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# NEO-IMPERIALISM AND PARADOX OF AFRICAN DEBT CRISIS

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**Abstract**

In the post-colonial era, many Less Developed Countries (LDCs) have perennially remained in a pool of developmental strategic options and economic crisis that have seen them to international borrowing and the heavy burden of external debt. The dissipating phenomenon of international debt crisis is a worrisome reality that remains and demands a critical attention. Many authors have explored, analyzed and decried the perplexing tide of debt crisis that has plagued many LDCs from 1980 till date. Amidst this economic quagmire, there still perpetuates the strong dependence of these countries on the Developed or Industrialized countries of the West for economic survival and stability. Fortunately, the course of history has continued to reveal a transiting movement or evolution of thought and eco-political systems. While slavery/slave trade and colonialism has officially been the last waves in historical record, the trend has never stopped. Imperialism has taken up the stage of history in the most recent times in the like manner of colonialism. From this backdrop, a deeply critical concern arises: why has this economic crisis persists through the decades up till now without any feasible prospect of amelioration? What accounts for this bizarre phenomenon? Employing the critical approach (analysis and evaluation), the researcher draws out the imperialist orientation and character in the wide play of international loaning and indebtedness. It becomes obvious that international loan/debt is a paradox that crystallizes the foreign aid game wherein nations are trapped in perennial economic crises, dependence, and impoverishment, becoming perpetual followers and backpedals in historical and economic development. While discovering a relationship between imperialism and the politics of international loan/debt, it thus postulates that the prevalent economic pool of international loaning/indebtedness constitutes a tool in the imperialist hand in regulating and controlling the social, economic and political stability of nations, especially the LDCs.

**Keywords:** *International Loan, International Debt, Debt Service, Debt Crisis, Paradox, Imperialism, Garb.*

## Introduction

The immediate post-colonial decades of many Less Developed Countries presented a mixed experience of national politico-economic independence and the launch of national destitution amassing from the political to the economic sphere. This controversial experience presents more to be observed and analyzed than to be merely recorded as a historical past. It is no claim that many previously colonized nations were plunged into the messy mud of political and economic dereliction. The post-colonial records of many of these nations make this more factual. So steep was Africa's economic decline during the 1980s that it became known as 'the lost decade' (M. Meredith, 2006, p.368). The political unrest, economic instability, and social destitute that accompanied the early years of many national independence and still persisting presents a deeper phenomenon than just national immaturity and inexperience. Besides, its persistence after years of national existence tells more factors than immaturity. By the mid-1980s, most African were poorer than they had been at the time of independence. The notorious and debilitating debt crisis many of these nations suffered and still suffering is a phenomenon that needs to be observed, analyzed and assessed.
Since 1980, external debt has been escalating right from a time of massive decline in export revenues and dwindling capital inflows even up to the recent time. Statistical records report many of the third world countries as great beneficiaries of external (international) loans. Yet these countries remain deep in the axis of world poverty and poor development. The diagonal reality of heavy international borrowing which traditionally have been argued to facilitate national vitality, and still, the deep accent of poverty and underdevelopment of these countries demonstrate only but a paradoxical situation. Unfortunately, the burden of international debt has unanimously proved more crushing and a crisis to many national developments. It has shown more crippling to national economies and growth than enhancing. The sub-Saharan Africa's debt crisis, for instance, has deepened and the debt burden has become even more crushing (M. Iyoha, 1999, p.4). The region's debt is infamously marked the highest of any region in the world. Inasmuch as debt crisis could be either internal (domestic) or external (international) and both can be detrimental to a national development, domestic debt crisis may not be as problematic as compared to the more critical cases of external debt crisis. This is principally because it is controlled by a lot of factors and variables which are not within the control of the debtor country.

Aptly, debt crisis may aggravate from clearer factors of financial deficits; over-borrowing whereby countries are not able to generate a sufficient increase in output and in particular export earnings to be able to meet their debt obligations; rigid repayment terms which dictated by the creditor nations hamper seriously on the economic viability of the debtor country; to debt default. The 'crowding out' and debt overhang hypotheses whereby resources which would have been used for public investment are diverted to debt service payments are other notable contributors to the debt crisis. But these might not be exhaustive without a caveat on the stronger external forces, intent, and variables. External debt crisis constitutes a real and burdensome problem that is destabilizing, crippling, and demeaning to a national existence and viability. Quite lamentable, it does not just end nor overcome in a day. It rather occasions a chain of other perennial economic problems that run even into the future. Report from the IMF's World Economic Outlook, as at October 2020, for instance, reveals a problematic debt repayment schedules across sub-Saharan Africa that would even sustain in the next decade. Could this not be the most tolerable and lucrative garb of imperialism in the contemporary epoch after the formal collapse of colonialism? This prevalent shambled realities of international indebtedness would vehemently compel one to reassess the traditional claims on international loaning; its grounds and motives.

