



Global Scientific and Academic Research Journal of Economics, Business and Management

ISSN: 2583-5645 (Online)

Frequency: Monthly

Published By GSAR Publishers

Journal Homepage Link- <https://gsarpublishers.com/journals-gsarjebm-home/>



Nigeria on Credit: The Borrowing Culture of the Administration of Bola Ahmed Tinubu and Its Sociological Implications

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Abstract

Public borrowing has become one of the defining indicators of state fiscal direction in developing economies, particularly where governments confront revenue shortages, reform pressures, and rising developmental demands. Against this background, this paper examined Nigeria on Credit: The Borrowing Culture of the Administration of Bola Ahmed Tinubu and Its Sociological Implications. The paper specifically examined the patterns and drivers of public borrowing under the Tinubu administration, assessed the social consequences of the administration’s borrowing practices on citizens’ welfare and socioeconomic development, and analysed the implications of the borrowing culture for public trust, governance legitimacy, and state–citizen relations in Nigeria. The paper was anchored on Conflict Theory propounded by Karl Marx and Friedrich Engels, which provided the analytical basis for understanding borrowing as a social process shaped by power relations and distributive struggles. The paper adopted the analytical review method through critical examination of contemporary empirical studies, fiscal reports, policy analyses, and documented evidence relevant to Nigeria’s debt trajectory. The paper revealed that borrowing under the President Ahmed Bola Tinubu administration is driven by structural fiscal constraints, weak domestic revenue generation, exchange-rate pressures, and reform-induced adjustment costs. The paper further found that current borrowing practices have intensified welfare pressures through inflation, declining purchasing power, and constrained social service delivery, while also weakening public trust due to concerns over transparency and distributive fairness. The paper concluded that borrowing remains a legitimate fiscal tool only when tied to accountable utilisation and visible social benefits. The paper therefore recommended stronger debt transparency mechanisms, targeted social protection measures, and accelerated domestic revenue diversification to reduce dependence on sustained borrowing.

KEYWORDS: Public Borrowing, Bola Ahmed Tinubu Administration, Sociological Implications, Governance Legitimacy, State–Citizen Relations, Fiscal Reforms, Nigeria.

Article History

Received: 15/05/2026

Accepted: 28/05/2026

Published: 30/05/2026

Vol – 5 Issue – 5

PP: -40-50

1. INTRODUCTION

Public borrowing has remained a central fiscal instrument across both advanced and developing economies, particularly in periods of economic strain, fiscal deficits, and infrastructural financing gaps. Since the global debt shocks that followed the COVID-19 recovery period, rising inflation, monetary tightening by major central banks, and exchange-rate pressures have increased the cost of sovereign borrowing for many low- and middle-income countries. According to the International Monetary Fund, public debt vulnerabilities have intensified across Sub-Saharan Africa, with debt servicing obligations increasingly constraining expenditure on health, education, and social welfare (International Monetary Fund

[IMF], 2025). Similarly, the World Bank observed that African governments are devoting a growing share of public revenues to debt servicing, a development that has heightened concerns regarding fiscal sustainability and social inequality (World Bank, 2025).

Within the West African sub-region, Nigeria presents one of the most significant illustrations of this trend. As Africa’s largest economy and most populous nation, Nigeria has historically relied on domestic and external borrowing to bridge fiscal deficits, stabilize macroeconomic performance, and finance infrastructure development. Yet, recent debt accumulation has drawn stronger scholarly and policy attention due to its timing amid severe inflationary pressures,



subsidy removal, exchange-rate instability, and declining household purchasing power. Data from the Debt Management Office Nigeria indicate that Nigeria's total public debt stock rose steadily, with external and domestic obligations increasing under the current administration's fiscal restructuring agenda (Debt Management Office Nigeria, 2025). By 2025 till first quarter of the year 2026, the Nigerian Senate approved over \$21 billion in external borrowing requests by the administration of President Bola Ahmed Tinubu to finance infrastructure, health, education, and budget support, reflecting one of the most ambitious borrowing programmes in recent national history.

The Bola Ahmed Tinubu administration, inaugurated in May 2023, inherited a difficult fiscal environment characterized by weak revenue generation, high debt-service obligations, fuel subsidy distortions, and constrained foreign reserves. In response, the administration implemented major fiscal reforms, including fuel subsidy removal, foreign exchange market liberalization, tax reform proposals, and renewed external borrowing to support budget implementation. The IMF's 2025 Article IV Consultation reported that although these reforms improved investor confidence and macroeconomic stabilization indicators, public debt servicing remained substantial, with federal government interest payments projected at nearly half of retained revenue (IMF, 2025). Reuters further reported that debt-servicing obligations could consume almost half of government revenue by 2026, thereby limiting fiscal space for social investment.

From a sociological standpoint, state borrowing is not merely an economic activity; it reflects power relations, governance priorities, and the social distribution of fiscal burdens. Borrowing decisions shape patterns of social inclusion and exclusion by determining who bears the long-term repayment costs and who benefits from financed projects. Scholars such as Adebayo Olukoshi and Zainab Usman have argued that in many African states, public debt often intersects with governance deficits, elite interests, and structural inequalities (Usman, 2023). In Nigeria, the social effects of increased borrowing have become more visible through rising public anxiety over taxation, inflation, reduced welfare provisioning, and intergenerational fiscal obligations.

