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Research Article

IMF Policies and Nigeria's Relationship : Lending Preconditions From 2019 To 2024.

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Abstract: Nigeria's economy has been severely stagnant since the 1980s. Afrocentric literature charts the nation's history, whereas Eurocentric literature identifies the Nigerian civil war and the corrupt practices of its leaders as the primary cause economic hardships to her historical colonial dominance and economic exploitation activities. However, none of the aforementioned reasons provide stronger support for being the cause of the nation's economic dysfunction, particularly when contrasted with IMF measures implemented there. The IMF's policies on Nigeria's Structural Adjustment Program (SAP) and its Loan Conditionality are partially shown in this article to be "the crux impediment facing the country." As a result, the paper makes the case that, among other mismanagement policies, General Ibrahim Babangida's acceptance of IMF loans contributed to the nation's economic problems and backwardness. Using primary and secondary sources, the study makes the argument that its riches would be restored by a more inclusive economic system free of the current extractive economic practices.

Keywords: Economy, IMF, Impact, Nigeria, Policies

1. Introduction

Although development is a universal property of matter, man, society, and nature, he can effectively regulate the pace and direction of this process in society and nature, and he can have a significant impact on it in nature. But according to Sulaiman (2023), development encompasses economic, political, societal, technological, and personal spheres.Any sovereign nation must prioritize sustainable economic growth, but emerging nations—which are typified by poor capital formation as a result of low levels of domestic savings and investment—should pay particular attention to this issue (Ajiteru, 2023). When faced with a lack of funds, these DC are likely to turn to borrowing from outside sources to augment domestic savings, which is why governments must constantly borrow money has caused the IMF loan to emerge in order to fund the budget deficit Abalaka (2023).Nations have sought to implement IMF Loan Policy as a method of economic management to achieve sustainable economic growth and development. The government has supported this approach since Adams Smith's time, when he first formally articulated how money impacts economic aggregates. Since the explanations of how the IMF Loan Policy affects macroeconomic goals such as price stability, economic growth, balance of payments equilibrium, and a myriad of other goals, monetary authorities are tasked with utilizing this policy to expand their economies. Ajiteru, (2023). Nigeria has been using the IMF Loan Policy ever since the Central Bank of Nigeria was given the duty of creating and carrying out the Central Bank Act of 1958's IMF Loan Policy. Representatives from forty-four (44) nations came up with the idea and developed the International Monetary Fund (IMF) during the 1944 Bretton Woods Conference in the United States. Among these nations are the United States, Japan, Canada, Britain, and a few Latin American nations. The purpose of the conference was to address

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global trade and payment issues that were generating monetary instability and pushing several nations to implement trade restrictions and protections. Additionally, the meeting was called to rebuild and restructure many of the Second World War-ravaged European economies (Ajiteru, 2023).

It is very costly to rebuild and restructure an economy that has been devastated by conflict. It is clear that the participating nations were unable to pay for such a large spending without outside support Ajiteru (2023). The United States of America swiftly developed what became known as the Marshal plan, which essentially brought in resources to finance the reconstruction and restructuring programs of the war-ravaged Western European countries, because they were prepared to shield these European economies from communist temptation. According to Sulaiman (2020), the United States of America likewise believed that it was essential to forge a solid and long-lasting commercial partnership and to bolster the ties and interests of other Western European nations. Therefore, it was thought to be crucial to establish an international body with sufficient funding and authority to handle payments and offer short-term balance of payment facilities for nations experiencing balance of payments issues in order to support and encourage such international trade payment shortfall brought on by transient, non-structural economic disruptions. As an organization appropriate for this purpose, the international monetary fund was created as a result of this idea (Ajiteru, 2023).

The issue of Nigeria's shortage of energy to drive its growth was a hot topic long before civil rule began in 1999. The problem was first supposed to be resolved in six months, then in eighteen months, and finally by the end of 2007, when Nigerians were guaranteed a steady supply of electricity (Sulaiman, 2020). In his inaugural speech in 2015, President Muhammadu Buhari also stated that providing power was a top priority on his agenda. However, it is evident that without electricity, industrial development and all of those ambitious plans to become one of the world's leading by 2020, economies cannot be Furthermore, the emergence of dysfunctional relationships between lenders and borrowers in international finance is largely responsible for the growth of IMF financing and crisis mediation since the early 1980s. Reducing moral hazard and improving crisis prevention and management are necessary for referring to the connection (Ajiteru, 2023). However, the latest crisis management attempts from the IMF are probably going to fail. The current strategy, in which the IMF all too frequently turns into an onerous third party, has less potential to stabilize the global financial system than an approval based on a stronger reliance on two-party bargaining.

Lastly, it is not hyperbole to say that this is the main issue facing the Nigerian economy. The Nigerian economy's incapacity to successfully meet the country is facing a significant debt service load as a result of its IMF loan payback requirements (Ajiteru, 2023). The nation faces further issues as a result of this debt service burden, especially the growing fiscal imbalance brought on by rising loan grant levels. Since a significant portion of the country's hard-earned income is being consumed, this presents a serious threat to the economy. Nigeria's outstanding external debt was US$28.35 million in 2001, or roughly 59.4% of GDP, up from US$8.5 million in 1980, or roughly 14.6% of GDP (WDI 2013). When US$2.3 billion was moved to pay off Nigeria's external debt in 2003, the debt crisis peaked (Sulaiman, 2023).