The progressive steps in this discourse relays the interplay and relationship of different factors to the dilemma of national debt crisis. While we would not deny the supposed positive impact of external loans, what worries is the trajectory debts and debt crisis have launched many less developed countries, especially Africans, into. Would we still claim unconcerned or ignorant to the downturn it has caused many Less Developed Countries? This treatise portrays how it has facilitated great economic and socio-political instability and decline of many nations.

## IMPERIALISM AND THE INTERLUDE OF COLONIALISM

The term imperialism is univocally used to designate the international practices and relations of the capitalist world during the distinct stage of mature capitalism that begins in the last quarter of the 19$^{th}$ century. It overtly connotes the domination and control of a group of people, nation, or race by an another who is more advanced or privileged. It involves the formal or informal control over local economic resources in a manner advantageous to the metropolitan power, and, at the expense of the local economy' (O'Connor, 1970; p.102). According to Assibong (1990), "Imperialism is a shameless and ravenous quest by stronger nations to exert political, economic, social and cultural control over weaker nations to the advantage of the stronger nations, and to the disadvantage of the smaller States" (p.134). Imperialism had been as old as human avid crave for power and domination over others, states and kingdoms since human history. We do not seek to unveil the long history of imperialism since the dawn of human history. We are principally occupied with the new trends of imperialism in the modern epochs from the 19$^{th}$ century after the Industrial Revolution. As a trait of modern conquest and domination, imperialism have come to hinge and celebrate the capitalist intent and caprices and maintains the expansion policy of colonialists. With imperialism, we talk about the global empire of the imperialist - "a self-centered, self-serving, greedy, and materialistic, a system based on mercantilism…. it opens its arms only to accumulate resources, to grab everything in sight and stuff its insatiable maw." (J. Perkins, 2017, p.137). This he achieves in and with globalization.

Since the 19th century, European nations pursued an aggressive expansion policy that was motivated by economic needs that were created by the Industrial Revolution…. The expansion policy was also motivated by political needs that associated empire building with national greatness, and social and religious reasons that promoted the superiority of Western society over "backward" societies. Meanwhile, Europe's Commercial Revolution created new needs and desires for wealth and raw materials. It was Lenin who highlighted one of the outstanding characteristics of an imperialist system; "the advanced capitalist countries invest in backward countries". An imprompt reaction would be: why? Paradoxically, to invest at home would require development of the economy and better standard of living for workers, neither of which was in the interest of the capitalists. What then would be the prompting factor in the fertile backward countries if not an avid thirst for profit? Businessmen and bankers had excess capital to invest, and foreign investments offered the incentive of greater profits, despite the risks. The need for cheap labor and a steady supply of raw materials, such as oil, rubber, and manganese for steel, required that the industrial nations maintain firm control over these unexplored areas. What more, they were made the dumping ground (favourable market) where the numerous European manufactured goods could be easily disposed of at a reasonable profit. While the prices of raw materials and agricultural products produced by Africans were to be too cheap, the colonialists made the prices of goods manufactured by them to be too dear or high, so that an African would spend all he had toiled for, for year or more to purchase a little of the foreign goods. Consequently, while Africans kept on becoming poorer, the colonialists' profits kept increasing (Ocheni & Nwankwo, 2012, p.50). To disable them from manufacturing and economic viability as well as remain consumer nations, the colonialists ensured their poor political administration, as seen predominantly even up to these days in Africa. They are to remain dependent on them. While the imperial adventure might claim some assumed good, but its aptness in juxtaposition to the ills occasioned is only an awful picture to behold, ranging from the political, the economic, the social, the cultural, to the psychological.