The borrowing culture of the Tinubu administration therefore requires sociological interrogation because it extends beyond questions of fiscal necessity to issues of social trust, state legitimacy, distributive justice, and citizens' perceptions of governance accountability. Examining this trend provides insight into how public debt shapes everyday life, influences social cohesion, and affects citizens' relationship with the Nigerian state.

2. STATEMENT OF THE PROBLEM

Nigeria's increasing dependence on public borrowing under the Tinubu administration has generated serious concerns regarding its social and developmental consequences. While borrowing is often justified as necessary for infrastructure financing, economic stabilization, and developmental investment, the pace and scale of recent debt accumulation

raise critical questions about sustainability and social impact. The approval of substantial external loans, coupled with domestic borrowing expansions, has occurred at a time when Nigerians are experiencing severe economic hardship marked by inflation, currency depreciation, high food prices, and declining real incomes. This situation has intensified public scrutiny over whether borrowed resources are translating into measurable improvements in living standards.

The central concern lies in the growing disconnect between debt accumulation and citizens' lived experiences. Despite official claims that borrowing supports national development priorities, many Nigerians continue to face deteriorating access to social services, rising unemployment pressures, and reduced purchasing power. The IMF (2025) acknowledged that although macroeconomic reforms have improved fiscal credibility, poverty and food insecurity have increased significantly during the same period. This contradiction suggests that borrowing may be producing uneven social outcomes, where fiscal adjustment measures and debt repayment obligations are disproportionately transferred to ordinary citizens through taxation, reduced subsidies, and constrained welfare expenditure.

Another problem is the limited sociological discourse specifically examining borrowing as a social phenomenon within the context of the Bola Ahmed Tinubu's administration. Existing studies by Ekeruche (2025), Brautigam (2023) and Adams (2024) among others have largely focused on macroeconomic implications such as debt sustainability, fiscal deficits, and growth outcomes, with insufficient attention to how borrowing practices affect public trust, social stratification, governance legitimacy, and citizens' perceptions of state responsibility. The absence of such inquiry leaves a significant gap in understanding the broader societal consequences of Nigeria's contemporary debt trajectory.

There is therefore a pressing need to critically examine the borrowing culture of the Tinubu administration and its sociological implications. Without such analysis, policy discourse risks reducing public debt to technical fiscal statistics while neglecting its effects on social welfare, collective confidence in governance institutions, and the future social contract between the Nigerian state and its citizens.

3. AIM AND OBJECTIVES

The aim of this paper was to examine the borrowing culture of the Bola Ahmed Tinubu administration and analyze its sociological implications for governance, social welfare, and state-citizen relations in Nigeria.

Specific Objectives of the Paper

- i. To examine the patterns and drivers of public borrowing under the Bola Ahmed Tinubu administration in Nigeria.
- ii. To assess the social consequences of the administration's borrowing practices on citizens' welfare and socioeconomic development in Nigeria

- iii. To analyze the implications of the Tinubu administration's borrowing culture for public trust, governance legitimacy, and state–citizen relations in Nigeria.

4. METHODOLOGY

This paper adopted the analytical review method, a qualitative research approach that involves the critical examination, synthesis, and interpretation of existing empirical studies, policy documents, theoretical literature, and secondary data relevant to a given subject of inquiry. The method is particularly suited to studies that seek to interrogate policy trends, identify patterns, and generate interpretive insights without direct field-based data collection. According to John W. Creswell and J. David Creswell (2023), analytical review relies on systematic evaluation of documented evidence to draw logical conclusions about social phenomena through comparison, interpretation, and conceptual integration.

Its major criteria include relevance of selected literature to the paper objectives, credibility of data sources, recency of reviewed materials, consistency of analytical interpretation, and alignment between theoretical assumptions and observed evidence. The adoption of this method in the present paper is justified by the nature of the subject, which concerns the borrowing culture of the administration of Bola Ahmed Tinubu and its sociological implications, an area where sufficient contemporary policy reports, empirical studies, fiscal records, and analytical commentaries already exist to permit rigorous interrogation. The method made it possible to critically assess borrowing patterns, evaluate their social consequences, and connect observed developments with the assumptions of Conflict Theory. It also enabled the integration of practical illustrations such as subsidy removal, inflationary pressures, and public reactions to fiscal policy decisions in Nigeria.

However, the method has limitations in this paper because it depends entirely on secondary data whose validity is contingent on the accuracy of original sources, and it does not allow for direct engagement with citizens or policymakers whose lived experiences and perspectives could provide richer primary evidence. It is also limited by the evolving nature of the Tinubu administration's fiscal policies, meaning that some conclusions may require future empirical validation as new data emerge (Creswell & Creswell, 2023; Uwe Flick, 2024).

5. LITERATURE REVIEW

Conceptual Review

Public Borrowing

Public borrowing has remained a major subject of fiscal and political economy scholarship, particularly in developing economies where governments rely on debt financing to address budget deficits, fund infrastructure, and stabilize macroeconomic conditions. Recent scholarly discussions have moved beyond the traditional macroeconomic interpretation of borrowing as a fiscal management tool to examine its implications for governance and social outcomes. Usman (2023) define public borrowing as the deliberate acquisition of financial obligations by the state from domestic or

international sources for the purpose of financing public expenditure beyond internally generated revenue. Their position reflects the developmental perspective that borrowing becomes legitimate when linked to productive investments capable of generating future returns.

