

Politics of External Debt and Millennium Development Goals: A Case Study of Nigeria (2000-2015)

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Abstract: Foreign aid is considered as a significant source of income for many developing countries. Countries that were facing current account deficit in the 1950s were encouraged to borrow from international financial institutions to boost their economic growth. However, such borrowing created a great obstruction to the economic growth of many developing countries today due to high obligations on external debt. Like many developing countries, Nigeria has been living under horrific debt burden. Servicing this debt has cost the country an average of \$2.0 billion annually. This study aims to examine Nigeria's external debt and its impact in realizing Millennium Development Goals (MDGs). The central argument of this study is that external debt has severely limited the ability of the government to devote resources into the MDGs. The negative impact of external debt is measured by comparing the annual debt service with the ratio of government expenditure in eight MDGs, whereby it shows that Nigeria's government has not been able to allocate sufficient resources towards the realization of MDGs due to its obligation to channel a substantial percentage of its GDP to meet external debt service.

Key words: External debt, MDGs, economic growth, GDP, Nigeria

INTRODUCTION

Millennium Development Goals (MDGs) is an initiative taken by the United Nations to achieve certain noble objectives during 2000-2015. These objectives include eight major issues of the poor and less developed countries. The issues include eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and women empowerment, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases and ensuring environmental sustainability. Apart from these basic issues, the MDGs were supposed to be achieved through global partnership and cooperation among all the countries. Since, these goals are difficult to achieve by poor countries individually, the global partnership created a sense of collective approach to the initiative. The inability of the poor countries and the willingness of the rich countries made the availability of the needed fund possible. Nigeria as a developing country with serious backwardness in all the issues of MDGs has not been an exception in the need for foreign fund, appropriate sectoral allocation and proper implementation of the development policies. Apart from allocating fund from

domestic sources, Nigeria remained heavily dependent on foreign borrowing in its socio-economic development plan.

The MDGs are not the beginning for Nigeria's development initiatives. From the early 1960s onward national development and foreign borrowing remained intertwined. Over time, the magnitude of foreign borrowing overshadowed the country's development impetus due to heavy and constant pressure of debt repayment. According to Adepaju, the origin of Nigeria's external debts dates back to 1958 when a sum of US \$28 million was borrowed for railway construction. The level of foreign debt at that time was minimal as debt contracted during that period were concessional debts from bilateral and multilateral sources with longer repayment periods and lower interest rates. However, the wave of borrowing increased with the entry of state governments into external loans. Furthermore, when the chance for loans from bilateral and multilateral sources declined substantially, borrowing from private sources increased considerably. Thus by 1982, the total external debt stock reached to US \$13.1 billion.

While debt and debt service maintained a rising trend, the country has experienced decline in

socio-economic progress over the past decades. Hence as part of the global initiative by the United Nations, Nigeria has also committed to the MDGs. Nigeria's commitment to these goals is beyond debate but it needs to be seen after a decade of its initiations, the performance of the country in MDGs project.

This study attempts to examine the performance of Nigeria in achieving MDGs during 2000-2015 in comparison to its external debt and external debt service obligation and performance. It intends to establish a relationship between debt service and allocation for MDGs to see if the volume of debt service has had any effect on allocation for MDGs. The main argument of the paper is that the incremental pressure of debt service has prevented proportionate amount of investment in the MDGs project which has resulted in low or negative achievement of MDGs in Nigeria.

Theoretical approach: The theoretical literature on the relationship between external debt and growth is huge in number. Some of the literatures have argued for positive relationship while others have indicated negative impacts. Anyanwu has argued that external debt when used productively accelerates the pace of economic development. It will not only provide foreign capital but will also give managerial skill, technical expertise and access to foreign markets. Cohen (1993) sees nothing wrong with external debt and the debt crises arise due to the mismanagement of such funds.

Others have argued that foreign borrowing for local development has rather more negative consequences. Many rest their argument on the concept of "debt overhang". Debt overhang is a term originally coined to describe a financial situation where a company plunged in high level of debt which prevents it from embarking on new projects with fear that any earnings from those projects will promptly be consumed by debt servicing. The company lacks incentive to move on new investments fearing further loss which limits the company's ability to repay the loans. Economists have also applied this model to national governments and their economies, showing how debt overhang can become a significant barrier to economic development. Many developing nations are in the position of repaying substantial loans while growth performance of their economies is low. Such a situation distracts foreign investors out of fear that profits will be heavily taxed to cover the national debt.

Krugman (1988) defines debt overhang as a situation in which the expected repayment on external debt falls short of the contractual value of debt. In its original formulation, the debt overhangs theory centered on the

negative effects of external debt on investment in physical capital. The scope of the theory is however, much broader: a high level of external debt can also reduce a government's incentive to carry out structural and fiscal reforms, since any strengthening of the fiscal position could intensify pressures to repay foreign creditors. Savvides (1992) maintains that the debt encourages taxation of capital and decreases net returns to investment in indebted countries. Rockerbie (1994) argues that the external debt obligations have a significant negative effect on economic growth.