Let's take a clue on one of its notable offspring: colonialism. Colonialism is a tern common to many national and continental history. It is a historical experience that is very vital in understanding nationalities and what nations have become today. Within its range, nations were classified: a colonized and a colonizer. Colonialism basically constitutes a structure through which a people (typically a nation) subordinates, exploits and dominates another (usually nation, race, or culture). It involves the direct and overall domination of one country by another on the basis of state power being in the hands of a foreign power (Ocheni, S. & Nwankwo, B. 2012). It is a policy or practice of acquiring political control over another country, occupying it and exploiting it economically. The 19th and 20th centuries cannot be historically articulated without the character of colonialism, nor would a historical account of the African and Asian worlds be complete without the bearing of colonialism. Resounding as a political, economic and social conquest by powerful European nations on the faulty claims of civilization against less industrialized people and nations, colonialism was better an imperial robbery, de-civilization and de-stability to ensure and sustain the imperialism of the European nations. European nations disrupted many traditional political units and united rival peoples under single governments that tried to impose stability and order where local conflicts had existed for years, such as in Nigeria and Rwanda.

By the first half of the nineteenth century, colonialism became less popular. The struggle for nationalism and democracy, the cost of industrialization, and the cost of colonial administration exhausted the energies of European colonizers. Generally, formal colonialism became out-fashioned. By the mid-20th century and onwards, many formerly colonized nations regained independence from their colonisers. However, "the laws, economic structures and cultural basis for European colonialism didn't disappear when nations gained independence in the mid-20th century" (E. Ross, 2019). Then came the new policy of modern imperialism: international loan/debt.

## INTERNATIONAL LOAN, DEBT, AND DEBT SERVICE

Here we have a complex evolutionary progression: loan/loaning, debt and debt service, and debt crisis. A loan is a sum of money that one or more individuals or companies borrow from banks or other financial institutions so as to financially manage planned or unplanned events. Loaning constitutes primarily a process of lending some sum of money (loan) on agreed terms for a space of time between two parties – the lender and the borrower. Onwards, the recipient party by the loan received incurs a debt and its concomitant responsibility. Across the space of time, the loan can accumulate interest based on the agreement. A loan might also entail the reallocation of the subject asset(s) for a period of time, between the lender and the borrower. In some cases, the lender requires the borrower to offer an asset up for collateral, which will be outlined in the loan document. Generally, loans can be given to individuals, corporations, and governments. The interest and other lucrative conditions serve as sources of revenue for the lender.

Etymologically, debt, from its Latin root *debitus*, means ‘thing owed’. Debt, from the *Free Encyclopedia*, is an obligation that requires one party, the debtor, to pay money or the agreed-upon value to another party, the creditor, upon a prior agreement. Against transactional purchase, it is a deterred payment, or series of payments which is subject to contractual terms regarding the amount and timing of repayment of the principal and the interest. It can be owed by sovereign state (country), government, company, or an individual. Subsequently, debts can be either internal or external, domestic or foreign, national or international in relation to the two parties involved. If the debt is held outside of the issuing jurisdiction, it is called external; if it is held within the jurisdiction, it is called internal. International, external, or Foreign debt is money borrowed (loan) by a government, corporation or private household from another country’s government or private lenders (Kenton, 2021). When there is a loan granted, there amounts a debt. Hence, debt becomes an aftermath of loan given.

Debt service, otherwise known as Debt financing, refers to the total sum required by a government, company, or individual to pay back all debt obligation which includes the repayment of principal and interest. It is defined as the sum of actual repayments of principal and actual payments of interest made in foreign currencies, goods or services on external public and publicly owned debt (Anunobi & Ukpong, 2000, p.72). It is a time-bound activity where the borrower needs to repay the loan along with interest at the end of the agreed period. This payment or repayments could be made monthly, half yearly, or toward the end of the loan tenure.