1.1. The study's objectives

The primary objective of this study is to evaluate and investigate the impact of the IMF Loan Policy on Nigeria's development and growth. Specifically, the study aims to analyze the relationship between Nigeria's economic development and IMF loan policies, determine the effectiveness of the IMF Loan Policy in the Nigerian economy, and assess whether there is a positive correlation between the degree of loan conditionalities and the increase in World Bank development loan assistance to Nigeria. Additionally, it seeks to examine whether World Bank development loan assistance positively influences Nigeria's economic growth, explore the broader impact of IMF loan policies on developing countries, and identify the challenges these nations face in obtaining and repaying IMF loans.

1.2 Inquiries for Research

To achieve these objectives, this study seeks to answer the following research questions: What are the loan policies of the IMF? Have the economies of developing countries suffered as a result of IMF loan policies? Does Nigeria's economic development have a causal relationship with IMF loan policy? How effective is the IMF loan policy for the Nigerian economy? Is there a correlation between the degree of loan conditionalities and the rise in World Bank development loan aid to Nigeria? Does Nigeria's economic expansion correlate with the World Bank's development loans to the country? Lastly, what differences exist between the loan policies of the International Monetary Fund for rich and developing countries?

1.3. Importance of the Study

The IMF Loan Issue the Nigerian government and the country at large have been very concerned about policy, which has led to harsh measures such allocating the country's limited resources to debt servicing each year (Ajiteru, 2023). As a result, the economy has been disinvested, which has decreased domestic savings and the nation's overall growth (Ajiteru, 2023).

This study is significant from both a theoretical and an empirical standpoint.

Scholars would theoretically greatly benefit from this study. In fact, it will supply the necessary materials for academics who wish to pursue further research or act as a source of materials for related fields (Sulaiman, 2020). The research will provide some helpful theoretical additions to knowledge, particularly the liberal political economy paradigm, which explains how IFIs like the World Bank promote or facilitate development in developing nations like Nigeria, and possibly in other ways as well (Ajiteru, 2023). Policy advisers, decision-makers, and executives, the federal and state governments of Nigeria, legislators, and the World Bank would all empirically gain much from the study (World Bank Sulaiman, 2023).

Therefore, the importance of this study comes from two reasons: first, it is necessary to keep Nigeria from falling into the debt crisis of the 1990s again, which could be averted with better loan negotiation and debt management (Ajiteru, 2023).

Additionally, the analysis will be helpful to other nations looking to borrow from the fund or looking for other economic measures to revive their struggling economies, and will also specifically investigate different ways that Nigeria can increase her bank credit portfolio to align with her development needs. This will allow her to meet these needs for sustainable development as well as the country's development (Sulaiman, 2023). Last but not least, this study will be very helpful to bankers, investment analysts, government agencies, academics, and the private and public sectors. However, it will be especially helpful to the government (economic committee) and policymakers in their efforts to create dynamic and trustworthy loan policy measures for regulating government spending and money creation, which will in turn affect the economy's efficient growth and development. Ajiteru (2023).

1.4 Statement of the Problem

As a result, it was Ajiteru (2023) predicted that this structural change will solve the structural imbalances in the Nigerian economy that led to and exacerbated the country's productive ineptitude. Implementing these ideas has also been intended to improve the public sector, reduce waste, boost the faltering economy, create jobs, and develop infrastructure. Unfortunately, instead of resolving the nation's economic growth concerns, these policies have made matters worse (Efobi et al. 2018). Due to their lack of development, it has been discovered that all of the nations implementing the SAP have mass unemployment, inequality, increased debt, and budget deficits (Igwe, 2016).

2. Literature Review

2.1 Conceptual Structure

Neoliberalism aims to give the private sector more authority over economic elements (Mikuš, 2016). It leans away from public ownership, regulation, and spending by the government and toward free-market capitalism Ajiteru (2023). Laissez-faire economic liberalism and neoliberalism are frequently used interchangeably. According to Splander et al. (2016), liberalism is a political philosophy that prioritizes societal advancement through legislative reform and change over revolution. Liberals think that states can cooperate to reduce violence and increase prosperity if they have the right institutions and diplomatic skills. Numerous authors and intellectuals, including Thomas Hobbes, John Locke, Franklin D. Roosevelt, and numerous more, have played a significant role in advancing liberalism (Ajiteru, 2023).

In the 1980s, neoliberalism replaced modernization theory as the dominant development theory. At a summit of world leaders in 1989, the World Bank and IMF concluded that neoliberal policies were the most effective way to achieve economic growth. Neoliberals argue that excessive government intervention stifles individual freedom and hinders progress (Jakupec, 2018). For instance, communist governments in Eastern Europe were accused of restricting citizens' ability to develop the consumer culture that flourished in Western Europe during the 1960s (Ost, 2015). Additionally, neoliberals reject the role of Western aid, believing that businesses and the private sector should drive development (Shafiu & Salleh, 2020). They emphasize the importance of fair trade and argue that governments should create a business-friendly environment to encourage economic expansion through exports. These neoliberal measures were first tested in Chile in the 1970s and included deregulation, which involves removing restrictions on companies and employers engaged in international trade; privatization, which entails selling state-owned enterprises to private businesses; and lowering taxes to minimize government involvement in the economy.