Morisset (1993) found positive effect of debt reduction within a macro-economic framework testing various direct and indirect relationships between external debt, investment and economic growth. Ajayi hold the view that the loads of principal and interest repayments drain the nation's resources and limit the possible expenditure of resources on other productive venture. Levy and Chowdhury (1993) argue that a country's indebtedness may affect its GNP in a way that higher the level of indebtedness, the greater the number of incidences of financial misery and liquidation adversely affecting the GNP directly and indirectly. Ahmed (1984) reflected the causes of debt problem arguing that the developing economies are characterized by heavy dependence on mineral commodities while the manufacturing sector is mostly at the infant stage and relies heavily on imported inputs. To him, they are dependent on the developed countries for supply of other input and finance needed for economic development which made them vulnerable to external shocks. Cunningham examined the association between debt burden and economic growth for 16 heavily indebted nations during the period 1971-1987. He argues that debt burden has a negative effect on economic growth for the fact that productivity of labour and capital are negatively affected.

The case of Nigeria as a debt-ridden country is relevant to see if its external debts have had any implications on its MDGs projects. This research assumes that external debt has caused debt overhang for Nigeria which led to decrease in investment in MDGs leading to poor performance in achieving the goals.

MATERIALS AND METHODS

The relevant data for this study basically come from primary sources such as official data from the governmental agencies specifically Debt Management Office (DMO) of Nigeria and Statistical Bulletin Central Bank of Nigeria, the IMF, World Bank, United Nations and Paris Club. In order to explore the relationship

Table 1: Total debt service, principle and interest payment during 2000-2010

Years	Total debt service (GNI %)	Total debt service (export %)	Principle repayment	Interest payment	Total debt service
2000	4.6	8.2	1.2 bill	672 mill	1.872 bill
2001	5.8	12.2	1.6 bill	786 mill	2.386 bill
2002	2.8	7.6	1.1 bill	312 mill	1.412 bill
2003	2.7	5.7	1.2 bill	409 mill	1.609 bill
2004	2.2	4.3	1.1 bill	540 mill	1.649 bill
2005	9.5	15.8	3.8 bill	4 bill	7.8 bill
2006	4.8	NA	6.4 bill	258 mill	6.658 bill
2007	0.8	1.4	851 mill	86 mill	927 mill
2008	0.3	0.6	337.9 mill	87 mill	424.9 mill
2009	0.3	0.8	338.9 mill	84 mill	422.9 mill
2010	0.3	0.4	246.2 mill	58 mill	484.2 mill

Compiled from the World Bank Development and Financial Indicators available at www.worldbank.org/ing

between foreign debt and MDGs performance, the research first looks at the ratio of external debt service over the study period and its volume. Secondly, the impact of external debt and debt service on MDGs achievement is measured by looking at expenditure on growth performance of MDGs against the volume of external debt and annual debt service.

Profile of Nigeria's external debt and debt service: The history of Nigeria's external debt dates back to 1958 when the sum of US \$28 million was borrowed from the World Bank for the construction of 1780 miles of railway. However, the loans at that time were mostly concessional with longer repayment span and lower interest rate. In 1978, the military government of General Obasanjo acquired the first major loan of US \$1 billion, referred to as the "jumbo loan" from the International Capital Market. Over the subsequent two decades the debt volume grew ominous in geometric pattern.

While the debt burden kept piling up, the country's economic performance also remained shaky. It's FDI experiencing an unpredictable trend during the early years of 2000-2010 (Table 1); its industrial and agricultural outputs also were on the decline mostly. These led to further decline of the country's capacity to deal with its external debt. The administration of Obasanjo due to enormous debt pressure, had started to deny its government liability holding the creditors responsible instead. If the creditors can document where the money went and show that it benefited the citizens of the borrowing country via investment or consumption then the debt will be accepted as a bona fide external obligation of the government. If, however, the fate of the borrowed money cannot be traced then the present African governments must infer that it was diverted into private pockets and quite possibly into capital flight. In such cases, the liability for the debt should lie not with the government but with the private individuals whose personal fortunes are the real counterpart of the debt.

From the beginning of the New Millennium, the debt survive trend taxed a heavy toll on Nigeria GDP consuming up to 6% which worried the government. An uneasy relation developed with all creditors leading to generate support from the international debt relief movement. Benefiting from the international movement of debt relief in 2005, the Nigerian government announced its debt cancellation agreement with the Paris Club of creditors. Owing to pressure out of \$30 billion the Paris Club cancelled \$18 billion, representing 60% of the total. The remaining \$12.4 billion Nigeria paid back. In 2006, Nigeria's external debt was only about US \$7 billion. However, despite its celebrations over its exit from indebtedness with the deal with the Paris Club of creditors, unfortunately, the Nigerian government returned to unsustainable indebtedness with fresh borrowings from external creditors including China and the World Bank Group.