The debt crisis is specifically associated with the surge in interest rates on this debt, which decreased the net cash inflow associated with a given volume of debt sales. As Ferraro & Rosser (1994) assert, it refers “the external debt, both private and public, of developing countries, which has been growing enormously since the early 1970s”. A debt crisis occurs in a situation whereby a debtor has gone so deep in debt that he loses the capacity of paying off his debt. A country can go into debt crisis when the country becomes so indebted for a prolonged time that it is unable to pay back its governmental debt. According to Kapijimpanga (1996: 12), “The external debt burden reflects itself in the inability of a country to meet its debt service obligations (scheduled debt service) in relation to its foreign currency earnings”. As Hurt (2018) articulates, “Debt becomes a potential problem only when the borrower is unable to generate sufficient funds to meet the repayments…. such difficulties, and often commentators use the term debt crisis to describe the situation”. In such situation, the country becomes so financially deficit that she is unable to generate enough funds to service her debts, but would have to also borrow to service her debts. Thus, the country run into a situation in which funds or loans are not used to promote income growth, rather to finance debt service. Hence, she runs into over-borrowing, debt default, and greater economic erosion. In the past even up until now, we have had periods of debt crisis both on the global level and the national level. As Lyoha (1999, p.9) notes, the global debt crisis arose as a result of three factors: 1) over-borrowing by the developing countries and reckless lending by international commercial banks in the 1970s; 2) the collapse of world commodity prices (including especially petroleum) in the early 1980s; 3) the sharp increase in international interest (lending) rates in 1982. Captivated and bemused by the catastrophic yet perennial nature of this aged crisis to many national development, the researcher is poised to pursue a critical enterprise on this course.

## THE ENABLING FACTORS/PERPETUATING FORCES TO INTERNATIONAL BORROWING

A better understanding of situation around international indebtedness would involve understanding why nations seeks loans from other nations. This demands exploring the factors that necessitate and enhance nations to international loans/borrowing, both the domestic/internal factors and the foreign/external factors.

### National financial deficits

Many nations borrow to finance their national budget in the face of financial deficit. This constitutes the traditional claim of international borrowing. In a situation of national economic deficit and bankruptcy, borrowing from other nations and multilateral institutions to sustain the national investments and development seems the best option to economic survival and stability. It is believed that borrowing money to fund the national budget would be a better way to sustain and help a recessing economy. It is hoped that with the borrowed funds, the countries can still carry on its national investments, reduce economic strain, generate more revenues and still have an out-turn to repay its borrowed principal and interest. The loan received serves then as a support to the national finance. At a worse stage, some countries borrow to suit their expenditures which might include debt servicing; all in the quest for economic emancipation.

### National capital flight

Capital flight has been viewed as a constraint on economic growth because it implies a loss of resources that could be used for domestic investment. It implies a loss of resources that could have been used to increase domestic investment and that could in turn have significantly increased countries' debt-servicing capacity (Rojas-Suarez, 2021). It is usually caused by two factors: the fear of expropriation of domestic assets, and the risk of large losses in the real value of domestic assets arising from inflation or large exchange rate devaluation.

**Poor Political Policy:**

Poor governance and outright corruption in many of these nations which conventionally collides strongly with poor political policies heavily affect the economy and create destabilizing economic problems. This reflects vehemently in the problem of capital flight. Sadly, many political leaders had never been primarily concerned with economic growth but rather with the maintenance of political power and the distribution of wealth among themselves and their supporters. They sacrificed their country and compatriots to their own selfish interests. They enact policies that do not create an enabling environment to investment. At this, the national economy suffers and the currency devoured more and more; business personnels are constrained to transfer their investment to foreign nations to avoid inflation and devaluation of their assets. Capitals which would have been invested and boost economic growth are fled to a more enabling environment. The country losses and suffers. Sarcastically, she goes back to borrow from those other nations.

**International factors:**

There are external variables that were beyond the control of a country. Here LDCs are the most vulnerable because of their dependence on primary products as sources of their export revenues and their sensitivity to monetary changes in the developed market economies. The submissions of Anunobi & Ukpong (2000) is notable: "While many developing nations can be held at least partially responsible for the massive accumulation of debt, the adverse economic conditions that face them are often outside of their control. In reality, this adverse economic climate was, in part, compounded by the industrialized countries' economic stabilization measures which led to soaring interest rates, worldwide economic recession, and the resulting decrease in demand or developing nations' exports" (p.93). Decline in international investment is a challenge to some countries, especially the LDCs. This is because when there is low international investment, the revenues made by taxation reduces. This in turn cause a downslope in the economy and finance, and then the need for loans to supplement. The loan conditions are many times contributive, courtesy of the creditor institution/nation. Selfish interest of a creditor country/institution is another contributive factor by the act of over-lending. As Zhang (2003) explains, "while the action of debtor governments was essential, many creditors continued to make loans for their own benedicts. For example, western governments and international institutions such as the World Banks and IMF secretly lent $8.5 billion to Mobutu during the 1980s despite their own investigation that the loans were corruptly brought into Swiss banks. This irresponsible lending contributed significantly to the debt crisis". With high foreign interest rates on loans, increase in debt servicing obligations, and the risk of loss of assets, many national governments are constrained to go on borrowing to maintain the debt conditions and still revive the economy.

