External Debt: A Tool For, or a Threat to the Economic Growth of Nigeria

Mbanasor Christian Okechukwu¹, Okere Peter Anele²

¹²Lecturer, Department of Banking and Finance, Imo State Polytechnic Umuagwo-Ohaji, Nigeria

Abstract: Economic growth is a paramount desire of any nation. Nigeria, as a developing country and the giant of Africa has a number of challenges facing her economic growth. This paper seeks to empirically find the effects of external public debt on the economic growth of Nigeria. The researchers collected secondary data from CBN Annual Reports and Statistical Bulletin. The multiple regression analysis was used to find the relationship between Nigeria external debt and Nigeria Gross Domestic Product (GDP). The result shows that there is a minimal positive relationship between external debt stock and GDP. The coefficient of determination (R²), which stood at 99% also shows that the model has a good fit. The conclusion and summary of this paper reflects that external debt will positively affect economic growth increasingly in the near future, if public debts are managed in such a manner that they are invested in self liquidating developmental projects. 'Termites' such as, embezzlement, mismanagement and corruption must not be in the system to achieve the desired economic goals.

Keywords: External Debt, Economic Growth, Nigeria, Economy, GDP

1. Introduction

The rationale for raising external loan by developing countries has always been to bridge the domestic resources gap in order to accelerate economic growth and development. To that effect, no one will quarrel with any developing country for resorting to external borrowing provided that the proceeds are utilized in a productive way that will facilitate the eventual servicing and liquidation of the debt. Thus, Nigeria resorted to external borrowing early in her history in order to quicken the pace of economic development Sanusi, (1987).

In the initial stages, the amounts borrowed by Nigeria were quite modest. In 1970, even after the civil war, the level of Nigeria's external debt outstanding was relatively low at N488.8 million. At this level, external debt constituted only 9.2 percent of the Gross Domestic Product (GDP). The limit was raised to N5.0 billion later in 1978. Between 1970 and 1978, external debt outstanding was below N500.0 million on a yearly basis and service ratio average 1.4 percent annually. Nigeria remained largely “under borrowed” throughout the 1970s relating to the high absorptive capacity of the economy Sanusi, (1987). The need for external borrowing was not particularly felt during this period as the country was receiving large inflow of foreign exchange through the oil sector. This was the period of “oil boom”.

In the early 1970s, the level of external debt outstanding in Nigeria was not only relatively low, the bulk of it (about 78%) consisted of bilateral and multilateral loans. Such loans are usually provided with concessionary or “soft” terms; payment period is much longer (up to fifty years) and the interest rates are lower. Thus, debt servicing did not pose any serious problem during the period.

A turning point however reached in 1978 as the oil boom collapsed and an oil glut surfaced. The pressure on government finances led to the first borrowing from the International Capital Market (ICM) of a “Jumbo” loan of US$1.0 billion for balance of payments support Sanusi, (1987). The loans were raised primarily to finance a number of projects. Being a loan from private sources, it attracted higher interest rates while the maturity period was shorter. At the end of 1978, the level of total debt outstanding increased more than two-fold from the preceding years level of N21, 265.7 million. Since then more loans have been raised in the private capital market as funds from the bilateral and multilateral institutions dwindled. This caused a remarkable shift in the structure of the debt outstanding and consequent increase in debt burden.

Between 1979 and 1983, there was an indiscriminate resort to external borrowing ostensibly to finance projects. The result was a multiple increase in the level of debt outstanding. Moreover, due to the adverse development in the world oil market, Nigeria started to incur payments arrears from 1982. The arrears increased from N1, 981.7 million in 1982 to N12,279.7 million at the end of 1986. At the end of the period (1986), total external debt outstanding amounted to N41,452.4 million or US$18,631.3 million constituting over 57.5 percent of the GDP for that year while in 2001, it amounted to N3,176.3 billion or US$28,347.0 million, constituting over 57.9 percent of the GDP for 2001, while in 2003 it amounted to N4,398.5 billion.

One particular unwelcomed development during the period 1979-1983 was the indiscriminate way in which some state governments resorted to borrowing from external sources to finance all sorts of projects. Such projects, which did not bear Federal Government guarantee, were usually borrowed at high interest rates from the International Capital Market. At the end of 1985 such loans amounted to N477.4 million. The risk involved in this type of borrowing is that it tends to involve the country’s credit worthiness in the likely event of default on the part of the state governments Sanusi, (1987).