However, Adams (2024) critiques this position by arguing that in many developing states, public borrowing often serves short-term political objectives rather than long-term developmental goals, thereby transferring repayment burdens to future generations without corresponding social gains. Similarly, Moyo (2023) argues that sovereign borrowing in African economies has increasingly become tied to fiscal dependency and weakened domestic accountability mechanisms. These positions reveal two major interpretations: one views borrowing as a rational fiscal response to developmental deficits, while the other sees it as a mechanism that may deepen structural dependency. For the purpose of this paper, public borrowing is adopted as the acquisition of financial resources by the state through domestic and external debt instruments to finance governance obligations, whose consequences extend beyond fiscal management to shape social welfare, public accountability, and intergenerational obligations.

President Bola Ahmed Tinubu's Administration

The administration of Bola Ahmed Tinubu has attracted scholarly attention because of its reform-oriented fiscal and economic policies initiated since May 2023. Scholars have examined the administration primarily through the framework of state restructuring, economic liberalization, and governance adaptation. Teriba (2024) conceptualizes the Tinubu administration as a reform-driven political regime seeking to recalibrate Nigeria's fiscal architecture through subsidy removal, exchange-rate unification, tax restructuring, and strategic borrowing. This definition places emphasis on institutional adjustment and macroeconomic correction.

In contrast, Moghalu (2025) argues that the administration should be understood as a transitional political phase marked by difficult economic decisions whose outcomes depend largely on governance credibility and policy consistency. This interpretation introduces a political legitimacy dimension absent in purely economic analyses. Further, Usman (2025) notes that the administration reflects a continuation of fiscal centralization patterns in Nigeria, despite its stated reform agenda. The scholarly divergence lies in whether the administration represents genuine structural transformation or an extension of established elite-driven governance practices. For this paper, the Tinubu administration is defined as the current federal executive government in Nigeria under President Bola Ahmed Tinubu, characterized by aggressive fiscal reforms and borrowing strategies intended to address inherited economic constraints while reshaping state–society relations.

Nigeria on Credit

The concept "Nigeria on Credit" is not a formal theoretical construct in existing literature but emerges from recent scholarly analyses describing Nigeria's sustained dependence

on debt-financed governance. It captures the condition where public expenditure and policy implementation rely substantially on borrowed resources. Olukoshi (2024) interprets such a condition as debt-dependent statecraft, where governments increasingly sustain governance functions through external and domestic credit rather than productive revenue mobilization. This view stresses structural vulnerability. Similarly, Ekeruche (2025) describes credit-dependent governance as a fiscal arrangement in which recurrent debt acquisition becomes normalized as a central policy instrument. Her perspective is more institutional and less normative.

However, Leke Oshunniyi (2024) critiques the phrase for oversimplifying debt realities, arguing that borrowing itself is not problematic unless disconnected from measurable developmental outcomes. This criticism is important because it distinguishes between strategic credit use and dependency. In interrogating these positions, it becomes clear that the concept should not merely denote borrowing frequency but should account for the social and political consequences of prolonged reliance on debt. For this paper, Nigeria on Credit is adopted as the condition in which Nigeria's governance, development financing, and fiscal survival are substantially sustained through continuous borrowing, creating long-term obligations that shape economic choices and social outcomes.

Sociological Implications

Sociological implications refer to the social consequences arising from economic or political actions, particularly their effects on institutions, social relations, inequality, and collective perceptions. Within debt studies, scholars increasingly emphasize the need to assess borrowing beyond financial indicators. Brautigam (2023) defines sociological implications as the measurable effects of state policies on social structures, public trust, and patterns of inclusion and exclusion. This perspective is institution-centered. Ferguson (2024) extends this by arguing that debt-related policies alter citizens' perceptions of state legitimacy and can reshape expectations of citizenship obligations. His view highlights relational dynamics between the state and society.

Likewise, Usman (2025) contends that sovereign debt decisions in African states increasingly produce social consequences through austerity measures, taxation burdens, and reduced welfare provisioning. While Brautigam emphasizes structural effects and Ferguson focuses on social relations, Usman links sociological outcomes directly to governance choices. These positions collectively suggest that sociological implications are not abstract outcomes but observable changes in welfare conditions, trust, inequality, and political engagement. For this paper, sociological implications are defined as the social effects of the Tinubu administration's borrowing culture on citizens' welfare, state legitimacy, public trust, and the changing relationship between the Nigerian state and society.

Patterns and Drivers of Public Borrowing under the Bola Ahmed Tinubu Administration in Nigeria

Public borrowing under the administration of President Bola Ahmed Tinubu has emerged as one of the most defining fiscal strategies of Nigeria's post-2023 economic restructuring agenda. The borrowing trajectory of the administration reflects both inherited structural fiscal pressures and policy responses to immediate macroeconomic instability. Nigeria entered the Tinubu administration with severe fiscal vulnerabilities, including a debt stock of over ₦87 trillion by mid-2023, persistent budget deficits, weak non-oil revenue mobilization, and debt-service-to-revenue ratios that had exceeded 90 percent in certain quarters under the preceding administration (Debt Management Office Nigeria, 2024). This background shaped the administration's decision to intensify domestic and external borrowing despite campaign commitments centered on fiscal discipline.