**The Global Economic Scene:**
Subtle but strong is the impact of the global divide. The world economic divide presents an axial appropriation of the world economies into a north and a south. Unfortunately, this divide as political as it is, is also economic impacting. In it is encamped an imperialism of the advanced North over the less advanced and advancing South. This imbalanced economic system shrewdly perpetuates the bankruptcy and impoverishment of LDCs currency and soars the currency of the Developed/Industrialized countries. The South would always find itself advancing towards the North countries for economic assistance and support, like loan, for her growth. This axis sustains the dependency of the less developed South on the industrialized North. Sad enough, in the global market, their currency value is denominated and evaluated in relation to North's currencies. On this suffocating axis, the trans-nationalization of capital has become normative. Globalization as rosy as it seems is never a joy to all. Globalization has been imputed the name for economic colonialism of the international and local markets. It has maintained dynamically the affluent lifestyle of the rich and fatal situation of the poor. In the economic circle, globalization refers to the recent decades' unprecedented flow of capital and commerce across national borders, leading to the hegemony gained by international financial markets and multinational corporations, abetted by transnational agencies and organizations such as the World Bank, the World Trade Organization (WTO), and the International Monetary Fund (IMF) (Amaegwu, 2015, p.5). It is both a forum for international relations and an international forum for dominance vividly nurtured by economic interest. Little wonder the less developed always have the yoke of globalization.

**THE PARADOX OF INTERNATIONAL LOAN/DEBT: A KISS OF DEATH/ THE IMPERIALIST CHARITY**
International debt has been rising steadily in recent decades, with unwelcome effects paying on the economies of borrowing countries. These include economic growth, particularly in low-income countries, as well as crippling debt crises, financial market turmoil, and even secondary effects such as a rise in human rights abuses. Apparently, the immediate reasons for taking external loans are undoubtedly deficiencies in one's own capital and the aspirations related to development, consumption and expansion. Generally, countries borrow to finance consumption in the presence of current negative income shocks and borrow to finance future income growth. (J. Barth *et el*, 1987, p.34). True, loan can be supportive when used for investments for a promising economy, but the present international debt scene calls for a deeper assessment.

However, the prevalent reality of debt crisis to the developing nations is very devastating. Observation of Perkins (2017) reads: "Over the past three decades, sixty of the world's poorest countries have paid $550 billion in principal and interest on loans of $540 billion, yet they still owe a whopping $523 billion on those same loans. The cost of servicing that debt is more than what these countries spend on health and education and is twenty times the amount they receive annually in foreign aid" (p.263). Recently again, the UNCTAD (2021) reports: "In the wake of the COVID-19 pandemic, external debt stocks of developing countries reached US$10.6 trillion, their highest level on record, more than twice their value of US$4.4 trillion registered in 2009, and more than four-fold their level of US$2.3 trillion in 2000." This situation calls for more attention.

It is unfortunate that the modern lender is a pure capitalist who hides his imperial intent behind the mask of international aid. What less would one expect in an era where profits and dominance, at all cost, is the end. For these modern international bankers, debt paves the road to windfall profits. They take pride in indebting and exploiting nations by helping nations incur debts they would never be able to pay off. Here, we recall the remarks of Perkins, while the system is corporatocracy, "the motto is subterfuge. They blackmail government leaders that unless they accepted their loans and paid them to train their militaries and build up their infrastructures, their citizens would be ruled by brutal Stalin-style dictators" (p.264). Advanced in lobby, these Economic Hitmen (EHMs) hide behind the mask of corporations and are ever generous in loaning to nations. In the recent days, "they avoid the need to register the money or sign contracts that force them to set up system to ensure that the debtor actually pays…. Instead, the money is simply removed from the tax base and handed to the corporation.... Funds that had been earmarked for health care, education, and other social services are diverted to the coffers of greedy corporations – gifts from the lobbyists EHMs and corrupt politicians" (J. Perkins, p.264). At the end of the day they set a standard or platitude that those in the middle class who have the material trapping of prosperity are complacent with because they possess the things they were taught to covert, and they don't want to leave them. Those who live in poverty are complacent because they have to devote their energies toward simply surviving. The fear of losing the little available becomes the enhancing force to this complacent situation. what more less than what Perkins calls "steal-from-the-poor, give-to-the-rich programs" (J. Perkins, p.271). While the leaders are lavishly enriched, the country is shackled with unredeemable debt, and the citizen abandoned to the whips of poverty. What more, the nation is simply enslaved.

