory research that dwells on conceptual literature as well as a review of theories and studies in respect to negative impact of public debt on economies particularly that of Nigeria. The study focused on Nigeria where the economy depends majorly on one source of revenue without much effort to diversify. The review of other authors on the impact of debt burden in other economies and that of Nigeria the domain of this research formed the basis of visible and practical recommendations of the study on how Nigerian government can tackle the issue of ever accumulating public debt for a healthier, viable and sustainable economic growth.

Findings and Discussion

Between 2019 and the end of 2020, Nigeria's external debt profile has risen from \$84.1 billion to \$ 86.4 billion borrowed via loans (Euro bonds and daispora bonds). Also within the same period, internal debt portfolio of the nation rose steadily from N27.4 trillion in 2019 to N32.9 trillion as at December 31, 2020.

While the economic burden of internal debt is lesser than that of external debt since the former involves a transfer of resources from tax payer to bond (credit) holders within a nation though dysfunctional to some extent as its benefit is in favour of the higher income class in the society, the burden of external debt is quite heavy on a nation like Nigeria where many projects for which the funds were borrowed are producing well below capacity, managed inefficiently and not yielding the intended benefits. With pressure to repay, the nation over the years has been devoting significant portion of her budget to debt servicing. The pressure always leads the nation precipitating the worsening of the terms of trade with devastating effect on her purchasing power.

Public borrowing has become an issue with ever accumulation of budget deficits, over reliance on oil revenue, low productivity, low saving and high propensity to consume foreign goods and services (Khalil & Junaidu, 2019). The compounding issue of public debt accumulation in the country is so severe that quite apart from over reliance on oil revenue to the neglect of other revenue sources that could have been explored, the revenues from this only major source (oil) and indeed other revenue are susceptible to all manner of leakages that further weaken the economy and government had to borrow for developmental projects and programmes. Corruption and economic leakages have deprived the nation her valuable funds that would have been available for project execution. Thus, Eunji eta'l (2017) observed that economic leakages and corruption have dwarfed the growth of many economies of the world including Nigeria. The illusion created by public debt has blurred the strategic vision of successive government in Nigeria in terms of infrastructural development and productive capacity internalization (Marthia, 2020).

Conclusion and recommendations

The history of economic crisis facing Nigeria in recent time is a long one traceable to when petroleum oil was discovered in Nigeria in 1950s. Prior to the discovery of oil, the Nigerian economy was relatively robust with diverse agricultural products and other mineral resources as the major sources of foreign exchange earner. Unfortunately, at the advent of oil boom in the mid-70s, agriculture and other mineral resources were jettisoned and petroleum ascended in the export list as the major source of Nigeria's source of foreign exchange earnings. The oil money was so much that the country began to indulge in self-delusion of financial solvency and economic power. Erroneous financial solvency paves for the country's wreck less spending and indulgency in unguarded importation of goods and services with low saving and corruption. This resulted to the emergency of the nation as the big consumer and spender in high taste culture with low productivity. The case of Nigeria became that of over reliance on oil to the neglect of other productive sector that ought to be explored for additional revenue.

The cumulative effect of over reliance on oil revenue, low productivity, low savings, financial leakages/ corruption and failure to explore other productive sector for additional revenue is fund insufficient for government to execute her projects and programmes. The viable option left for government in Nigeria and indeed anywhere in the world in the face of fund insufficiency is to borrow either internally, externally or both. But, borrowing has a lot of negative implications on the growth of economies especially developing ones like Nigeria and as such it should be done with caution. Fortunately, the rising trend of public borrowing in Nigeria can be reversed for good with the following measures:

1. Diversification from oil to non-oil sector such as agriculture and mineral resources. Nigeria is a country endowed with a lot of natural resources. Exploration of these endowment will open the Nigerian economy to many productive activities for revenue with less reliance especially on foreign loans.
2. Efforts to curb the menace of financial leakages and corruption in Nigeria should be stepped up. Though under the present civilian dispensation, much have been done in fighting the menace using institutions such as Economic and Financial Crimes Commission (EFCC) and Independent Corrupt Practices and related offences Commission (ICPC). Much have to be done to see the effectiveness of these organs in terms of prompt prosecution and conviction of cases in the country.
3. Sale of nation's non-productive assets. Moribund and redundant assets of the country should be sold. Funds realized from the sales should be injected into the capital market. Investment in the capital market is a venture that can trigger the growth of the nation's economy.
4. Funds borrowed either internally or externally should be tied to definite, identifiable and viable projects. The projects should be such that can be completed on time for possible revenue realization from such projects.
5. Government at all levels in the country should as a matter of necessity cut costs of governance. The number of Special Advisers and Assistants (SA&As). Political appointees of government should be drastically reduced. Monies realized from the reduction should be used in development/improvement of infrastructure in the country. In the same thought, the security Vote of Governors and all other government officials in the country should be reduced and monies realized from the reduction should be used in infrastructural development and job creation. Banditry, armed robbery, kidnapping, arson and all manners of criminality in Nigerian society is as a result of unemployment. Funds realized from the cuts will complement additional fund that could be required to carry out infrastructural and developmental projects of government.
6. Creation of conducive and easy operating environment for business especially Small and Medium Scale Enterprises (SMEs). Relevant government agencies especially the CBN should make available generous and reasonable loans to the sector to ease their operation. Also the issue of security threatening the operation of the businesses should be tackled with efforts at the nation's disposal. When businesses grow, economy will grow, internally generated revenue of government will increase and borrowing either internally or externally will reduce.
7. Production and consumption of made in Nigerian goods and services should be encouraged for internalization of the nation's quest for industrialization. It is on this note that the author recommend that the proposal for establishment of federal, state and local government farms yet to be done should be revisited for them to come ons board. The multiplier benefits of the projects to Nigerian economy can better be experienced than mere imagination and wishes that usually ended up in a paper.

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