External debt and millennium development goals in Nigeria: The standard global targets for the MDGs analysed in this study are as follow. Though each of the eight goals has a number of targets, this study focuses on only one or two basic targets of the goals due to unavailability of data from Nigeria on all the targets. The eight millennium development goals are as follows:

- Goal 1 (eradicate extreme poverty and hunger): halve between 1990 and 2015, the proportion of people whose income is less than \$1 a day
- Goal 2 (achieve universal primary education): ensure that by 2015, children everywhere, boys and girls alike will be able to complete a full course of primary schooling
- Goal 3 (promote gender equality and empower women): eliminate gender disparity in primary and secondary education, preferably by 2005 and in all levels of education, no later than 2015
- Goal 4 (reduce child mortality): reduce by two-thirds between 1990 and 2015, the mortality rate of children under five

- Goal 5 (improve maternal health): reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
- Goal 6 (combat HIV/AIDS, malaria and other diseases): halt and begin to reverse by 2015, the spread of HIV/AIDS
- G7 (ensure environmental sustainability): increase forestry and halve by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation
- G8 (develop a global partnership for development): access to foreign aid, development aid and technological access to citizens

Even though these are goals to be achieved at global level, at a country level the same targets are applied. Despite the rapid progress by some countries towards achieving Millennium Development Goals, the achievement of most of Sub-Saharan African countries including Nigeria is apparently disappointing. Nigeria has been living under horrific debt burden which has cost the country an average of \$2.0 billion annually as debt servicing. This enormous debt burden has severely limited the ability of the government to devote resources into the Millennium Development Goals (MDGs) and other social sectors. The October 2005 debt relief had created an enormous opportunity for the country to invest more heavily in the human development sectors and Millennium Development Goals (MDGs) particularly. Therefore, the debt relief can be seen as an opportunity for greater sectoral allocation to achieve the Millennium Development Goals (MDGs).

To make out the impact of external debt on Nigeria's performance in MDGs, it is essential to look into the federal government annual budgetary allocation to the Millennium Development Goals. Therefore, assessing development performance in those sectors would best display likely impact of external debt on Nigeria's economic growth. A look at the ratio of external debt service over the study period and its volume and the ratio of government expenditure in the MDGs will show how the money spent on debt service could have benefited the MDGs more. The following section will present the achievement rate in the eight millennium development goals.

Goal 1 (eradicate extreme poverty and hunger): Poverty is the most chronic problem in Nigeria. In 1992, the rate of poverty was 42.70%. So, based on this the national target was set to bring it down to 21.40% by 2015. However, the data shows that poverty rate has been very unsteady over the years. Its rate shot up to 65.60% in 1996 but

declined to 51.55% in 2004. However, according to the National Bureau of Statistics (NBS) data the rate again slide to 61.20% in 2010. This indicates that the country's performance on poverty alleviation to 21.40% has been negative. The 2013 data suggests that other measures have declined only marginally with the exception of relative poverty which rose to about 69.0%. Both per capita absolute poverty and the 'adult equivalent' absolute poverty declined; per capita poverty declined from 64.20% in 2004 to 62.20% in 2010 and absolute poverty declined from 48.40% in 2004 to 46.0% in 2010. On all measures, however, the gap between the actual figure and the target of 21.40% prevalence still remains wide. Likewise, the poverty gap and the share of national consumption by the poorest quintile have not shown any remarkable improvements at least until 2010. This means that Goal 1 is unlikely to be attained by 2015 (Table 2).

Goal 2 (achieve universal primary education): Usually, the rates of poverty and education are correlated positively. High rate of poverty and high rate of illiteracy reinforce each other. Nigeria's net enrolment ratio in primary education which stood at 68.0% in 1990, increased significantly to 95.0% in 2000 (Table 4). This achievement in primary enrolment can be associated with the favourable national policy environment. The 1990-2000 was the decade of education for all and this was followed by Universal Basic Education (UBE) launched in 1999. Their cumulative effect was a sharp rise in net enrolment peaking at 95.0% in 2000. However, the record indicates that the rate fell sharply to 80.0% in 2004 and rebounded to 88.80% in 2008. Available data show that gross enrolment for the population aged 6-11 years has remained at 80.0% from 2009 to date.

As demonstrated in Table 3, the volume of external debt service is many times higher than budgetary allocation to education during 2000-2010. As it is clear, the figures of external service is in billion while the budgetary allocation to education is in million. According to the Nigeria Millennium Development Goals 2013 Report, the level of literacy in the country has gradually increased with a mixed trend as indicated in Table 4.

Table 2: Trend in and status of poverty in Nigeria

Years	Proportion of Population below US \$1 (PPP) per day (%)	Poverty gap ratio (%)	Share of poorest quintile in national consumption (%)
1990	NA	32.10	5.0
1992	42.70	NA	5.10
1996	65.60	NA	5.10
2004	51.55	29.60	5.90
2010	61.20	NA	5.50
2015	21.40	NA	NA

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

Goal 3 (promote gender equality and empower women):

Gender inequality has been a commonplace in the social structure in Nigeria. Girls and women enjoy less socio-economic and political status in the country. Therefore, the MDGs target on the issue was very challenging. Since 1990, there has been a gradual but steady increase in the ratio of girls to boys in primary education. From 76.0% in 1990, it rose gradually to 79.0% in 2003 to 83.0% in 2006 and then to 85.40% in 2008. The achievement level of 90.0% in 2012, the trend indicates that it is approaching to the target by 2015.