In the hopes that they might be effective, some nations have willingly put these policies into place. According to Sulaiman (2023), some have them forced upon their economies as part of the Structural Adjustment Programs (SAPs). In essence, SAPs include a loan to a developing nation from the World Bank or IMF. According to Ajiteru (2023), the structural imbalances in the Nigerian economy and the assistance given by the 1986 adoption of neoliberal economic policies were purportedly meant to disentangle the government from all but a minor role in the economy. Consequently, the Nigeria's neoliberal government has been instrumental in advancing structural reforms. Sulaiman (2020). By examining the dynamics of policy formation and implementation from the 1980s, Ajiteru (2023) has claimed that Nigeria's unthinking acceptance of Western-style neoliberal economic policy has seriously hampered the nation's efforts to achieve sustainable economic growth. According to Istifanus (2006), the Nigerian economy has a heavy debt service load as a result of its incapacity to successfully meet its obligations under IMF loans. He contends that the use of IMF borrowing rules has negative societal impacts due to conditional ties and other internal factors.

2.1 Average Growth Profile of Unemployment, Poverty, and Other Factors

Nigeria is endowed with outstanding natural diversity, rainfall, soil, air, and weather. These organic resources in due to the short-term wealth brought forth by the oil boom, its economic foundation, industrialization, and infrastructure development abruptly lost sight of development (Ajiteru, 2023). The Eastern Region of Nigeria, the former Biafran enclave, was totally destroyed by the civil war's aftermath and required a significant amount of money to repair its economy and deteriorating infrastructure. However, these resources were denied to "the rich young man," General Gowon, who boasted that he had no idea what to do with the money. Nigeria's economy relied heavily on exports, with little to no domestic output. According to Sulaiman (2023), the Nigerian economy is comparable to a building constructed on quicksand that collapses in the face of a strong wind. The oil boom's wealth could have been leveraged by a visionary leader to propel Nigeria into a medium-sized industrialized country.

However, the opposite was true. Nigeria turned into a net importer of food commodities like rice and a variety of other items, including toothpicks. The economy's backbone, agriculture, was abandoned. Young people poured into the cities. Nigeria's economic crisis began at this time, according to Ajiteru (2023). Importantly, both the domestic and foreign exchange markets overvalued the naira. In 1972, 1976, and 1977, for example, one dollar ($1) was equal to sixty-six kobo (₦ 0.66), according to Keetu (n.d). Given that commodity prices were consistently low, it was evident that the naira was worth more than dollars in the foreign exchange market (Sulaiman, 2023).

In fact, this is a cursory analysis of the Naira, the currency of Nigeria. Naira wasn't exchangeable on the global foreign exchange market. Nigeria's prosperity therefore plummeted during the global oil glut of the 1980s. Since then, the economy has been struggling to survive because its fortunes are dependent on the fluctuations of crude oil. Additionally, corruption and unemployment were at an all-time low. Finally, Nigeria did not have a high level of debt (Ikejiaku, 2018). It is regrettable that by 1974, Nigeria was lending money to the International Monetary Fund because it did not know what to do with its extra foreign exchange earnings (El-Kurebe, 2017).

It seems that Nigerian leaders at the time were unable to take advantage of a number of investment opportunities, including purchasing stock market shares and shares in blue-chip and multinational enterprises. Nigeria did not account for rainy days, proving all the forecasts that it would turn into a financial miracle. The world was persuaded by all of these economic stability prospects that she would soon become Africa's economic powerhouse (Ikejiaku, 2008). Through extravagant spending and poor planning, it squandered the opportunity to grow (Ajiteru, 2023).

The study's time frame is 1986–2018. Nigeria formally signed the IMF's Conditionality in 1986, which is why that year was used as the start date. Since the IMF's executive members ended their Article IV Consultations with Nigeria on March 5, 2018, the terminal date has also been emphasized. In order to achieve this, the study employs a qualitative approach to historical inquiry (Sulaiman, 2023). This approach made use of oral interviews, government reports, magazine and unpublished project reports, and published pieces for thematic, chronological, and analytical presentations. In order to provide a fair assessment of the IMF's involvement in Nigeria's economic prospects, these sources were used to gather information, opinions, and subtleties from a variety of sources. Ajiteru (2023).

2.2. A synopsis of the IMF

The primary global institution for international monetary cooperation is the International Monetary Fund (IMF) (IMF, 2013). According to Ajiteru (2023), it can also be viewed as a specialized and independent agency of the UN with the mission of promoting global economic stability and expansion. Since its inception in 1946 with 46 members, after being conceived at the UN-sponsored Monetary and Financial Conference at Bretton Woods, New Hampshire, it has essentially expanded to add 184 nations to the list of members (Sanford & Weiss, 2016). It now has 189 member nations (Ajiteru, 2023). Just one year after gaining its independence, Nigeria joined in March 1961. According to Sulaiman (2023), the main cause of its establishment was the severe economic slump of the 1920s and 1930s. Thus, the IMF was conceived and founded with the intention of averting another wave of economic turmoil.

The IMF has six mandates, all of which are unequivocally directed toward the economic stability and prosperity of member countries, as stated in Article 1 of the IMF Handbook (IMF, Handbook). It performs the following functions: monitoring the economic policies of members, funding short-term balances of payments, addressing poverty in low-income nations, obtaining outside funding, and bolstering the International Monetary System (IMS), expanding the world's supply of international reserves, and developing capacity through training, technical support, and the sharing of knowledge and research (IMF, Handbook). According to Woods (2016), the IMF's role is to take the lead in its traditional areas of responsibility, which include promoting prudent macroeconomic policies, exchange rate and tax policy structural reforms, and issues pertaining to fiscal management, budget execution, fiscal transparency, and tax and customs administration.