It is generally expected that Nigeria like many other developing countries, facing a scarcity of capital, will acquire external funds to supplement domestic savings. However, rationality dictates that the rate at which external borrowing is undertaken should depend on the “sustainable”
level of foreign borrowing which in turn depends on the links among foreign and domestic savings, investments, and economic growth. The main lesson of the standard “growth with debt” is that a country should borrow abroad as long as the capital acquired produces a rate of return that is higher than the cost of foreign borrowing. In that event, the borrowing country is increasing capacity and expanding output with the aid of foreign savings.

In the case of Nigeria, however, it is becoming increasingly doubtful if foreign borrowing since the late seventies has produced a rate of return that is positive, given her debt burden in 2003, which has become a constraint to economic growth. If additional foreign borrowing increases the debt-service burden more than it increase the country’s capacity to carry that burden, the situation must be reversed by expanding exports. If it is not, and conditions do not change, more borrowing will be needed to make payments, and external debt will grow faster than the country’s capacity to service it.

In sharp contrast with the illusory-image of an “oil-rich country, Nigeria is a heavily indebted poor country. Its total external debt stock as at December 2001 amounted to US$28.35 billion, Federal Government owes about $21.08 billion, representing 76.14 percent while the states owe about $7.27 billion representing 23.86 percent. A significant proportion of this debt (about 75%) is owed to official creditor Arikawe, (2002). In 2003, Nigeria’s huge external debt burden constituted a major impediment to the revitalization of its shattered economy as well as the alleviation of debilitating poverty. However, in 2004, Nigeria was able to reduce its debt burden drastically through the debt relief plan. This debt relief plan pioneered by Ngozi Okonjo Iwuala was largely applauded but even after this great relief Nigeria did not stop incurring external debt. Is it absolutely wrong to incur external debt?

Given the pervasive nature of underutilized capacity in the economy, the country cannot afford to spend more than 20 percent of her budget to service debt. Alternatively, debt-service-export ratio must not exceed 30 percent. If the domestic economy is not expected to suffer, this should be respected in debt service payment.

In addition, foreign borrowing should be a last resort, as government should rely mostly on internal resources (savings) for financing growth. Borrowing per say is not inherently bad. The problem arises when borrowed funds are not properly deployed, are mismanaged, diverted or stolen. While most foreign borrowing has imposed heavy debt service burden on the economy, the project on which the loans were supposedly spend are yielding no revenue with which repayments can be made; instead, they become competing expenditure sources for funds that should be directed at welfare programmes. Thus, borrowing for development should be devoid of these inherent features. Rather, it should target projects with high social rates of return, social and infrastructural projects and export-increasing import-decreasing projects for meaningful economic growth and development to be achieved. This work therefore tends to assess the impact of external debt vis-à-vis its contribution to economic growth of Nigeria.

2. Definition of Terms

2.1 What is External Debt?

External debt as defined by Wikipedia is that part of the total debt in a country that is owed to creditors outside the country. The debtors can be the government, corporations or private households. External debt is also known as foreign debt. It is the component of total debt held by creditors of foreign countries, i.e. non-residents of the debtor’s country. The World Bank described external debt as “debt owed to nonresidents repayable in currency, goods; or services. Total external debt is the sum of public, publicly guaranteed long-term debt, use of IMF credit, and short-term debt. Short term debt include includes all debt having an original maturity of one year or less and interest in arrears on long-term debt.” The debt can be money owed to private banks, outside government or global financial institutions like the World Bank or International Monetary Fund (IMF). According to financial dictionary, external debt is placed within four broad categories namely:

- Private non-guaranteed debt
- Public and publicly guaranteed debt
- Central bank deposits
- Loans due to the World Bank and IMF

2.2 What is Gross Domestic Product (GDP)?

The Gross Domestic Product (GDP) is one of the primary indicators used to gauge the health of a country’s economy. It represents the total market value of all goods and services produced over a specific time period. It represents the size of the economy of a country. It is calculated as the total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

3. Statement of the Problem

Nigeria’s external debt crisis has attracted a lot of attention over the years. The management of Nigeria’s external debt became prominent since 1981 with the fall in the International oil price. As an alternative, the country shifted its attention to the acquisition of external loans as supplement to domestic resources. Nigeria’s external debt crisis therefore can be accessed from the perspectives of ever increasing external debt stock and debt service payments, which have led to low foreign inflows, low external reserves, low standard of living and persistent decline in growth rates. According to Nzotta (2004), external debts usually impose a burden on the present and future of any country. He further said that to ensure that debt does not threaten political stability, the burden of debt service should not leave the debtor in a state of long-term economic stagnation but sadly, this had been the experience of most of the debtor countries in sub-Saharan Africa (Nigeria).