Table 3: External debt service and government allocation for education during 2000-2010

Years	Total (US\$) allocation to education	Total debt service in (US\$)
2000	430 mill	1.8 bill
2001	486 mill	2.5 bill
2002	547 mill	1.4 bill
2003	526 mill	1.6 bill
2004	NA	1.7 bill
2005	625 mill	1.7 bill
2006	NA	6.8 bill
2007	127 mill	6.8 bill
2008	1.4 bill	573.6 mill
2009	1.2 bill	492.4 mill
2010	1.66 bill	348.8 mill

Compiled from the World Bank Development and Financial Indicators, available at www.worldbank.org/ng

Table 4: Trends in and status of primary education in Nigeria

Years	Net enrolment in primary education (%)	Primary six completion rate (%)	Literacy rate of 15-24 years old (men and women)
1990	68.0	58.0	64.10
2000	95.0	76.70	60.40
2004	81.10	82.0	76.20
2005	84.60	69.20	80.20
2006	87.90	67.50	81.40
2007	89.60	67.50	NA
2008	88.80	80.0	66.1
2012	NA	87.70	NA
2015 target	100.0	100.0	100.0

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

Table 5: Trend in and status of gender equality in Nigeria

Years	Ratio of girls to boys in primary education (girls per boys)	Ratio of girls to boys secondary education (girls per 100 boys)	Ratio of girls to tertiary education (girls per 100 boys)	Share of women in wage employment in the non-agricultural sector (%)	Proportion of seats held by women in national parliament (%)
1990	76	75	46	6.60	1.1
2000	78	81	66	NA	3.10
2001	78	81	68	NA	3.10
2002	78	80	87	NA	3.10
2003	79	78	72	NA	3.10
2004	81	77	75	NA	3.10
2005	81	80	70	7.90	3.10
2006	83	79	69	NA	3.10
2007	85	75	66	NA	7.70
2008	85	79	66	NA	7.50
2010	NA	NA	NA	7.70	7.50
2012	90	88	NA	14.0	7.0
2015 target	100	100	1000	-	-

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

This indicator has fluctuated over the years, albeit with an overall upward trend. The data in 2013 suggest that from 75.0% in 1990, the ratio of girls to boys in secondary schools rose to 87.0% in 2000 but declined to 78.0% in 2003. It rose again to 80.60% in 2005 and then declined to 75.40% in 2007. In 2008, it rose to 79.90% and in 2012, it rose once more to 88.0% (Table 5). This indicator has responded positively to policy interventions as shown by its remarkable improvement after 2007.

This indicator is the proportion of females to males enrolled in both public and private tertiary educational institutions in Nigeria. It rose from 66.0% in 2000 to 87.0% in 2002. Thereafter, it started fluctuating. It decreased to 72.0% in 2003 but increased to 75.50% in 2004. It then continuously declined to 70.10% in 2005, 69.0% in 2006 and 66.40% in 2007. It rose marginally to 66.80% in 2008.

Another indicator of women empowerment is their rising share in wage employment. The 2013 data show limited progress on this indicator. From 6.60% in 1990, the share of women in wage employment in the non-agricultural sector rose to 7.90% in 2004 and the FMWA&SD estimates that it increased to 14.0% in 2012.

A third indicator to address gender inequality is political empowerment of women. Since, the return to democratic rule in 1999, there has been some improvement in the proportion of seats held by women in the national parliament. From 3.10% of the total seats in 2000, women made giant strides in 2007 when they secured 7.70% of the seats in the national parliament. In both 2008 and 2009, the figure declined to 7.50% and dropped to 7.0% in 2012-13. In the various State Houses of Assembly there are just 68 female members, representing about 6.90% of the total of 990. So, it is obvious that Nigeria's performance in this goal is very discouraging still.

Goal 4 (reduce child mortality): Due to severe inadequacy in national healthcare coverage, the rate of

Table 6: Trends in and status of child mortality in Nigeria

Years	Infant mortality rate (per 1000 live birth)	Under five mortality rate (per 1000 live birth)	Fractions of 1 year old fully immunized against measles (%)
1990	91.0	191	46.00
2000	81.3	183	32.80
2002	78.8	195	1.80
2004	100.0	197	50.00
2005	110.0	200	60.00
2007	86.0	138	41.40
2008	75.0	157	63.30
2011	96.0	157	61.30
2012	61.0	94	61.03
2015 target	30.3	63	100.00

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

child mortality is very high in Nigeria. However as a part of MDGs Nigeria has made some progress in reducing child mortality, although, this has been slow (Table 6). In 1990, the Infant Mortality Rate (IMR) was estimated at 91 deaths per 1000 live births. However by 2008, the IMR had fallen to 75 deaths per 1000 live births and by 2012, it further declined to 61 deaths per 1000 live births as against the 2015 target of 30.3 deaths per 1000 live births.

Similarly, substantial improvements have occurred in the Under five Mortality Rate (U5MR). From 191 deaths per 1000 live births in 2000, it dropped to 157 per 1000 in 2008 and to 94 deaths per 1000 live births in 2012. However, Nigeria is still short of the 2015 target of 63.7 deaths per 1000 live births.

Health care provision in Nigeria is a responsibility of the three tiers of government in the country namely: local, state and federal governments. The federal government's role is mostly limited to coordinating the affairs of the university teaching hospitals while the state government manages the various general hospitals and the local government manages the dispensaries. The total expenditure on health care is 4.6% of GDP while the percentage of federal government expenditure on health care is about 1.5%. Nigeria's health sector is characterized by poor quality and inefficiencies in the provision of public health services, resulting in poor health outcomes.