The IMF has two types of policies: assistance programs and policies that are required for members. Every nation that is a member is required to abide by certain policies (Sulaiman, 2020). These include of the IMF Articles of Agreement, quota contributions, abstaining from limitations on foreign exchange, and being transparent about economic policies that impact other (IMF, Handbook) nations. Ajiteru (2023) lists counseling and loan or lending conditionality as two of the aid policies offered. One of the most contentious outcomes of every intergovernmental organization has been the content of conditionality (Sulaiman, 2020). During the first forty years of its existence, conditionality consisted of a series of predictable changes that were primarily concerned with devaluing the currency, reducing the budget deficit, and implementing tight monetary policy. Ajiteru (2023).

It has been acknowledged to have started a lot of programs since it was founded. The two most notable of them are the Extended Fund Facility (EFF 1974) and the Stand-By-Arrangement (SBA 1952), both of which were created to give member nations short-term balance of payments support (Barro & Lee, 2017). However, because of its flaws, the Structural Adjustment Facility (SAF-1986) and the (Barro & Lee, 2017) Enhanced Structural Adjustment Facility (ESAF −1987). Additionally, it engages in bilateral talks with members under the Article IV Consultation Program, typically once a year. The Structural Adjustment Program, often known as the Washington Consensus, is a policy and program that the IMF has embraced and executed in Nigeria, along with the loan conditions that follow (Ajiteru, 2023). Additionally, Nigeria has participated in the IMF's Article IV Consultation Program; the most recent bilateral discussions were in 2017 and 2018 (Article IV Consultation Program) Ajiteru, (2023).

2.3. The Structural Adjustment Program (SAP), an IMF strategy in Nigeria

Since 1961, Nigeria has been a legitimate member of the IMF. But it wasn't until 1986 that the latter found a solid foundation and started a lengthy and persistent policy that only became apparent right away potentially harmful to the nation (Danladi & Peter, 2016). The circumstances and factors that led to the IMF's policy involvement in Nigeria are still frequently asked, thus a quick explanation is necessary.

In fact, the economy would have been revitalized if the aforementioned SAP goals and the accompanying loan had been fully implemented (Ajiteru, 2023). Nigeria was therefore unable to reject this offer given its unstable economic situation at the time (Sulaiman, 2023). Its economic managers lacked the fiscal restraint that the IMF's recommendations demanded. To put it another way, the requirements turned into the procedures that the Nigerian government had to follow, with IMF representatives supervising and monitoring their execution (IMF, Handbook). At the same time, there were strict requirements associated with IMF financing which unavoidably came with SAP. Among these conditions are:

- market dominance;
- reducing the amount that the government spends on social services;
- commercialization, privatization, and deregulation;
- removal of public goods;
- elimination of agricultural marketing boards and the removal of subsidies (such as the petroleum subsidy);
- Naira devaluation;
- Government agencies, parastatals, and ministries are rationalizing their workforces (IMF, Handbook).

These actions necessitate tightening the belt and renouncing Nigeria's extractive policy. According to James A. Robinson and Daron Acemoglu (2012):

Societal decision-making ultimately determines whether political and economic institutions are inclusive and promote economic growth or extractive and impede it. The existence of extractive political and economic systems that hinder or even stop economic growth causes nations to fail. Ajiteru (2023). Acceptance of the IMF Economic difficulties are implied by conditional relationships, and their rejection would result in a dire economic situation. Sulaiman (2023) admits that this was not an easy decision.

Although Ibrahim Badamasi Babangida introduced SAP in Nigeria in 1986, he chose to implement more neo-liberal market approaches and private sector-driven development strategies, which diverged significantly from Buhari's "development plan." It is important to remember that Shehu Shagari and Buhari's governments both made prior attempts to implement these policies. Shagari's government began negotiating with the IMF in 1983 in order to obtain a loan of $2 billion USD from the fund to refinance the economy (Ajiteru, 2023). Buhari's administration began a new round of negotiations with the IMF in late February 1984. However, nothing of these initiatives succeeded because of the alleged negative consequences of IMF requirements. Regarding this, both governments were certain that their administration was unable to adhere to all SAP-related requirements or procedures

(IMF, Handbook). That was not the case for Babangida, whose lauded economic innovations and failure to recognize the inherent evil in the loan caused them to accept the program without the full consent of the populace (Ajiteru, 2023).

In terms of devaluation, the Nigerian currency experienced ongoing and unstable devaluation rather than a single devaluation. The exchange rate between naira and dollars in 1985 was 90 kobo to one USD. However, the naira to dollar exchange rate rose to ₦2.02 by 1986 following the introduction of SAP, and it had risen to ₦22 to 1 USD by 1999. By 2016, the value of the naira had dropped to ₦320 to $1 USD. When the naira was worth ₦360 to 1 USD in December 2017, the Nigerian economy shrank even more. As of December 2020, it is worth ₦503 to 1 USD (The Info Finder). As of September 7, 2018, the naira to dollar exchange rate had dropped from ₦305.7 to ₦360 (CBN, 2020). The typical Nigerian's purchasing power was diminished by the naira's depreciation, which was one of the IMF's loan conditions (Ajiteru, 2023). In response, government actions increased the balance of payments deficit, which resulted in exorbitant local currency costs for imported intermediate capital goods and raw commodities. which in turn caused inflation and made a drop in living standards necessary. Similar consequences also resulted from the elimination of the subsidy, which made matters worse by raising import costs (Sulaiman, 2023). Additionally, this weakened the position of manufacturing sectors that relied heavily on imported raw materials, machinery, and spare components (Abdulrauf, 2020). The Nigerian government was forced to prohibit the importation of agricultural products such as rice, maize, wheat, and vegetable oils due to currency devaluation and the elimination of subsidies. Although local output production increased slightly as a result of preventing imports, particularly in rice, poultry, and fisheries products, these were less lucrative due to the high costs of imported inputs brought on by the elimination of subsidies and currency devaluation (Abdulrauf, 2020: 9). This led to a major change in perspective and increased financial difficulty for the average person.