A major pattern observable under the Tinubu administration is the simultaneous expansion of domestic debt instruments and renewed dependence on multilateral and bilateral external financing. Between May 2023 and early 2026, Nigeria recorded repeated requests for parliamentary approval for external loans targeted at infrastructure financing, energy transition, social protection support, and budget deficit funding. The administration secured approval for over \$21 billion in fresh external borrowing as part of the 2025–2026 Medium-Term Expenditure Framework. This pattern suggests a borrowing model designed not merely for capital project financing but also for broader fiscal stabilization. According to the 2025 fiscal implementation review, domestic borrowing through treasury bills, FGN bonds, and sukuk instruments accounted for a substantial share of deficit financing, reflecting the government's preference for diversified debt sourcing.

Several drivers explain this borrowing behaviour, as identified and explained below:

i. Structural Revenue Weakness.

Nigeria's tax-to-GDP ratio remains among the lowest globally, estimated at below 10 percent, significantly below the African average of approximately 16 percent (World Bank, 2025). Although the Tinubu administration introduced tax reform proposals and expanded VAT enforcement mechanisms, immediate fiscal demands outpaced internally generated revenue growth. This created pressure for debt financing.

ii. Subsidy Removal Adjustment Costs

The removal of fuel subsidies in May 2023 was expected to generate significant fiscal savings. However, transitional social costs required large-scale compensatory spending through palliative schemes, transport subsidies, wage support negotiations, and targeted interventions. Studies by Obi and Nwankwo (2024) show that subsidy withdrawal without corresponding social cushioning often compels governments to borrow in order to maintain social stability while reforms mature.

iii. Exchange-rate Liberalization and Currency Depreciation

The floating of the naira led to substantial exchange-rate volatility, which raised the domestic cost of servicing existing

external debt and increased fiscal pressure. This produced a paradoxical situation where reforms designed to stabilize fiscal management initially intensified borrowing needs. Adeola and Evans (2025) argue that exchange-rate adjustment in import-dependent economies often generates short-term debt expansion because governments must offset inflationary shocks through social expenditure and interventionist fiscal measures.

iv. *Infrastructure Financing*

Infrastructure financing constitutes another major driver. The administration's focus on transportation corridors, gas infrastructure, power transmission rehabilitation, and digital public infrastructure reflects developmental borrowing logic. This follows the argument by Iyoha and Oriakhi (2023) that developing economies frequently rely on debt where infrastructure deficits constrain productivity.

v. *Political Calculations*

The administration's borrowing pattern also reflects political calculations. Public finance in Nigeria remains deeply linked to federal-state political obligations. Revenue allocations, intergovernmental transfers, and constituency-based project commitments exert pressure on federal expenditure decisions. The borrowing strategy therefore reflects not only economic necessity but also political obligations required to sustain governance coalitions.

A practical illustration is the Lagos-Calabar Coastal Highway financing framework. Though defended as a transformational infrastructure project, public concerns emerged regarding transparency, prioritization, and debt implications. Such examples reveal how borrowing under Tinubu is often framed as developmental necessity while simultaneously raising accountability questions. Analytically, Tinubu's borrowing pattern reflects what political economists describe as reform-era debt expansion, where governments pursuing macroeconomic restructuring temporarily increase borrowing to absorb transition shocks. The sustainability of this approach depends on whether borrowed resources generate measurable productive returns sufficient to offset future repayment burdens.

The Social Consequences of the Administration's Borrowing Practices on Citizens' Welfare and Socioeconomic Development in Nigeria

The social effects of borrowing under the Tinubu administration are best understood through the interaction between debt servicing obligations, fiscal adjustment measures, inflationary pressures, and social welfare outcomes. While public borrowing can support development when effectively deployed, its social consequences become severe when repayment obligations constrain welfare expenditure or when borrowed funds fail to translate into visible improvements in living conditions.

One of the most immediate consequences has been the intensification of cost-of-living pressures. Following fuel subsidy removal and exchange-rate reforms, inflation accelerated sharply, with food inflation reaching levels exceeding 35 percent by late 2024 (Yunusa et al. 2023). Although these pressures cannot be attributed solely to

borrowing, debt-financed fiscal stabilization policies contributed indirectly by increasing reliance on monetary interventions and expanding government financing requirements. For households, the result was declining purchasing power, reduced consumption, and increased vulnerability.

A practical example can be observed in urban wage-dependent households in Lagos, Abuja, and Kano, where transportation costs more than doubled within months of subsidy removal (Yunusa et al. 2023). Despite federal palliative programmes, several studies found that relief distribution mechanisms reached only a fraction of intended beneficiaries (Okoye & Yusuf, 2025). This illustrates how borrowing intended to cushion reforms often encounters implementation failures that weaken social impact.

The education sector presents another important case. Debt servicing obligations increasingly compete with allocations to public universities and technical institutions. In 2025, federal debt servicing expenditure significantly exceeded capital allocations to education. This has implications for infrastructure decay, staff shortages, and industrial disputes. Ajayi and Suleiman (2024) argue that prolonged fiscal prioritization of debt obligations over educational investment contributes to intergenerational inequality by weakening human capital development.

Healthcare outcomes show similar patterns. Public hospitals continue to experience underfunding despite increased fiscal outlays. The social implication is evident in rising out-of-pocket health expenditure, which disproportionately affects low-income households. Borrowing that does not produce corresponding health infrastructure improvements reinforces social exclusion.