Before the significant reduction of Nigeria external debt which started in 2004, many researchers made reasonable attempt to identify the relationship between Nigeria external
debt and economic growth but since after that researchers have shied away from the subject matter. The central problem that we sought to address in this study therefore is the identification and evaluation of the impact of external debt on the economic growth of Nigeria from 1980 to 2008.

In the light of the above, it is a common knowledge among economic analysts that given the high level of Nigeria’s external public debt in 2003, the economy ought to experience a reasonable level of growth and stability. Unfortunately, this cannot be empirically and statistically justified from evidence. Infact, the rate of growth in the economy over the past thirty years (1980-2009) as represented by the percentage growth in Gross Domestic Product (GDP) and other basic macroeconomic indicators cannot be said to be a true representation of the level of external public debt financed.

4. Objectives of the Study

The objectives of this study are to empirically and statistically investigate the effects of external public debt on the nation’s economic growth over the years 1980-2008, and in the light of the outcome make contributions to external debt management in Nigeria.

5. Literature Review

There are various research and opinions on the impact of external debt on the economy. Ozurumba (2004) in his research revealed that there is a reverse relationship between Nigeria external debt stock and GDP. He further found out that this reverse relationship was because the funds borrowed were not invested in self-liquidating projects that can contribute to economic growth and development.

Adu (2004) also examined the impact of external debt on economic growth and public investment in Nigeria from 1970-2002. He noted that the debt servicing pressure in the country has had a significant adverse effect on the growth process. Ayadi and Folorunso (2008) investigated the impact of the huge external debt, with its servicing requirements, on economic growth of Nigerian and South African. The external debts of Nigeria and South Africa are analyzed in a new context utilizing traditional, but innovative model, which incorporates external sector, debt indicators, and some macroeconomic variable, is employed in the study to explore a linear, as well as non-linear, effect of debt on growth and investment. Both ordinary least squares (OLS) and generalized least squares (GLS) were employed in the analysis. Among other test results, the negative impact of debt (and its servicing requirements) on growth is confirmed in Nigeria and South Africa.

However, South Africa performs better than Nigeria in the application of external loans to promote growth. In addition, external debt contributes positively to growth up to a point after which its contribution becomes negative in Nigeria (reflecting the presence of non-linearity effects).

Adegbite et.al. (2008) considered the impact of huge external debt with its servicing requirements on economic growth of the Nigerian economy. The neoclassical growth model which incorporates external sector, debt indicators and some macroeconomic variables was employed in their study. They also investigated the linear and non-linear effect of debt on growth and investment utilizing the ordinary least squares and the generalized least squares. Among other things, the negative impact of debt (and its servicing requirements) on growth is confirmed in Nigeria. In addition, external debt contributes positively to growth up to a point after which its contributions become negative reflecting the presence of non-linearity in effects. Nigeria’s external debt is analyzed in a new context utilizing a different but innovative model and econometric techniques. It is of tremendous value to researchers on related topic and an effective policy guide to policymakers in Nigeria and other countries with similar characteristics.

Ezikel (2006) made significant attempt to see whether the Nigeria External borrowing has played a significant role in the growth and development of the Nigeria economy. The result of her analysis indicated that external debt has played a negative role in economic growth and development of Nigeria. The servicing of the debt imposed further pressure on the economy but the funds from the loan was not invested in self-liquidating development projects. This result is also similar to that of Nwaneho (2000), who tried to find the relationship between external debt and economic growth in Nigeria. In his analysis, he noted that there is a negative relationship between external debt stock, external debt servicing and GDP for the period between 1980 to 1998. The researcher hence concluded that external debt burden has impacted negatively on the economic growth of Nigeria. The researcher further attributed this to poor management of external debt and corruption among public servants. The negative impact of external debt on Nigeria economy was further buttressed by Onyeoma (1999), Onwuka (2007), Owocye (2003), and Esian (2002) who all agrees that external debt has a confirmed negative effect on Nigeria economy. Most of them further suggested that a proper debt management structure and policy should be put in place or else it will continue to harm the economy.