In addition, protests broke out in Nigeria when the petroleum subsidy was eliminated. An increase in petrol prices in April 1989 sparked a month-long protest (Abdulrauf, 2020: 9). It started as a nonviolent student protest in Jos, but it quickly turned into riots and other forms of turmoil, and the workers went on strike across the country (Ajiteru, 2023). The implications of the loss of subsidies on transportation were the cause of the protest. Additionally, as local businesses substantially reduced their workforces to cover costs, devaluation made unemployment issues worse. One of the largest companies in Nigeria, United African Company (UAC), is used as an example. From 23,850 employees in 1985 to 9,000 in 1988, UAC downsized its workforce. Abdulrauf (2020: 9) states. Unconditional and abrupt opportunity cost resulted from devaluation and the elimination of subsidies. Nigerians' level of living declined as a result of inflation and a weak currency. The citizens suffered greatly as a result (Sulaiman, 2023). For example, in early 1986, a newly hired university instructor with a doctorate paid ₦7,550 per year (equal to 3,737 USD), where ₦ stands for Naira and K for Kobo. At the same time, a national daily newspaper cost 50kobo, and a family-sized loaf of bread cost ₦2.50k, or five dollars (Ogbimi, 2001).

However, in 1994, a family-sized loaf of bread sold for ₦5.00k (equal to 111.65 USD) and a national newspaper cost ₦2.00k (similar to 44.66 USD), while the lecturer's yearly salary only went up to ₦17,731 (about 794 USD) (Ogbimi, 2001). "I was very mature in the 1990s, and I could remember that there were days my family could not eat because of the poor purchasing power of my salary due to galloping inflation in the country," according to informant Isiani (2018). In spite of soaring inflation, the government did not raise worker wages. Because of this, the civil service was susceptible to corruption and seduction. The implementation of the IMF conditionality was uneven. Like any medication, the condition would continue if the entire dosage was not taken. The snake appears to have been scotched but not killed Ajiteru, (2023). Until the entire dosage was taken, the financial issues persisted (Ajiteru, 2023).

Furthermore, deregulation, beginning, commercialization and privatization made the unemployment crisis worse and increased widespread poverty. In reality, the following Sulaiman (2020) might be used to determine its socio-economic consequences to humans.

The loan itself encouraged corruption in addition to the horror that each conditionality embodied. Because Babangida and his immediate successors failed to service Nigeria's debt, the Nigerian government wasted the money from the sale of oil and did not use it to pay off its foreign debt or service its debts (Ogunbekun et al., 2019). This explains why the procurement of external debt has recently increased to an all-time high. Due to the government's failure to pay salaries and wages, there have been numerous strikes and protests in the late 1980s and early 1990s as well as in more recent years like 2018. These funds were instead paid for personal amenities like air-conditioned rooms and fancy cars, as well as to silence reporters and newspaper editors. Ajiteru (2023). The remainder of the country's income was transferred into foreign nations' bank accounts. For example, a sizable portion of Abacha's wealth was found in a Swiss bank (Adio, 2017). Babangida might have handled the financing improperly, or state employees might have embezzled it. Additionally, there is concern that state officials may have embezzled the majority of the money into covert offshore bank accounts.

They did, in fact, encourage corruption in Nigeria. As a result, how this money was used became a major factor in their decision to grant another loan. Debt crises emerged as an additional angle that has a significant impact on the country's economy (Ajiteru, 2023). Thus, even if Nigeria's debt situation has a lengthy history, the introduction of the SAP made it worse. Nigeria owed 141,307 USD billion when Shagari left office in 1983, and 118,034.1 USD billion when Buhari was deposed in 1985 (Adio, 2017). However, SAP's lending conditions (including its own debt payment) increased it to 29.28 billion USD by 1989, and by the time Babangida left office in 1993, Nigeria owed more than 32 billion USD (Adio, 2017). This sum rose from 189,113.44 USD billion in the fourth quarter of 2018 to 22,071.91 USD billion in the first quarter due to currency devaluation and the annual increase in debt servicing. 2017 (Nigeria Public External, 2018) quarter. Long-term debt buildup caused debt servicing to rise at the same period. It is undeniable that this continues to be the biggest obstacle facing the Nigerian economy, since the country was exposed to a heavy debt service load due to its incapacity to successfully fulfill the repayment criteria of its IMF loans (Sulaiman, 2020). Because debt service consumed a significant portion of the country's hard-earned income, this constituted a serious threat to the economy. Debt servicing received ₦1.48 trillion ($3,905,013,152) in the 2016 budget (IMF Handbook, 2018). It increased to ₦2.014 trillion in 2018 from ₦1.84 trillion in 2017 (IMF Handbook, 2018). Victor Gasper, the Director of the Fiscal Affairs Department of the IMF, stated that According to Alhaji Lamido Sanusi, a former governor of the Nigerian Central Bank and the former emir of Kano, Nigeria uses 34% of its tax income for capital and ongoing expenses and 66% for debt servicing (IMF Handbook, 2018). Undoubtedly, this is the result of the SAP policy implemented in Nigeria by the International Monetary Fund (Ajiteru, 2023).