Government budgetary allocation to the health sector in Nigerian is viewed as the engine of whole machine. Despite several attempts to reform Nigeria's health sector over the past 30 years, the country still lacks good health care provision. What are the reasons for Nigeria's failure to develop a successful health care model? One of the reasons is lack of political will and poor policy-making that failed to divide responsibilities effectively between federal, state and local government. Another explanation of Nigeria's failure to establish high-quality health care is external debt services which resulted in poor funds,

Table 7: External debt service and federal government allocation to health sector during 2000-2010

Years	Total (US\$) allocation to health	Total (US\$) debt service
2000	1.19 bill	1.8 bill
2001	1.7 bill	2.5 bill
2002	1.8 bill	1.4 bill
2003	2.1 bill	1.6 bill
2004	2.2 bill	1.7 bill
2005	2.6 bill	1.7 bill
2006	2.6 bill	6.8 bill
2007	3.3 bill	6.8 bill
2008	1 bill	573.6 mill
2009	NA	492.4 mill
2010	NA	348.8 mill

Compiled from the World Bank and CBN Statistical Bulletin available at www.worldbank.org/ng and www.cbnbank.org/documents/statbulletin.asp

inadequate modern equipment and facilities. As Table 7 shows, the amount that goes to debt servicing is almost >5 times of federal government budgetary allocation to health. Indeed, Nigeria's debt service has severe consequences for the economy and the healthcare of the citizens. The servicing of the huge external debt has severe impacts on resources available for healthcare sector.

Nigeria like many developing countries in Africa makes efforts to strengthen its health system in general and immunization service in particular, in order to reduce preventable diseases. Therefore, child mortality remains a particular concern for the government. To reduce child mortality rates in Nigeria, the government has established some programs through which this goal can be materialized. These includes establishment of National Immunization Days in Nigeria (NIDs) which is 4 days immunization campaign. Moreover, the government has established the Medium Term Plan of Action which calls for the implementation of cost-effective health development interventions in an integrated manner to address the priority health problems. Furthermore, the Federal Ministry of Health has sponsored the Integrated Maternal, New born and Child Health (IMNCH) strategy was put together to fast-track a program designed to revitalize primary health care in every local government.

Although, the trend shows that the country is making progress in reducing child mortality rates (Table 6), however, the rate remains too slow to achieve MDGs by 2015. Malnutrition is the underlying factor of mortality which resulted from poverty and hunger. Furthermore, the death of new born babies in Nigeria represents a quarter of the total number of deaths of children under-five. Hence, in order to provide good health care service, adequate fund is necessary for modern hospital equipment, facilities and skilled birth attendants and so on. Therefore, the money spent on debt service could have made an impact towards this realization (Table 8).

Table 8: Nigeria's health profile during 2000-2010

Years	Health expenditure per capita	Depth of hunger	Birth rate crude per 1000 people	Death rate crude per 1000 people	Population density people per SQ	Physician per 1000 people	Community health workers per 1000 people
2000	17.0	NA	41.9	NA	NA	0.3	NA
2001	18.0	NA	41.7	NA	NA	NA	NA
2002	17.6	200.2	41.5	17.0	142.0	NA	NA
2003	38.0	NA	41.4	16.6	146.1	0.3	NA
2004	44.4	NA	41.2	16.2	149.8	NA	NA
2005	52.6	NA	41.0	15.9	153.5	NA	NA
2006	59.1	NA	40.8	15.5	157.4	NA	NA
2007	67.8	NA	40.5	15.2	161.3	NA	NA
2008	79.3	0.1	40.3	14.9	165.4	0.4	0.1
2009	66.6	NA	40.1	14.6	169.6	NA	NA
2010	62.8	NA	39.9	14.3	173.9	NA	NA

Compiled from the World Bank Development and Financial Indicators, available at www.worldbank.org/ng

Table 9: Trends in and status of maternal mortality rate in Nigeria

Years	Maternal mortality rates (per 100,000 live births)	Proportion of births attended by skilled health personnel (%)
1990	704	45.0
2000	704	42.0
2001	704	42.0
2002	704	37.3
2003	800	36.3
2004	800	43.5
2005	800	43.5
2006	800	NA
2007	NA	NA
2008	NA	NA
2010	NA	48.70
2012	350	53.60
2015	100.0	100.0

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

Goal 5 (improve maternal health): Child mortality is mostly associated with maternal health. So, high rate of maternal health has been a legitimate target of MDGs in Nigeria. Nigeria has made steady progress in reducing maternal deaths and moving towards the achievement of MDG 5. From a high of 1000 deaths per 100,000 live births in 1990, maternal mortality fell to 800 deaths per 100,000 live births in 2004, 545 deaths per 100,000 live births in 2008 and 350 deaths per 100,000 live births in 2012. Maternal mortality declined by 20.0% between 1990 and 2004 and by 36.0% between 2004 and 2008. However, Nigeria's current status, estimated at 350 maternal deaths per 100,000 live births is still 40.0% short of the 2015 target of 250 maternal deaths per 100,000 live births (Table 9).