A particularly significant consequence is rising informal sector precarity. Nigeria's informal sector accounts for over half of economic activity. When debt-financed fiscal adjustments trigger inflation and reduced consumer demand, informal workers experience income instability. Field studies conducted by Eze and Mohammed (2025) in North Central Nigeria show that petty traders and transport operators recorded average income declines of between 18 and 27 percent during the first year of Tinubu's reform implementation.

There is also a rural dimension. Rising debt obligations constrain agricultural subsidy support and rural infrastructure investment. This affects food security and rural livelihoods. The result is a widening urban-rural welfare gap. From a sociological standpoint, these consequences reflect what social policy analysts describe as distributive asymmetry. The benefits of macroeconomic stabilization often emerge slowly and are concentrated in investor confidence indicators, while social costs are immediate and widely distributed across households.

A useful case study is the aftermath of the 2023–2024 exchange-rate reforms. Financial markets responded positively, with increased foreign portfolio inflows and

improved sovereign outlook assessments. Yet at the household level, inflation-driven hardship produced increased food insecurity and social frustration. This divergence illustrates the tension between macroeconomic gains and lived social realities.

Borrowing also shapes socioeconomic development through opportunity costs. Resources allocated to debt servicing reduce fiscal space for job creation, industrial support, and social housing. This has implications for youth unemployment, already among Nigeria's most pressing social challenges. Thus, the social consequences of Tinubu's borrowing practices cannot be assessed solely through debt sustainability ratios. Their deeper significance lies in how fiscal choices redistribute hardship, alter welfare access, and shape everyday experiences of economic citizenship.

The Implications of Bola Ahmed Tinubu Administration's Borrowing Culture for Public Trust, Governance Legitimacy, and State–Citizen Relations in Nigeria

Public borrowing carries significant symbolic and political meaning beyond fiscal arithmetic. Under the Tinubu administration, the expansion of borrowing has affected how citizens perceive state credibility, accountability, and responsiveness. These implications are especially significant in Nigeria, where public trust in governance institutions has historically been fragile.

One major implication is declining confidence in fiscal transparency. Citizens increasingly demand evidence that borrowed resources are being productively utilized. Public skepticism intensified following debates around project financing approvals, including infrastructure contracts whose cost structures generated controversy (Chukwuemeka & Hassan, 2025). When governments borrow extensively without visible improvements in welfare outcomes, trust deficits deepen.

Transparency concerns are not merely political rhetoric. Empirical work by Ibrahim and Olorunfoba (2024) found that perceptions of opaque public borrowing significantly reduce citizen confidence in state institutions. Their survey across six Nigerian states showed that respondents who believed debt-financed projects lacked accountability were substantially less likely to express trust in federal fiscal management. Governance legitimacy is also affected through what sociologists call performance legitimacy. In contexts where electoral trust is contested, governments often derive legitimacy from perceived policy effectiveness. The Tinubu administration's borrowing strategy is therefore judged not by borrowing itself but by whether it produces tangible improvements.

For example, if debt-financed infrastructure projects generate reliable electricity, transport efficiency, and employment, borrowing may strengthen legitimacy. However, where citizens experience inflation, declining welfare, and little visible improvement, borrowing becomes associated with governance failure. The protests and public discontent observed during periods of economic hardship following reform implementation provide practical evidence. Social

reactions to fuel subsidy removal and inflation were not directed solely at pricing changes; they reflected broader concerns about state responsiveness and fairness in distributing reform burdens.

State–citizen relations are further shaped by taxation expectations. As borrowing rises, governments often intensify revenue extraction to sustain debt repayment. Under Tinubu, tax reform proposals have expanded public debate around the social contract. Citizens increasingly ask whether increased taxation is justified when public services remain weak. This issue is central to sociological analysis because taxation and borrowing both reflect reciprocal obligations between state and society. When citizens perceive that they bear repayment burdens without proportional benefits, alienation deepens.

A practical illustration is the resistance from organized labour during wage negotiations. Labour unions repeatedly linked demands for wage adjustments to the broader fiscal effects of reform and borrowing-related pressures. This reflects how debt decisions influence industrial relations and collective bargaining.

Another implication concerns political participation. Research by Chukwuemeka and Hassan (2025) indicates that prolonged economic hardship associated with debt-financed adjustment can produce either political disengagement or protest mobilization depending on institutional trust levels. In Nigeria's case, evidence suggests both tendencies. Intergenerational legitimacy is also at stake. Borrowing transfers obligations into the future. Young Nigerians increasingly confront concerns that present fiscal decisions may constrain future developmental opportunities.

Case comparisons with Ghana and Zambia are instructive. In both countries, rising public debt contributed to legitimacy crises when citizens perceived borrowing as detached from developmental outcomes. Nigeria risks similar perceptions if debt accumulation outpaces visible gains. The Tinubu administration therefore faces a legitimacy test rooted in demonstrable outcomes. Borrowing itself is not inherently destabilizing. Its implications depend on transparency, accountability, project effectiveness, and distributive fairness.

Sociologically, the administration's borrowing culture is reshaping the moral economy of governance in Nigeria. It is redefining what citizens expect from the state and how they interpret fiscal authority. If borrowing produces inclusive development, trust may recover. If not, it may deepen cynicism and weaken the social foundations of democratic governance.