Blaming the IMF for Nigeria's economic problems is blatantly incorrect. The leadership of the nation is solely to blame for the complete upheaval of all economic indexes. Policies should be implemented by the government to instill confidence in the private sector to steer the economy rather than get involved. In the words of Daron Acemoglu and James A. Robinson (2017):

Africa has yet to experience the Industrial Revolution because the region has not Sulaiman (2023) describes the protracted cycle of re-creation and maintenance of extractive political and economic structures.

2. 4. The 2022 IMF Consultation Program in Nigeria

An IMF technique known as the Article IV Consultation Program uses yearly consultations to conduct bilateral surveillance with member nations (IMF Handbook, 2022). IMF staff personnel examine the economic trends and policies of member nations during this meeting with their leaders. Using the information gathered, this article provides proof that is necessary for the nation's economic transformation. According to the documents that are currently accessible, the IMF has participated in these yearly consultations on a number of occasions in Nigeria; the most recent of them was the Article Consultation Ajiteru (2023).

2.6. Contemplation of the consultation in 2024

The fund's executive board ended Article IV Consultation on March 5, 2018 Several suggestions were taken into consideration in conjunction with Nigeria and after a thorough staff evaluation (IMF, 2024 Article IV Consultation).

- Priority social and infrastructure expenditure must be made possible by a growth-friendly fiscal adjustment that frontloads non-oil revenue to a more sustainable level;

- An aggressive tax policy proposal (increasing the value added tax) should be implemented.
- Reducing tax advantages and raising excise taxes (removing more subsidies);
- enhanced oversight of the state and local governments' financial situation;
- The oil industry ought to be more transparent (IMF 2018 Article IV Consultation).

Nevertheless, similar to the 2017 proposals, some of these are flawed and harmful to the nation's economic recovery (Ajiteru, 2023). For example, raising VAT, eliminating subsidies, and the it doesn't encourage competition, the introduction of auto-fuel pricing mechanisms is risky (Sulaiman, 2023). Local industries would collapse and local products would be overlooked as a result of the influx of low-cost foreign goods into the nation. Similar to this, increased transparency in the oil industry may cause other industries to be neglected, but worse is economic stagnation coupled with an oil doom (Abdulrauf, 2020). One would be left wondering why the nation's economy has slowed and faced numerous crises if fuel subsidies were restored as recommended by the IMF in 2018 as a means of national development.

These suggestions are the source of some of the current crises, particularly the food insecurity the nation is experiencing (Isiani, 2020), as the people would not be able to withstand the suffering, particularly those who reside in rural areas. Furthermore, Nigeria's rate of social vices has increased as a result of the VAT rate hike that did not address the country's employment chances. Due to the leaders' suspension of employment chances from their actualized degrees, youths between the ages of 20 and 35 who are unable to find employment are sometimes employed to rig elections (Ajiteru, 2023). Those that are able to find work pay high taxes, rent, maintain roads, light their homes with generators, and frequently supply their own water without taking money out of their paychecks (Ezeani, 2020). The country's attempts to recover IMF loans through its SAP have failed (Ogbuka, 2020). Overall, the recommendations of the Another aspect of artificial external control over Nigeria's economy could be the IMF (Sulaiman, 2020). Nigeria needs economic reforms immediately. Stopping gasoline subsidies right once will free up a lot of funds for cross-border infrastructure development. The nation's road systems are completely in poor condition. Every year, deteriorating roads claim several lives. According to Ajiteru (2023), the government cannot afford to subsidize petroleum goods and provide social welfare benefits for the unemployed.

2.7 The impact of IMF preconditions on the development of Nigeria

Although the IMF's recommended policy functions are meant to promote socioeconomic growth and development in its member states, including Nigeria, they frequently have a mix of beneficial and bad effects (Sulaiman, 2020). As a result, this keeps deterring many nations. from first and foremost fulfilling their primary objective of becoming members of the IMF (Ajiteru, 2023). One participant cites the following to bolster this claim:

The IMF itself has a reason for making these loans. It is a profit-driven organization. A loan without interest will not be granted to you. Misuse of our nations' wealth is another. Policies are meant to encourage economic development on paper, but in practice, they have little positive impact on the economy or the people, especially when it comes to crude oil and other basic materials. The IMF, on the other hand, misuses our riches because we owe them money, and our politicians take the money we raise from them since it is a two-way explanation.

Additionally, he stated that the IMF continues to control and choose to use the loans that its members receive as a means of advancing colonization and control (Ajiteru, 2023). This essentially implies that giving loans to its members is another way for them to run their governments by prescribing what the funds (loan) can be used for. Stated differently, the participant believed that obtaining IMF loans was an additional means of luring people to come and utilize our abundant natural resources.