Now, one of the most common effects of international/foreign currency loan is the destabilizing impact of currency mismatches instigated by what Hausmann labelled as 'original sin' whereby projects that generate domestic fund will be financed with loans denominated in a foreign currency, most commonly dollar. The high inflation and interest rates that is associated with it only but leads the domestic or borrowing economy bankrupt. In this situation, the only viable solution is dollarisation (or euro, as the case may be) so that income flows are then in the same currency as liabilities. In such a situation, what do we have if not economic colonialism? Otherwise, the borrowing economy face the option of higher economic erosion and impoverishment.

Besides, let us consider briefly the condition stipulated by the IMF/World Bank to borrowing countries in return for their assistance. According to Meredith, "the IMF/World Bank required governments to: devalue currencies; remove subsidies; reduce tariff barriers; raise agricultural commodity prices; cut back bloated bureaucracies; sell or close state enterprises; degenerate prices; reduce budget deficits and public borrowing; and lift restrictions on foreign investment" (Meredith, 2006, p.370). Facing bankruptcy, however, African governments had little alternatives but to sign up. Thus, during the 1980s, many governments in sub-Saharan Africa entered into stabilization agreements with the IMF/World Bank. By the 1990s, Africa has borrowed more than $200 billion. The question now: thenceforth, what becomes onwards? Here Meredith reports:

> By the end of the 1980s, after a decade of structural adjustment. Little had changed for the better. Africa was slipping into its own bleak category. Per capita income in black Africa, with a population of 450 million, was lower than it had been in 1960. Growth per capita during the 1980s contracted by an annual rate of 2.2 per cent. External debt tripled, reaching $160 billion, a sum exceeding gross national product. Debt service alone accounted for 25 per cent of exports of goods and services. Only about half of the serving payments due were actually paid, but even then the outflow exceeded the inflow of foreign aid and investment. Government deficits were running at an average of more than 6 per cent compared with 2 per cent in 1980 (2006, p.375).

Stage by stage, domestic currencies were on a continual downslope such that the Ghanaian cedis fall from 3 cedis to the dollar in 1983 to 450 cedis in 1992 (Meredith, 2006, p.372). Many governments were forced to cut down investment. The growing fiscal deficits also reduced the ability of governments to make debt-service payments as they led to declines in the growth of national income, inflationary pressures, and overvaluation of exchange rates (Joshua, E. Greene and Mohsin S., 1990. p.11). Countries consequently then have to borrow to pay debt obligations. Africa is continent flogged down by this dissipating phenomenon. Recounting the African dilemma, the ILO (1995: 3) records:

> Africa's external debt is the highest in the world as a proportion of GDP; some countries in the region are spending more than half of their export earnings to service foreign debts. The debts of many African countries are so large in relation to their foreign exchange earnings potential that it would be impossible to pay them off even if growth

> resumed and was sustained at unrealistically high levels. Largely as a consequence of debt servicing, flow of capital from Africa is significantly more than flow of new capital to the region.

Even today, the case is still the same. Governments contracted new loans to repay debt in the hope that market conditions would improve. A large amount of export revenues goes to interest payments rather than to financing development at the same time that less credit is available to finance these activities. Almost one-fourth of all exports have been needed simply to service current debt obligations. More still, this has to be made in foreign currency, in dollars precisely, since most international debt is denominated in dollars. In this situation then, debtor countries are thus required to obtain dollars to service their debt, and the primary way that dollars are obtained is through exports - the debtor countries sell their goods for dollars. The debtor country is thus caught up in a pool of economic crises whereby the size of that debt is growing faster than the pool of dollars earned by the debtor country. But even exports growing faster than the size of the debt is not sufficient to assure that debtor countries will have the capacity over time to repay their debts. The reason being that a country's output is divided among several uses: consumption, investment, government spending and exports. At this point, the country is plunged into greater debt crisis and economic recession and a subsequent collapse of the financial system. With these is the devaluation and impoverishment of the domestic (the debtor's country) currency. The most appealing option to survive in such crises would be adjudication to the foreign currency to enable the national economic survival and growth. Another option could be to reduce the national investment, consumption and spending, and then increase exports. Regrettably, a reduction in investment meant a fall in economic growth. However, even the option has concomitant entrenching effects like political and social unrest which ranges from rioting and insurgencies to the defeat of incumbent parties, sometimes replacing moderate with more extremist parties. Another positive option would be renegotiation of the terms of international debts which is always a less welcomed international approach. When all these options fail or unattainable, the last would be a resort to the collateral terms and loss of their external assets which poses even more harm to the debtor's national integrity.

