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2022/2023 PhD Thesis Abstract

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AB: The Debt conundrum has become a major challenge to majority of emerging market economies due to the huge demand of infrastructure and welfare of their citizenry. Studies have established that high ratio of debt to GDP is detrimental to economic growth. Nigeria as a debt ridden country has fallen into the debt trap despite earlier debt forgiveness by its international lenders. The issue of huge public debt in Nigeria has become hydra-headed; hence, there is real fear of sudden economic stop which could lead to Nigeria being frozen out from the international debt market with the attendant consequences. Despite the avalanche of studies in this area, the effects of public debt on economic growth of Nigeria have not yet been established using macro-economic indicators (Debt to GDP ratio, domestic debt, debt servicing, external debt, tax revenue and institutional quality). This study, therefore, investigated the effect of public debt on economic growth of Nigeria.

This study employed an *ex-post facto* research design. Time series data of 25 years (1996-2021) were used. Data for the analysis were obtained from existing secondary sources such as publications of the World Bank (World Development Indicators) (WDI), Central Bank of Nigeria (CBN) Statistical Bulletin, Debt Management Office (DMO) statistical reports and the World Governance Indicator (WGI) database. Data were analyzed using both descriptive and inferential (multiple regression) statistics at 5% level of significance.

The study revealed that public debt significantly influenced economic growth in Nigeria ($Adj.R^2 = 0.71$, $F(5, 20) = 13.39$, $p < 0.05$). In addition, institutional quality significantly controlled the effect of public debt on economic growth in Nigeria ($Adj.R^2 = 0.83$, $F(7, 18) = 19.41$, $p < 0.05$). The causality analysis revealed that in the short run there is unidirectional causality from debt to GDP to economic growth in Nigeria ($F(2, 24) = 41.74$, $p < 0.05$). Also, there is evidence of a unidirectional causality from external debt to economic growth both in the short run and long run ($F(2, 24) = 13.44$, $p < 0.05$ and $F(2, 24) = 14.89$, $p < 0.05$ respectively). In addition, there is evidence of a unidirectional causality from domestic debt to economic growth in the short run ($F(2, 24) = 41.55$, $p < 0.05$). Finally, there is evidence of a unidirectional causality from tax revenue to economic growth both in the short run and long run ($F(2, 24) = 33.22$, $p < 0.05$ and $F(2, 24) = 55.32$, $p < 0.05$ respectively).

The study concluded that public debt enhanced economic growth in Nigeria under the regulatory lenses. Therefore, the study recommended that the Nigerian government should use expansionary fiscal policies to improve infrastructure, education, and health. It is also recommended that institutional efficiency should be improved upon especially in the reduction of corruption, efficiency in tax collection, greater transparency and accountability in public expenditure management.

Keywords: Debt-to-GDP ratio, Debt servicing, Domestic debt, Economic growth, External debt, Institutional quality, Tax revenue

Word Count: 467

Abbreviations: RFN: Researcher's Full Name, RD: Researcher's Department, RS: Researcher's School, RE: Researcher's Email, RAE: Researcher's Alternate Email, RP: Researcher's Phone Contact, RT: Registered Title, MS: Main Supervisor, ME: Main Supervisor's E-mail Address, SP: Main Supervisor's Phone Contact, CS: Co-Supervisor, CE: Co-Supervisor's E-mail Address, CP: Co-Supervisor's Phone Contact, AB: Abstract

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