In another regard, Participant 2 contended that the socioeconomic development of its Member States is not always a direct result of IMF policy. According to Ajiteru (2023), Nigeria has been forced to swallow one economic prescription after another. First, the program for structural adjustment (SAP) suggested to Nigeria by the IMF did not help the nation as a whole; instead, it was disassociated in 1988. Following that, a number of further actions were recommended and implemented. However, during its duration, the National Economic and

Job Development Strategy (NEEDS), a four-year medium-term plan for the years 2019 to 2024 that was recommended to the Nigerian government by the IMF, has contributed to some degree of economic progress (Sulaiman, 2023). He comes to the conclusion that Nigeria's economy may be impacted both favorably and unfavorably by the IMF's programs that promote socioeconomic growth and development. One participant disclosed that although the IMF has provided Nigeria with numerous forms of assistance, the policies it has recommended have not aided in the country's economic development throughout the years. He underlined:

Generally speaking, the IMF's policies are designed to benefit the Nigerian economy. This concentrates on a few microeconomic problems and their solutions. It seeks to provide strategies and actions to help Nigeria address unnecessary expenditure and distribution on the exchange system. Nigeria has benefited from several IMF loans due to its influence on inflation. However, compared to when Nigeria gained independence in 1960, the per capita GDP is still lower now. Around 2005, Nigeria's GDP was composed of 26.8% agricultural, 48.8% manufacturing, and 24.4% services, with an estimated inflation rate of 13.7%.

Additionally, participant 5 emphasized how the IMF's recommended measures could have the country, but regrettably, the government did not properly implement it. If the plan is appropriately implemented, it will result in a significant improvement in the economy of its member countries (Ajiteru, 2023). However, one participant contended that IMF policies do not significantly contribute to Nigeria's economic growth and that government officials have frequently helped the government implement weak and poorly enforced policies (Sulaiman, 2020). In a different context, one of the panelists contended that although the IMF aims to support socioeconomic growth in Nigeria, this has not been achieved over time because of some embezzlement, poor management, and abuse of power. Additionally, he stated that:

It lies in the sea of political corruption, nepotism, tribalism, and ineptitude Nigeria is still swimming in instability. These all restrict Nigeria's socioeconomic development.

This merely indicates that the IMF has played a negligible influence in fostering Nigeria's socioeconomic development. Ajiteru (2023). In a similar vein, one participant believes that the IMF's policies contribute differently to Nigeria's socioeconomic development (P8). In addition to the issues of poor management, corruption, and incompetence, another participant believes that IMF policies (currency devaluation, deregulation, and privatization) are likely to have a detrimental impact on Nigeria because of their poor execution (Sulaiman, 2020). Similarly, one participant believes that even though the IMF's recommended policies are meant to improve its Member States' financial and economic circumstances, Significant barriers to attaining socio-economic progress include states, the inclusion of Nigeria, corruption, a lack of sincerity on the part of the government, political unpredictability, and the characteristics of the Nigerian economy, among other things (Ajiteru, 2023). Another participant contends that the IMF-recommended policies have contributed to an increase in the rates of inflation, unemployment, insecurity, corruption, and an excessive dependence on foreign aid and resources. They also point out that the absence of infrastructure, such as water supply, electricity, and healthcare, as well as poor leadership, also impede and distort economic progress.

The main issues harming the country are inflation, unemployment, poor monetary policy formulation and enforcement, inadequate infrastructure and electricity supply, inadequate health facilities, poverty, inefficient leadership and corruption, and reliance on foreign goods and services in addition to oil issues with the Nigerian economy that the IMF's initiatives were meant to address. But when the World Bank examined SAP's performance in Africa in 1994, it came to the unimpressive conclusion. In the first case, economic stabilization has been difficult to achieve in Nigeria. Second, the naira's exchange rate has been steadily declining in relation to the more robust currencies of the developed world. Third, interest rates have increased significantly and remained high despite the expansion and development of the financial sector. Fourth, the effective demand power of average Nigerians has been further diminished by the sharp increases in prices and unemployment, which lessens the motivation for greater use of industrial capacity and economic growth.

Consequently, IMF policies' contribution to development in Nigeria have yielded conflicting outcomes. Nonetheless, it is clear that the IMF's policies have a negative impact on Nigeria's development, particularly in the socioeconomic sphere. The conclusions regarding the impact of IMF policy conditions on Nigerian development are therefore depicted in Figure 1 (Sulaiman, 2023).