6. Methodology

The major sources of data for this study are the secondary sources of data. Data were drawn from both published and unpublished materials such material includes: Central Bank of Nigeria (CBN) Annual Report, CBN Statistical Bulletin, textbook and lecture notes and articles.

7. Description of Data Analysis Technique

In the empirical estimate of this study, the econometric technique of multiple regression analysis was used as the principal tool of analysis. The multiple regression analysis was used to estimate the direct relationship between GDP and External Debt Stock, its services and external reserve.

The regression model is given as:

\[ Y = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + \ldots \ldots \ldots \ldots U \]

\[ Y = GDP \ (Dependent \ variable) \]

\[ X_1 = \ External \ Debt \ Stock \ (1st \ independent \ variable) \]
\[ X_2 = \text{External Debt Services (2nd independent variable)} \]
\[ X_3 = \text{External Reserves (3rd independent variable)} \]
\[ b_0 = \text{Regression constant} \]
\[ b_1 = \text{Coefficient of } X_1 \]
\[ b_2 = \text{Coefficient of } X_2 \]
\[ b_3 = \text{Coefficient of } X_3 \]
\[ U = \text{Stochastic variable} \]

8. Data Presentation And Analysis

Table 1 shows the array of data collected from CBN Annual Reports and the CBN Statistical Bulletin. It comprises of Nigerian GDP, External Debt Stock, External Debt Services and External Reserve from 1980 to 2008.