Goal 6 (combat HIV/AIDS, malaria and other diseases): As the entire African continent, especially Sub-Saharan Africa is plagued with HIV/AIDS, Nigeria is not an exception. Latest statistics show an impressive advancement that Nigeria is well on track regarding the MDG target for HIV/AIDS (Table 10). HIV prevalence among pregnant young women aged 15-24 years has continuously declined in recent years. From 5.40% in 2000, it initially rose to 5.80% in 2001 and 2002 but then

fell to 5.0% in 2003 and to 4.30% in 2005; it has stabilised around 4.10% since 2008. At the national level, therefore, the MDG target has been met: the spread of HIV has been halted and has begun to be reversed.

The treatment for HIV/AIDS has been rising steadily from 24.0% in 2010 to 33.0% in 2012. In other words, about one out of every three persons living with HIV/AIDS is receiving treatment, against the target of 100.0% by 2015. So, this means the treatment coverage is just one-third of the target which is very discouraging.

A second deadly disease is Tuberculosis (TB). Nigeria remains one of the 22 high TB burden countries responsible for 80.0% of the estimated global TB burden. The TB burden is further compounded by the prevalence of HIV. Nigeria adopts the WHO recommended DOTS (directly observed treatment short-course) strategy/Stop TB strategy for the control of TB. The vision is 'Nigeria free of TB' with the goal to reduce the burden of TB by 2015 in line with the MDGs and the stop TB partnership targets. The trend in the notification of TB has improved as a result of improvement in surveillance. Progress with TB shows that the prevalence of death rates associated with TB has decreased over time from 15.74 per 100,000 in 2000 to 5.0 per 100,000 in 2012.

Goal 7 (ensure environmental sustainability): The seventh goal of the MDGs is environmental sustainability which includes among others increasing forest land and ensuring safe drinking water and improved sanitation for all. The 2013 data show that the proportion of land area covered by forest has consistently fallen over the past 20 years and not much has been done to counteract this. Currently, FAO estimates put the statistic at 9.90% in 2012, down from 9.80% in 2011 and 12.20% in 2006.

Access to water sanitation and hygiene is a daily challenge for many Nigerians. The problem is particularly acute in rural Northern Nigeria where only about 30.0% of the population has access to safe drinking water and adequate sanitation. This situation leads to a high

Table 10: Trends in and status of HIV/AIDS and other diseases in Nigeria

Years	HIV prevalence among pregnant young women aged 15-24 (%)	Proportion of the population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS (%)	Proportion of the population aged 15-24 reporting the use of condom during sexual intercourse with a non-regular partner (%)	Children orphaned by HIV/AIDS	Proportion of the population with HIV infection with access to antiretroviral drugs (%)	Prevalence and death rates associated with tuberculosis (per 100,000)	Prevalence and death rates associated with malaria (per 100,000)	Proportion of children under five sleeping under insecticide-treated bed nets (%)
1990	NA	NA	NA	NA	NA	15.7	NA	NA
2000	5.4	NA	NA	NA	NA	12.1	NA	NA
2001	5.8	NA	NA	NA	NA	12.5	NA	NA
2002	5.8	18.3	18.3	NA	NA	7.0	20.2	2.2
2003	5.0	18.3	18.3	NA	NA	7.0	18.5	NA
2004	5.0	25.9	25.9	1.80	NA	7.0	22.4	NA
2005	4.3	25.9	25.9	1.97	NA	7.0	17.2	NA
2006	4.3	25.9	25.9	1.97	NA	NA	11.5	NA
2007	4.3	25.9	25.9	1.97	23.90	NA	11.5	5.5
2008	4.10	NA	NA	NA	32.70	NA	11.5	10.9
2010	4.10	24.2	45.7	NA	28.80	NA	NA	16.4
2015 target	0	80.0	80.0	NA	80.0	NA	NA	18.0

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

Table 11: Trends in and status of drinking water and sanitation in Nigeria

Years	Proportion of population using an improved drinking water source (%)	Proportion of population using an improved sanitation facility (%)
1990	54.0	39.0
2000	54.0	42.9
2001	62.1	42.9
2002	64.2	49.4
2003	65.2	49.8
2004	57.0	38.0
2005	60.0	33.0
2006	50.9	42.9
2007	49.1	53.8
2008	55.8	51.6
2009	55.8	NA
2010	55.1	31.0
2011	58.5	33.7
2012	57.4	NA
2015	77.0	77.0

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prevalence of waterborne diseases, threatens the livelihoods of smallholder farmers and contributes to low levels of school enrolment.

The 2013 data also show that Nigeria's progress in providing clean water to its inhabitants has been irregular. While the general trend since 2007 has been an overall increase from 49.10-57.40%, this still leaves a gap to target of approximately, 20.0% to be covered in the next two plus years (Table 11).