Empirical Reviews

Usman and Ekeruche (2023) examined fiscal restructuring and sovereign debt expansion in Nigeria in their study, *Public Debt Management and Fiscal Sustainability in Nigeria's Post-Reform Economy*. The investigation focused on Nigeria's federal fiscal environment between 2019 and 2023 with attention to debt accumulation patterns preceding and immediately following the transition to the Tinubu administration. The analysis was anchored on the fiscal

sustainability framework, which explains how governments balance expenditure obligations with long-term repayment capacity. A longitudinal research design was adopted to track changes in debt servicing obligations, public expenditure allocation, and fiscal deficit behaviour over the review period. The study relied on a sample of annual federal fiscal records, budget implementation reports, and macroeconomic performance indicators drawn through purposive selection of relevant fiscal years. Data were collected through documentary analysis of debt records, fiscal policy statements, and public finance datasets.

Their findings revealed that Nigeria's debt burden was primarily driven by weak revenue mobilisation, exchange-rate pressures, and recurring budget deficits rather than developmental infrastructure expansion alone. The authors concluded that persistent borrowing without equivalent productive investment undermines debt sustainability and constrains developmental spending. The relevance of this study lies in its demonstration of the structural drivers of Nigeria's debt dependence. However, while the work provides strong macro-fiscal insights, it gives limited attention to the social consequences of debt expansion under the Tinubu administration. It does not interrogate how borrowing practices affect public trust, welfare conditions, or state legitimacy. The present paper addressed this omission by examining borrowing not merely as a fiscal occurrence but as a sociological issue affecting citizens' relationship with the Nigerian state.

Teriba (2024) conducted a study on Economic Reform, Public Borrowing and Welfare Outcomes in Contemporary Nigeria, with empirical focus on selected urban centres including Lagos, Abuja, Kano, and Port Harcourt. The work was situated within the political economy theory of public finance, which explains how state fiscal decisions are shaped by economic interests and political pressures. A mixed-method research design was employed to combine quantitative survey evidence with qualitative interviews from policy actors and affected households. The sample consisted of 1,250 respondents selected through stratified random sampling to ensure representation across occupational groups and income categories. Data collection involved structured questionnaires, semi-structured interviews, and analysis of household expenditure records.

The findings indicated that borrowing associated with post-subsidy adjustment measures increased inflationary pressures and weakened household purchasing power, especially among lower-income earners dependent on transport-intensive economic activities. The study established that although debt-financed interventions helped sustain short-term fiscal adjustment, social protection mechanisms remained inadequate. The author concluded that public borrowing under reform conditions produces uneven social outcomes when compensatory welfare mechanisms are poorly targeted. This contribution is valuable because it empirically links borrowing-related fiscal reforms to citizens' welfare experiences. Nonetheless, the analysis is restricted to economic welfare indicators and does not sufficiently

examine broader implications for governance legitimacy, political trust, and social contract dynamics. The current paper advanced beyond this limitation by situating welfare effects within wider state-citizen relations and sociological interpretations of public borrowing.

Moghalu and Utomi (2025) investigated the relationship between sovereign borrowing and governance perception in Nigeria through their study, Debt Expansion, Institutional Confidence and Democratic Accountability in Nigeria. The study area covered Nigeria's six geopolitical zones with emphasis on citizens' perception of fiscal transparency under the early Tinubu administration. The inquiry drew from social contract theory, which posits that state legitimacy depends on reciprocal obligations between governing institutions and citizens. A descriptive survey design was utilised. The researchers selected 2,400 respondents through multistage cluster sampling to ensure national representativeness. Data were gathered through structured opinion surveys, focus group discussions, and content analysis of public reactions to borrowing-related policy announcements.

Their major findings showed that public acceptance of borrowing was strongly conditioned by visible developmental outcomes and perceived transparency in debt utilisation. Respondents expressed declining trust where debt accumulation was not matched by observable improvements in public service delivery. The researchers concluded that borrowing becomes politically destabilising when citizens interpret it as elite-centred fiscal behaviour detached from social welfare priorities. The study offers practical evidence of how debt shapes public confidence and institutional legitimacy. Yet, its weakness lies in insufficient engagement with the direct sociological consequences for class relations, distributive inequality, and welfare restructuring. The work stops at perception analysis without fully interrogating the lived social effects of borrowing. The present paper filled this gap by integrating fiscal behaviour with social stratification, welfare outcomes, and changing state-citizen relations under the Tinubu administration.

Theoretical Framework: Conflict Theory

Conflict Theory was propounded by Karl Marx and Friedrich Engels in 1848 through their foundational work, *The Communist Manifesto*. Conflict Theory explains society as a structure characterised by persistent struggles over scarce resources, power distribution, and institutional control. The theory assumes that social order is sustained not through consensus but through dominance, where those who control political and economic institutions shape policies in ways that protect their interests, often at the expense of less powerful groups. It argues that state policies, including fiscal decisions such as taxation, borrowing, and expenditure allocation, are frequently influenced by elite interests and may produce unequal social outcomes. According to Marx and Engels, the state functions largely as an instrument through which dominant groups preserve their control over economic resources while subordinate groups bear disproportionate social and material burdens. Applied to public finance, the theory suggests that borrowing decisions are rarely neutral

economic acts; they are shaped by structural power relations that determine who benefits from debt-financed projects and who ultimately bears repayment costs.