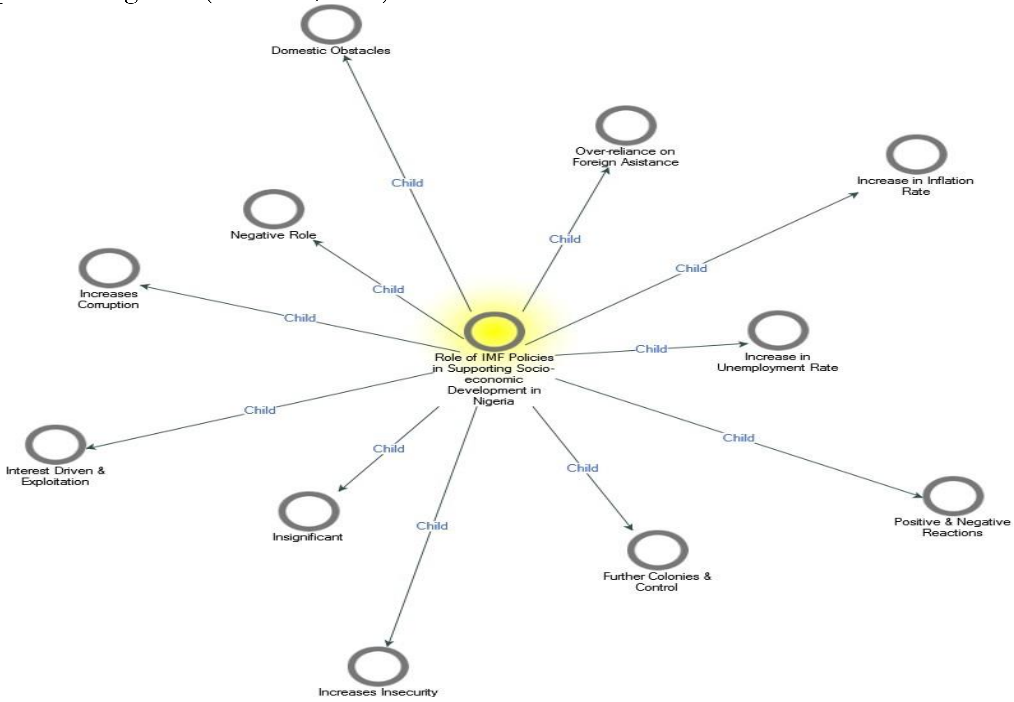

Figure 1: A Thematic Map Illustrating How IMF Policies Aid Development

3. Proposed Method

3.1 Method of Research

This study was conducted using a qualitative approach to data collecting (Sulaiman, 2020). According to Clark and Vealé (2018), qualitative researchers usually base their research on a theoretical stance that is more appropriate for addressing their research issues. It is most appropriate for the study of organizational Ajiteru, (2023), etc., and is perfect for field research relevant journals, seminars paper publications, studies, and papers have also served as secondary sources of information for this investigation.

4. Results and Discussion

4.1 Evaluation and Conversations

According to the analysis, the relationship between the IMF and Nigeria is exploitative. Nigeria has not had a good experience implementing adjustment programs backed by the IMF (Sulaiman, 2023). Nigerians' overall living standards have significantly declined as a result of the IMF's adjustment policies, which have had major social and economic repercussions for the nation. These include a decline in output and growth rates, a rise in unemployment, and a negative impact on income distribution (Ajiteru, 2023). Both the government and the general public's enjoyment of human rights are impacted by these adjustment measures. This outcome is consistent Taye (2021) notes that a typical funding program typically prescribes policies that involve government spending reductions, wage cuts, and excessive compression of domestic demand.

These policies are often followed by import liberalization reforms and sharp currency depreciation, with little consideration for the socially and economically damaging effects they have on domestic economies (Taye, 2021). This is also consistent with the belief that the majority of nations that have fully embraced the IMF's structural changes are today dealing with low living standards, poverty, growing debt and dependence, mass unemployment, and budget deficits as a result of their incapacity to develop Sulaiman (2020). We found that conditionalities have a significant detrimental impact on the enjoyment of civil, political, labor, and health rights when we examined the specific policy substance of these laws. The assertions made by Ortiz (2021) and Uroko (2021) that structural adjustment programs are linked to slower economic growth and a decline in human rights respect are also consistent with this (Ajiteru, 2023).

Additionally, it was shown that trade liberalization significantly contributed to globalization, reliance, and economic exploitation.

It was also discovered that the eliminated subsidy monies were not used for infrastructure development projects that would boost the nation's economy, improve living conditions for its citizens, and bring about positive change. This aligns with several research on the relationship between Nigerian socioeconomic progress and IMF structural policies (Sulaiman, 2020). Dependency Theory proponents argue that external factors and influences are to blame for the backwardness of developing economies that the underlying cause is neoliberal capitalism. The widespread belief among recipients that they cannot weather any potential economic collapse without the support or "handout" of Western "rich" nations is possibly the most worrisome aspect of the IMF (Ajiteru, 2023).

The fundamental tenet of human rights theory, however, is that the necessity of human rights for maintaining human dignity is based on the fact that life would be impossible without them. Nigeria's return to democracy in 1999 did not improve the situation, even if human rights abuses were widespread during military administration (Ajiteru, 2023). This stood in stark contrast to forecasts and expectations. However, for the IMF conditionality to be effective, it must Human-centered approaches are necessary to achieve development (Sulaiman, 2023).

5. Conclusions

The IMF's recommendations are unpleasant but essential for reviving Nigeria's faltering economy. An inclusive economic strategy would open the economy and enable its dynamic populace to contribute significantly to its expansion. The few elites nearer the corridors of power are the only ones who benefit from the nation's extractive economic policy. They have made corruption a way of life and are given contracts that they rarely fulfill. Allowing the private sector to steer the economy while the government implements regulatory rules makes financial sense.

Eliminating the petroleum subsidy would free up money for the nation's weak infrastructure deficit. The central government still controls the railway, and the road networks are in ruins. To enable the private sector to take the lead in the economy, economic space must be opened. The economy has suffered when the government becomes involved in business endeavors. Prior to private involvement in telephone networks, calling family members abroad was challenging. Having a telephone was considered a sign of wealth. But thanks to private involvement, telephony is now accessible to both the wealthy and the less fortunate members of society.

Once more, if Nigeria wants to reduce corruption, public sector pay must match those of the private sector. A civil servant with little pay is prone to corruption. It is true that underpaid police officers cannot combat corruption without being compromised. To drastically cut down on the nation's pervasive corruption, public sector employees' pay must be on level with the highest paid private sector workers. Therefore, the IMF conditionality is a path that hasn't been followed in decades but that, if followed today, would propel Nigeria's economic growth.

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