<table>
<thead>
<tr>
<th>s/n</th>
<th>Year</th>
<th>GDP</th>
<th>External Debt Stock</th>
<th>External Debt Services</th>
<th>External Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1980</td>
<td>49632.30</td>
<td>1866.80</td>
<td>110.40</td>
<td>5445.60</td>
</tr>
<tr>
<td>2</td>
<td>1981</td>
<td>47619.70</td>
<td>2331.20</td>
<td>518.50</td>
<td>2424.80</td>
</tr>
<tr>
<td>3</td>
<td>1982</td>
<td>49069.30</td>
<td>8819.40</td>
<td>775.20</td>
<td>1026.80</td>
</tr>
<tr>
<td>4</td>
<td>1983</td>
<td>53107.40</td>
<td>10577.70</td>
<td>1335.20</td>
<td>781.70</td>
</tr>
<tr>
<td>5</td>
<td>1984</td>
<td>59622.50</td>
<td>14808.70</td>
<td>2640.50</td>
<td>1143.80</td>
</tr>
<tr>
<td>6</td>
<td>1985</td>
<td>67908.60</td>
<td>17300.60</td>
<td>3718.00</td>
<td>1641.10</td>
</tr>
<tr>
<td>7</td>
<td>1986</td>
<td>69147.00</td>
<td>41452.40</td>
<td>2502.00</td>
<td>3587.40</td>
</tr>
<tr>
<td>8</td>
<td>1987</td>
<td>105222.80</td>
<td>100789.10</td>
<td>3574.60</td>
<td>4643.30</td>
</tr>
<tr>
<td>9</td>
<td>1988</td>
<td>139085.30</td>
<td>133956.30</td>
<td>81407.00</td>
<td>3272.70</td>
</tr>
<tr>
<td>10</td>
<td>1989</td>
<td>216797.50</td>
<td>240393.70</td>
<td>15577.70</td>
<td>13457.10</td>
</tr>
<tr>
<td>11</td>
<td>1990</td>
<td>267550.00</td>
<td>298614.40</td>
<td>30855.80</td>
<td>34953.10</td>
</tr>
<tr>
<td>12</td>
<td>1991</td>
<td>312139.70</td>
<td>328453.80</td>
<td>35334.30</td>
<td>44249.60</td>
</tr>
<tr>
<td>13</td>
<td>1992</td>
<td>532613.80</td>
<td>633017.00</td>
<td>107395.00</td>
<td>226702.40</td>
</tr>
<tr>
<td>14</td>
<td>1993</td>
<td>683869.80</td>
<td>633144.40</td>
<td>38266.40</td>
<td>67245.50</td>
</tr>
<tr>
<td>15</td>
<td>1994</td>
<td>899863.20</td>
<td>648813.00</td>
<td>34722.80</td>
<td>30455.90</td>
</tr>
<tr>
<td>16</td>
<td>1995</td>
<td>1933211.60</td>
<td>716865.60</td>
<td>122446.20</td>
<td>40333.20</td>
</tr>
<tr>
<td>17</td>
<td>1996</td>
<td>2702719.10</td>
<td>617320.00</td>
<td>147048.00</td>
<td>174309.90</td>
</tr>
<tr>
<td>18</td>
<td>1997</td>
<td>2801972.60</td>
<td>595931.90</td>
<td>134685.00</td>
<td>262198.50</td>
</tr>
<tr>
<td>19</td>
<td>1998</td>
<td>2708430.90</td>
<td>633017.00</td>
<td>107395.00</td>
<td>226702.40</td>
</tr>
<tr>
<td>20</td>
<td>1999</td>
<td>3194015.80</td>
<td>2577374.40</td>
<td>162054.40</td>
<td>546873.10</td>
</tr>
<tr>
<td>21</td>
<td>2000</td>
<td>4525086.30</td>
<td>3967383.90</td>
<td>175203.60</td>
<td>1090148.00</td>
</tr>
<tr>
<td>22</td>
<td>2001</td>
<td>4725086.00</td>
<td>3176291.00</td>
<td>238145.60</td>
<td>1181652.00</td>
</tr>
<tr>
<td>23</td>
<td>2002</td>
<td>6912381.20</td>
<td>3932884.80</td>
<td>141388.50</td>
<td>1013514.00</td>
</tr>
<tr>
<td>24</td>
<td>2003</td>
<td>8487031.60</td>
<td>4478329.30</td>
<td>233942.50</td>
<td>1065093.00</td>
</tr>
<tr>
<td>25</td>
<td>2004</td>
<td>11411066.90</td>
<td>4890260.60</td>
<td>798850.00</td>
<td>2232837.00</td>
</tr>
<tr>
<td>26</td>
<td>2005</td>
<td>14572239.10</td>
<td>2695072.20</td>
<td>986550.00</td>
<td>3647998.70</td>
</tr>
<tr>
<td>27</td>
<td>2006</td>
<td>18584584.90</td>
<td>451461.70</td>
<td>865340.00</td>
<td>5425578.60</td>
</tr>
<tr>
<td>28</td>
<td>2007</td>
<td>20657178.70</td>
<td>428058.70</td>
<td>128600.00</td>
<td>6055717.00</td>
</tr>
<tr>
<td>29</td>
<td>2008</td>
<td>23842170.70</td>
<td>429156.50</td>
<td>55190.00</td>
<td>7025727.70</td>
</tr>
</tbody>
</table>

Source: CBN Annual Reports and Statistical Bulletin

The result on Table 1 was represented using a graphical illustration (Figure 1) for ease of interpretation and understanding. Figure 1 shows that the Nigerian economic which is a measured by GDP among other things increase as external debt stock increase from 1980 to 2004 and then drops sharply from 2005 to 2008. The external debt service was also seen to exhibit a similar pattern.

External reserve on the other hand exhibits a steady increase from 1980 to 2008. This may suggest that keeping other economic indicator constant, the external reserve had contributed immensely to the economic growth and development in Nigeria using the period under review.

The data on Table 1 was subjected to a multiple regression earlier presented in the methodology using SPSS computer package. This is basically to investigate the effect of external debt reserve on the Nigeria economic using gross domestic project.

Figure 1: Graphical Illustration of GDP versus External Debt Service Reserve
The result above can be written or expressed mathematically as;

\[ Y = 246949.5 + 0.686X1 + 0.557X2 + 3.282X3 \]

The above equation shows that for a unit increase in external debt stock (X1), there will be an increase in gross domestic project (Y) by 0.686. Also, if \( X_2 \) is increased by 1, Y will increase by 0.557. This implies that a unit increase in External debt will bring about only 0.686 units growth in GDP and a unit increase in External debt services will bring about only 0.557 units growth in GDP. It is also observed that \( R^2 = 0.987 = 98.7\% \). This shows that more than 98% of variations in GDP are explained by External debt, its services and external reserves. This means that the model has a very good fit.