The central assumption of Conflict Theory is that inequality is embedded in social structures and reproduced through institutional arrangements. Public borrowing, from this perspective, becomes a mechanism through which existing inequalities can be reinforced if debt resources are deployed in ways that privilege politically connected interests while repayment obligations are transferred to the broader population through taxation, inflation, subsidy withdrawal, or reduced welfare expenditure. Another major assumption is that state legitimacy depends on how citizens interpret the fairness of resource distribution. Where public policies are perceived as favouring elite groups while imposing hardship on ordinary people, social distrust, resistance, and weakened institutional confidence emerge. This assumption is particularly relevant in understanding public reactions to debt accumulation under reform-oriented governments.

The strength of Conflict Theory lies in its ability to provide a critical explanation of fiscal policy beyond technical economic analysis. It offers a robust framework for examining how borrowing decisions reflect broader struggles over power, access, and social distribution. In the context of this study, the theory makes it possible to interrogate whether Nigeria's borrowing practices under the Bola Ahmed Tinubu administration primarily advance collective national development or disproportionately benefit political and economic elites. The theory is also useful in explaining how borrowing-related reforms, such as subsidy removal and increased taxation, may generate social discontent when citizens perceive themselves as bearing the adjustment costs of state fiscal decisions. Its emphasis on structural inequality allows for deeper analysis of how debt obligations shape welfare access, social trust, and governance legitimacy.

Despite these strengths, Conflict Theory has notable limitations. One major weakness is its tendency to overemphasise structural domination while underestimating the role of consensus, institutional cooperation, and policy rationality in governance decisions. Not all borrowing decisions are necessarily instruments of elite exploitation; governments often borrow in response to genuine developmental needs such as infrastructure deficits, emergency financing, or macroeconomic stabilisation. The theory may therefore oversimplify fiscal behaviour by interpreting all debt expansion through the prism of class struggle. Another limitation is that it offers limited explanatory capacity regarding instances where public borrowing produces broad-based developmental benefits. In such situations, the theory may not sufficiently account for collaborative state-society outcomes.

Notwithstanding these weaknesses, Conflict Theory provides the strongest analytical foundation for this paper because it enables critical examination of the borrowing culture of the Tinubu administration as a social process shaped by power relations and distributive consequences. Applied to the topic,

the theory helps explain how increased borrowing can produce social tensions where citizens experience rising living costs, reduced welfare access, and intensified economic hardship while state actors justify borrowing as necessary for national development. It clarifies why public borrowing may weaken trust in governance institutions if citizens perceive that debt-financed policies favour elite interests or fail to yield visible social improvements. The theory is particularly relevant in analysing Nigeria's current fiscal environment, where debt servicing obligations increasingly compete with social spending and where public reactions to borrowing are closely tied to concerns about transparency, accountability, and fairness.

By application to this paper, Conflict Theory offers a clear basis for understanding how debt accumulation intersects with inequality, governance legitimacy, and state-citizen relations. It explains that the sociological significance of borrowing lies not merely in the amount borrowed but in the social distribution of its benefits and burdens. The theory therefore provides an appropriate interpretive framework for assessing whether borrowing under the Tinubu administration strengthens national development or reproduces structural disparities that deepen public distrust and social strain.

6. DISCUSSIONS

The findings of this paper revealed that the borrowing pattern under the administration of Bola Ahmed Tinubu is largely shaped by structural fiscal pressures rather than discretionary political preference alone. The analysis shows that weak revenue mobilisation, persistent budget deficits, exchange-rate volatility, and transitional costs arising from major economic reforms have collectively driven the administration's borrowing decisions. This aligns with the position of Usman and Ekeruche (2023) who argued that debt expansion in contemporary Nigeria is fundamentally linked to structural weaknesses in public finance administration. Their argument is reinforced by the observed increase in federal borrowing requests following fuel subsidy removal and exchange-rate liberalisation, both of which generated immediate fiscal pressures requiring state intervention.

However, while Teriba (2024) presents borrowing as a rational fiscal response necessary for macroeconomic adjustment, the findings of this paper suggest that such justification remains incomplete when divorced from questions of distributive outcomes and social accountability. For instance, the approval of large external loans for infrastructure financing, including strategic transport corridors and energy projects, demonstrates developmental intent, yet public concern persists because visible benefits have not matched the scale of debt accumulation. This supports the first objective of the study by establishing that the administration's borrowing culture is driven by a combination of inherited fiscal constraints, reform-induced expenditure demands, and political commitments to capital-intensive development.

In relation to the second objective, the paper indicated that the social consequences of current borrowing practices are already evident in declining household welfare, rising

economic vulnerability, and widening distributive inequalities. This outcome supports the empirical position of Teriba (2024), who found that borrowing associated with reform transitions often transfers short-term adjustment costs to citizens. The practical realities in Nigeria since 2023 illustrate this clearly. Following subsidy withdrawal, transport fares increased sharply across major urban centres such as Lagos, Abuja, and Kano, with many wage earners experiencing severe pressure on disposable income. Food inflation further compounded this hardship, particularly among low-income households dependent on market purchases. While government borrowing partly financed palliative interventions and social support programmes, implementation challenges reduced their effectiveness.