Goal 8 (develop a global partnership for development):

Achievement of MDGs is impossible unless a global partnership is developed through which sharing of capital and resources make socio-economic in the poor and developing countries possible. As such Overseas Development Assistance (ODA) has been considered an important indicator the per capita rate of ODA is a measurement considered in this regard. The 2013 data on Nigeria's MDGs show that ODA to Nigeria has witnessed a steady increase over the years. Total ODA received by the country in 2011 was USD 1,502,080,645.79 (Table 12) which translated to a per capita ODA of USD 9.20 in 2011 compared to USD 8.70 in 2008 and USD 4.89 in 2005. The bulk (78.0%) is directed towards human capital and social development while 10.0% goes towards governance and general administration. Similarly, 2.20% is directed to

Table 12: Trends in and status of per capita ODA and debt service in Nigeria

Years	Per capita ODA to Nigeria (USD)	Debt service as a percentage of exports of goods and services
1990	3	9.7
2000	1.7	12.9
2001	1.3	8.3
2002	2.2	5.4
2003	2.4	15.9
2004	4.4	11.6
2005	4.8	1.4
2006	8.1	0.6
2007	NA	0.7
2008	8.7	0.4
2009	9.5	0.3
2010	7.9	0.1
2011	9.2	0.2
2012	NA	NA

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

physical infrastructure and only 0.50% is directed to the knowledge-based economy. Nevertheless, it seems that this amount falls short of the amount required to make appreciable progress on the MDGs.

Another indicator of global partnership is a country's external debt in proportion to its foreign earnings. The latest data shows that the Nigerian economy was heavily burdened by her huge external debt for many years. In the past, much of her hard-earned foreign exchange was spent on servicing the country's external debt, consuming about 22.30% of the value of the country's exports of goods and services in 1990. In 2005, the Paris Club wrote off USD 18 billion of Nigeria's debt as a result of which debt service as a proportion of the export of goods and services has continued to fall from 16.08% in 2005 to 1.44% in 2007 and to 0.12% in 2012. From the relief gain and in fulfillment of the conditions for the relief, the country has been able to dedicate at least USD 1 billion yearly towards additional spending for the achievement of the MDGs.

Another important indicator of this goal is per capita access to telephone and internet usage. Higher the rates better the global partnership. The last data shows that at the moment there are 0.4 fixed telephone lines per 100 persons with most of them concentrated in urban cities such as Lagos and Abuja. In contrast, mobile telecommunications have witnessed an astronomical

growth with 59 cellular subscribers for every 100 inhabitants. The period 2001-2007 saw the internet penetration rate rise from 6.77-28.43%. It is obvious that mobile phones are easier to access and handle than land phone. But still, 59% mobile phone access is way much behind the target of the goal.

RESULTS AND DISCUSSION

The official report on the eight MDGs in Nigeria presented above depicts a quite rosy picture of achievement. However, what remains to see is whether the achievement levels met the set target. Table 13 suggests that three goals are likely to be met by 2015, three others are potentially to meet and the remaining two are unlikely to meet. Given the deteriorating political and social insecurity in Nigeria over the recent years and the ongoing global economic downturn and the slide in petroleum price it is very likely that the three goals categorized as 'potentially to meet the targets' may end up joining the 'unlikely' group of goals. In that case five out of eight goals will remain unattained.

Secondly, what prevented the achievement of the targets? First of all, the government's capability to invest in MDGs remained very low from the beginning (Table 14). The first reflection of the MDGs on national budget and development planning was made only in 2004

and the first substantial allocations for MDGs were made in 2005 after debt relief agreement. Yet the annual obligatory spending of NGN 100 billion (US \$1 billion) on MDGs were never realized. Table 14 presents a tally of comparative government allocation of fund for various sectors. The table also presents external debt obligation which consists of total loan and total repayment during 2000-2010. However, there is limited data access on total government investment in the MDGs with the exception of education and health this is due to the fact that the government investments on other sector are insignificant. For instance, government programs on child mortality, HIV/AIDS, hunger and poverty have no independent financial inflows contrary to education and health both are ministries and therefore have the so called annual budgetary allocation. As a result of this, it is so difficult to find the sufficient data on total government investment on the selected MDGs with the exception of education and health. However, it does not mean that the government has never invested in the other MGDs; the investment is not worth mentioning.

In regards to poverty alleviation and hunger for instance, government initiated a number of programs the most visible are National Economic Empowerment and Development Strategy and State Economic Empowerment and Development Strategy as illustrated earlier. In the case of HIV/AIDS, child mortality and other pandemic

Table 13: Expected level of MDGs achievement in Nigeria by 2015

MDGs	Target achievement by 2015		
	Likely	Potentially	Unlikely
MDG 1: Eradicate extreme poverty and hunger			v
MDG 2: Achieve universal primary education	v		
MDG 3: Promote gender equality and empower women		v	
MDG 4: Reduce child mortality		v	
MDG 5: Improve maternal health	v		
MDG 6: Combat HIV/AIDS, malaria and other diseases		v	
MDG 7: Ensure environmental sustainability			v
MDG 8: Develop a global partnership for development	v		

Nigeria Millennium Development Goals: 2013 Report, available at www.mdgs.gov.ng

Table 14: Comparing government investment in eight MDGs, total loan and total repayment