9. Test of Hypotheses

**H₀**: There is no significant relationship between external debt service reserves and economic growth in Nigeria.

**H₁**: There is a significant relationship between external debt and economic growth in Nigeria.

Table 3 shows the acceptability of our regression models from statistical point of view. Table 3 shows that the overall relationship between gross domestic product and external debt stock, external service and debt service reserve was significant at 5% level.

### Table 3: The Analysis of Variance Result

<table>
<thead>
<tr>
<th>Source</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.299E15</td>
<td>3</td>
<td>4.267E14</td>
<td>708.679</td>
<td>0.001</td>
</tr>
<tr>
<td>Residual</td>
<td>1.505E13</td>
<td>25</td>
<td>6.021E11</td>
<td>1.086</td>
<td>0.379</td>
</tr>
<tr>
<td>Total</td>
<td>1.295E15</td>
<td>28</td>
<td>4.267E14</td>
<td>708.679</td>
<td>0.001</td>
</tr>
</tbody>
</table>

*Significant at 5%*

This implies that there is functional relationship between GDP and external debt service reserve in Nigeria. We therefore reject the hypothesis of non functional relationship. Hence we conclude that there is a significant relationship between external debt, its services and economic growth in Nigeria.

**H₀**: There is no significant relationship between external debt reserves and economic growth in Nigeria

**H₁**: There is a significant relationship between external debt reserves and economic growth in Nigeria

Table 2 shows that External debt reserves (x3) significantly and positively improve the economic growth in Nigeria at 5% level. Again the null hypothesis of zero functional relationship was rejected at 5% level. This implies that external debt reserve has indeed contributed to the economic growth in Nigeria observed in Nigeria in the period under review.

10. Conclusion and Recommendation

The findings of this study indicate that there is a positive linear relationship between external debt and economic growth in Nigeria. This means that an increase in external debt also triggers off increase in economic growth.

However, the coefficient of \( X_1 \) and \( X_2 \) (that is bi and bii) in the model are 0.686 and 0.557 respectively. This values are less than one and hence very low. This means that though external debt has a positive impact on economic growth in Nigeria within the period under study, the impact is very low and is therefore not enough to develop the nation substantially.

The \( R^2 \) shows that 99% of the changes in Nigeria economic growth are explained by external debt, External debt services and external reserves. That means if these macro-economic variables (external debt, External debt services and external variables) are properly administered in Nigeria it could be used to foster substantial growth in the Nigerian economy.

The question now is: should Nigeria continue to borrow externally after it has reduced its debt overhang via the debt relief? The answer is yes because the goodness of fit of the model of this research, which stands at 95%, shows that Nigeria can actually use external debt to cause substantial growth in her economy.

According to the World Bank statistics, Nigeria external debt record increases every year. For instance, (2009: 6,847,795,000); (2010: 7,271,144,000); (2011: 9,008,773,000); (2012: 10,076,546,000). It is thus important that these increase commensurate with the economic growth of the country. It is also important to note that a fast highly developed economy like China has the largest external debt according to the World Bank International Debt Statistics. This is a pointer to the fact that external debt is a tool to economic growth and development if managed and utilized appropriately.

For Nigeria to achieve the required growth using external debt, the funds should be properly invested and managed in self liquidating developmental projects. This means that the proceeds of the investment must be able to pay interest and part of the principal of the loan periodically, and the project in which it is invested must be a developmental project. Our literature review made abundantly clear that corruption, fraud, embezzlement and mismanagement are major reasons why external debt has contributed minimally or negatively to economic growth in Nigeria.
the economic growth of Nigeria. So if these vices are not eradicated from Nigeria, there is no need borrowing.

References


Author Profile

Mbanasor, Christian Okechukwu (MBA, MCIB) is a Lecturer, at the Department of Banking and Finance, Imo State Polytechnic Umuagwo-Ohaji. He holds a Degree and Masters in Business Administration (MBA) from Imo State University. He is currently pursuing his Doctoral degree (PhD) at Abia State University. He has a special interest in Research.