Sadly, even deep into the 21st century, it is no claim that many African countries are in such unfortunate situation. After studying and analyzing the debt crises of many African countries, UNECA (1991) reports: "It is increasingly clear that very little progress, if any, can be made in Africa without the resolution of the debt crisis; and that there is no way in which Africa can service its existing debt and still have resources left for development financing". Increasingly, many Sub-Sahara African countries are being compelled to reschedule already rescheduled debt, and being forced to borrow to pay interest on past borrowing, thus escalating total debt and falling deeper into the debt trap (Iyoha, 1999, p.17). The overwhelming part of this is that this foreign debt is denominated in a foreign currency. This presents a bigger problem to the economy and the government. As Walsh relates, "The primary issue with accumulating foreign currency debt is the obligation to repay investors in a currency which the government has no control over" (G. Walsh, p.4). While the value of the foreign currency rises, the domestic currency suffers. Thus, the domestic currency would keep deteriorating against the foreign currency. Meanwhile, "to increase their foreign exchange reserves, debtor countries must reduce imports… [yet] money that could have been used to build factories and provide employment is now sent abroad. For this reason, the problem of unemployment and underemployment will be compounded in the LDCs", Anunobi & Ukpong, (2000) remarks. In Africa, the impact on ordinary life is simply calamitous. Here, reverberating the remarks of Meredith (2006): "Hospitals and clinics ran short of medicines and equipment; schools lacked textbooks; factories closed through lack of raw materials or spare parts for machinery; shops were plagued by shortages; electricity supplies were erratic; telephone systems broke down; unemployment soared; living standards plummeted (p.283). Life expectancy was by far the lowest in the world.

The questions are: why enable their borrowing even when they are over-borrowing and sinking deep into economic destitute? Though the international bodies like the IMF would always have claims to her principal policy of helping dwindling economies around the world. Would helping nations drip into greater economic crisis by giving them more loans and facilitating a greater debt crisis be that supportive or destructive? Or would they claim ignorant or blind to the destabilizing impact that foreign debt crises have on the debtor's economy? What about the claims of globalization? To the claims of globalization, Njoku's (2018) remarks of globalization as a brand of imperialism and a capitalist project is fitting:

> Globalization is an economic strategy. It is proposed by a partner against some utilitarian interest set in motion by the mind-set of modern project. This project is exemplified in Galileo, Bacon, and Hobbes. It goes with its attendant low morality by Machiavelli. So, it is not an economically objective method for sharing the world resources or lifting the less-developed or privileged from poverty (p.24).

What else if not a kiss of death; a scorched enslaving intent that claims humanism and hides behind the mask of charity. Amaegwu calls it "Greek gift" (2015, p.95). What else can capitalists think of, if not profits, and imperial kings, if not control. Why would many national currencies be standardized and monopolized by one national currency? Why have the Dollar, Euro, and Pound claim the measure of currencies, especially the LDCs? Or is the global market too small to be multilateral? As Njoku affirms, "this is not a mere historical accident. But it is rather a strategy embedded in the western economic plan to keep the economy of African countries ever morbid and moribund in the context of the imperialist power politics" (p.19). Always I ponder: why should this great land, the aged mother of civilization, with all its resources, capable minds, and willing spirit remain stunted? Covertly, we have only an imperial system that appear less harming, subtle in nature, less visible, and readily sustainable. What Meredith called "Crony capitalism" - the new order slavery. International debt remains above others a crisis and a burden to national growth and viability.