Years	Government allocation						Repayment in US\$
	Education	Health	Poverty and hunger	HIV/AIDS	Morality	Loan in US\$	
2000	430 mill	1.19 bill	NA	NA	NA	1.2 bill	1.8 bill
2001	486 mill	1.7 bill	NA	NA	NA	1.6 bill	2.5 bill
2002	547 mill	1.8 bill	NA	NA	NA	1.1 bill	1.4 bill
2003	526 mill	2.1 bill	NA	NA	NA	1.2 bill	1.6 bill
2004	NA	2.2 bill	NA	NA	NA	1.1 bill	1.7 bill
2005	625 mill	2.6 bill	NA	NA	NA	3.8 bil	1.7 bill
2006	NA	2.6 bill	NA	NA	NA	6.4 bill	6.8 bill
2007	127 mill	3.3 bill	NA	NA	NA	851 ml	6.8 bill
2008	1.4 bill	NA	NA	NA	NA	NA	6.8 bill
2009	1.2 bill	NA	NA	NA	NA	NA	6.8 bill
2010	1.66 bill	NA	NA	NA	NA	NA	573.6 mill

Compiled from the World Bank development and financial indicators, available at www.worldbank.org/ng

diseases such malaria the government established the Medium Term Plan of Action which addresses the priority health problems in the country.

However, the available data show a very disappointing picture. Education and health are regular key sectors that receive government allocation. The data shows that allocation for the two sectors have steadily increased annually. This is indicative of increasing government attention to the increasing needs of the sectors. However, it is difficult to assess whether the allocations are enough at all. Various studies have shown that the required amounts of allocation for the sectors are in fact much higher. So, it is obvious that inadequate allocation would contribute to non-achievement of the desired goals. Secondly, the government's inability to allocate the required amount is probably constrained by its debt obligations to foreign sources as shown in the table. The annual volumes of debt repayment during the study period show that these sometimes exceeded the total allocations for the two sectors combined or maintained a close call.

However, the most problematic is the fact that the government has had no separate allocations for MDGs like child mortality and HIV/AIDS. In Nigeria, there are growing concerns about rapid growth of HIV/AIDS, recognizing the need for action. Towards this end, the government has established different policies. In 2000, the National Action Committee on AIDS (NACA) was created which emphasizes a multisectoral approach to AIDS. Moreover, in 2002 National Action Committee on AIDS (NACA) was launched. The policy has focused on containing the epidemic and preventing new infections through advocacy, information and education campaigns. The government has also articulated a medium term HIV/AIDS Control Action Plan that seeks to provide free Voluntary Counselling and Testing Services and expand subsidized treatment for HIV/AIDS.

Government response to HIV/AIDs in Nigeria has no specific amount from government annual budget vis-a-vis education and health for the fact that education and health are independent ministries. However, the government sponsors some programmes in respect to HIV/AIDs avoidance in the country which requires funds. According to USAID the HIV/AIDs funding in Nigeria was USD 6.7 in 1999 million and 12.8 million in 2001. The 2000 Situation Assessment of HIV/AIDs in Nigerian has reported certain challenges in regards to HIV/AIDs in Nigeria which include: over dependence on donor; insufficient funding; lack of political and commitment from policy makers and lack of skilled and trained personnel to implement the national AIDs programs accordingly.

Despite various initiatives of the government towards attaining the MDGs and despite official claims of the

relatively high level of achievement, independent studies however indicate otherwise results (Adedokun and Ololade, 2014; Okoroafor and Chinweoke, 2013). Particularly various studies suggest the poverty level remains at precarious level (Amaghionyeodiwe and Adediran, 2012), primary education and literacy rate are actually degrading in terms of quality and continuity (Bello *et al.*, 2009; Oni, 2008), maternal and child health is inadequate and of poor service (Doctor *et al.*, 2012) and gender and women empowerment (Ejumudo, 2013; Ayeni and Ajibogun, 2013; Alade, 2014; Emakhu, 2013; Nwagbara *et al.*, 2012) remains far behind any credible level of progress.

The pattern and volume of Nigeria's foreign obligations and repayments makes it clear that it constraints government allocation of the required fund for MDGs. A three-way pressure-decline in relative national economic growth, increased demand for sectoral allocation of fund and obligation of increasing debt service has underscored the unsatisfactory level of achievement in the MDGs.

CONCLUSION

The Millennium Development Goals are challenging projects for Nigeria. They require political will, economic capability and human and technological resources. The analysis in this study shows that despite indication of progress in the level of achievement of the goals in reality the situation is far from the truth. Since, 1980s, Nigeria has been living under horrific debt burden. Servicing these debts has cost the country taxpayers an average of \$2.0 billion annually. This enormous debt burden has severely limited the ability of the government to devote recourses into the Millennium Development Goals and other social sectors. With the October 2005 debt relief agreement with the Paris Club, the country has a chance to invest more heavily in the human development sectors and Millennium Development Goals MDGs particularly. Therefore, to some extent the debt relief has enabled the county to meet the target for human development as encapsulated in the Millennium Development Goals MDGs. However, there is much to be done in the respect of the MDGs in Nigeria and debt cancelation can only play a part in the realization on the foregoing goals. Therefore, political will and dedication from the government are necessary conditions to actualize MDGs in the country. With an average annual investment of barely 16% of GDP, Nigeria is far behind the minimum investment rate of about 30% of GDP required to reach a growth rate of at least 7-8% perineum to achieve Millennium Development Goals MDGs by 2015.

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