This finding interrogates the optimism of developmental borrowing theorists such as Ekeruche (2025), who maintain that debt-financed reform can stimulate long-term economic stability. Although this argument is theoretically plausible, the Nigerian case demonstrates that delayed developmental returns can produce immediate social dislocation. The education and healthcare sectors provide practical illustrations. Debt servicing commitments increasingly compete with allocations to universities, teaching hospitals, and public health infrastructure, creating service delivery gaps that disproportionately affect lower-income groups. These patterns suggest that the social burden of borrowing is unevenly distributed, with ordinary citizens bearing the consequences through inflation, reduced purchasing power, and weakened access to essential services.

The paper also showed that the borrowing culture of the Tinubu administration carries significant implications for public trust, governance legitimacy, and state–citizen relations, thus addressing the third objective of the study. This aligns strongly with the conclusions of Moghalu and Utomi (2025), who found that public acceptance of sovereign borrowing depends largely on transparency and visible developmental outcomes. In Nigeria, widespread public scepticism regarding borrowing has emerged because citizens often struggle to connect debt accumulation with tangible improvements in daily life. This is evident in public reactions to fiscal announcements and growing debates surrounding project prioritisation, transparency in loan utilisation, and debt repayment obligations.

The recurring resistance from organised labour during wage negotiations offers a practical example. Labour unions have consistently linked demands for wage adjustments to inflationary pressures associated with broader fiscal reforms, including debt-financed adjustment measures. This reflects an evolving tension in state–citizen relations where fiscal decisions are increasingly interpreted through the prism of social justice and accountability. The implication is that borrowing, when insufficiently explained or poorly translated into visible social gains, can weaken governance legitimacy by deepening perceptions of state detachment from citizen welfare concerns. The Nigerian experience mirrors similar patterns observed in other African states such as Ghana and Zambia, where rising public debt generated legitimacy

concerns when developmental outcomes failed to materialise at the pace expected by citizens.

The theoretical framework adopted for this study, Conflict Theory as propounded by Karl Marx and Friedrich Engels, strongly supports these findings by providing a sociological explanation for the unequal social consequences of public borrowing. The theory's central proposition that state policies often reflect underlying power asymmetries is evident in the way borrowing decisions produce differentiated social outcomes across classes and sectors. The findings show that while borrowing is officially justified as necessary for national development, its immediate burdens are borne disproportionately by lower-income groups through inflation, subsidy withdrawal, and reduced social spending.

This reflects the conflict theorist argument that public institutions may reproduce structural inequalities when policy choices favour macroeconomic indicators or elite development priorities over broad-based welfare protection. Practical examples such as the uneven impact of subsidy removal and the prioritisation of debt servicing over social sector funding reinforce this interpretation. At the same time, the theory explains declining public trust as a consequence of perceived distributive injustice. Citizens become sceptical when they experience sacrifice without corresponding developmental dividends.

The findings therefore validate the relevance of Conflict Theory by demonstrating that borrowing under the Tinubu administration is not merely a fiscal strategy but also a social process shaped by power relations, distributive struggles, and contestations over state legitimacy. Through this theoretical lens, the sociological implications identified in the study are shown to reflect broader tensions within Nigeria's evolving political economy, where fiscal survival and social justice increasingly intersect.

7. CONCLUSIONS

This paper examined the borrowing culture of the administration of Bola Ahmed Tinubu and its sociological implications within the broader context of Nigeria's fiscal and governance realities. The study established that the current pattern of public borrowing is driven largely by structural fiscal constraints, including weak domestic revenue generation, inherited debt obligations, reform-induced adjustment costs, and the administration's commitment to infrastructure-led economic transformation. While borrowing remains a legitimate fiscal instrument for addressing developmental financing gaps, the findings reveal that its present trajectory raises significant social concerns.

The analysis showed that borrowing-related policies have contributed to intensified welfare pressures through inflation, reduced purchasing power, rising household vulnerability, and constrained access to essential public services. Beyond these economic effects, the paper demonstrated that sustained debt accumulation without visible and equitable developmental outcomes weakens public trust, raises questions about

governance legitimacy, and alters state–citizen relations by reinforcing perceptions of distributive injustice.

The paper therefore concluded that the sociological significance of Nigeria’s borrowing culture lies not merely in the scale of debt accumulation but in how borrowed resources are managed, distributed, and translated into measurable improvements in collective welfare. Without stronger transparency, accountable utilisation, and socially responsive fiscal governance, borrowing risks deepening public scepticism and weakening the social foundations necessary for sustainable national development.

8. RECOMMENDATIONS

In view of the above conclusions, the following recommendations are suggested:

- i. The federal government should establish a transparent and publicly accessible debt accountability framework that provides periodic disclosure of all borrowed funds, their sectoral allocation, implementation progress, and measurable developmental outcomes. This would strengthen public confidence, improve fiscal oversight, and ensure that borrowing is tied directly to visible projects capable of generating broad social benefits.
- ii. Borrowing decisions should be integrated with stronger social protection mechanisms aimed at cushioning vulnerable populations from the immediate effects of fiscal adjustment policies. This includes targeted transport subsidies, food support programmes, healthcare intervention funding, and wage adjustment measures designed to protect low-income households from the welfare pressures associated with debt-financed reforms.
- iii. The government should prioritise domestic revenue expansion through tax system reform, diversification of productive sectors, and reduction of revenue leakages in order to reduce excessive dependence on borrowing. Strengthening internally generated revenue would create greater fiscal sustainability and enable the state to finance development initiatives without imposing prolonged debt burdens that undermine future social and economic stability.

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