## SURVIVING THE IMPERIALIST GARB

Authors have proposed diverse theories and measures against the plight of international debt and the crisis that usually accompanies it. Authors like Ogbe (1992) propose debt forgiveness/cancellation whereby the principal debt is not only extinguished but also the steady accumulation of debt that comes from repeated debt rescheduling and the resulting capitalization of interest and arrears are eradicated. Some others propose a modification of conditions and associable factors, for instances, enabling borrowing terms and conditions, and debt relief programs like making interest payments in local currencies. Further still, measures that generally see that external debt grow less rapidly than exports and domestic output are all invaluable. In this thought-line, Ferraro and Rosser (1994) elaborates:

> The developed countries have a responsibility to create conditions whereby the poorer countries can interact more productively in international economic activities: their single most important contribution to this end might be in the area of reducing trade restrictions on the products of poorer countries. Similarly, the developing countries have a responsibility to see that money is more effectively utilized within their own borders.

Repatriation of capital flight is another succoring measure to a nation's economy. However, to evade this imperial standard, we have to make a deeper critical assessment. Why are nations induced to borrow?

Largely, nations borrow on the claims of financial deficits, especially budget/project deficits. Basically, they failed to adopt a self-sustaining economic system that could see them less dependence upon foreign finance. They failed to build and invest in a domestic enhancing economy – a national economy that reproduces, invests and generates itself, like agriculture. In agriculture, for instance, the national economy produces to itself, consumes itself, and boosts itself. There is thus less reliance on foreign products and imports which usually saps and affect the national economy. The case of oil, however, has not been so beneficial to nations. The problems of refining, the dwindling price and other associable downturns (national as well as international) on oil proves less productive and promising to the national economy. Besides, hardly can oil economy be dissociated from international factors. The most lucrative measure would be an economic pattern that produces, supports, and enhances itself while embarking on exports of its surpluses. One that invests in itself rather than expending; exports, secondarily, rather than import. Such would fortify the local bond markets against the foreign markets. Fittingly, Hawkins & Turner recommend: "domestic bond markets need to be further developed. The absence of local bond markets typically forces corporations to borrow abroad, exposing themselves to foreign exchange risks" (p.53). In this way, while the domestic currency gets strengthened against foreign currencies, the national economy is more viable, and debts lessened or even outgrew. Commenting on the Nigerian experience, Njoku notes: "it is really a shame that till date, we simply borrow money, produce nothing, and import everything even those we would have excelled in producing and exporting" (p.25). Unfortunately, in the LDCs, most dominantly Africans, psychological imperialism would hardly allow; whereby people advocate and clamour for foreign products over and against domestic products thereby promoting more and more foreign imports.

On another note, there must be a cut down national expenditures. One of the reasons why government borrow is to finance their bogus budgets which regrettably gross with expenditures than investments. Unfortunately, governance has become a business for the self rather than a service to the mass. When leaders delight in increasing their purloins in the name of national expenditures, what would one expect if not cases of over-borrowing which they neither are conscious of nor care about, but only sends the nation into deeper debt crisis and economic crises. The cost of governance must be reduced to enable proper utilization of the available funds for developmental and investment purposes. The need for better and accountable political governance as well as independent institutions to checkmate and enforce accountability in governance is crucial. Furthermore, policies encouraging and promoting domestic investments and products which boost the nation's economy and currency must be enacted.

## Conclusion

Certainly, international borrowing can be useful if it is utilized for investment-oriented purposes but, as we can observe, the destabilizing context of debt crisis hardly allows such whereby some nations are left with the option of cutting down national investment to survive offsetting thus the advantages. Worst still, some still have to use the loans to service and repay the older debts. External credits, aimed at accelerating the economic growth of developing countries and to make the considerable differences in economic level void, became the future restraint of development (bore negative influence on financial condition of states) (G. Górniewicz, 2009, p.65). This, unfortunately, is the most demeaning stage of debt crisis. While some countries have managed to stay afloat, many are on the brink of collapse. This gap has become so wide that while some nations are becoming richer, the economies of others stagnate daily in a geometrical proportion. The Third World nations are majorly more at a structural disadvantage compared to the advanced capitalist countries.

Debts crisis remains a crisis of national and international development. It has proved to be a stumbling block that remains more crippling than support to many national growth and viability. Their national long-term economic growth and their ability to invest in their economic future is simply thwarted. The daily currency devaluation, poverty uprise, sociopolitical unrest, and security challenges in many of these nations, especially the Africans, send a chill down the spine of any observant fellow. While debt crisis is a symptom of a global economic system that allows growing and abysmal poverty as a normal condition, foreign loans remain one of the means of sustaining the imperialist system.

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