INTERNATIONAL FINANCIAL INSTITUTIONS AND
THE DEVELOPMENT OF NIGERIA

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Abstract
The study investigated the existing relationship between International Financial Institutions concerning the World Bank, International Monetary Fund, African Development Bank, and the development of Nigeria. The historical design was used to organize and analyze secondary data derived from books, articles, official journals of international financial institutions, government/official documents and internet sources related to the problem of the study. The study adopted the Modernization theory of development as its theoretical framework in explaining Nigeria's development from the perspective of her affiliation with the international financial institutions (Bretton Woods Institutions and African Development Bank)'s loan policies and initiatives and their implications for Nigeria's development. The findings revealed that the policies and initiatives of the Bretton Woods Institutions and African Development Bank influenced the Nigeria development project, which has resulted in the constant granting of loans to Nigeria. Based on the findings, the study recommends that the Nigerian government should quickly look inward at other internally generated revenues from custom duties, sales of crude oil, sales of refined crude (Petro), maritime and other agricultural products' revenues and re-channel them towards Nigeria's development instead of wholly depending on loans and otherwise set up independent, as well as strong institutions to oversee and manage funds from foreign loans to avoid mismanagement and diversification that may lead Nigeria into more foreign debts thereby further retarding development in Nigeria.

Keywords: International Financial Institutions, Loans Granted, Bretton Woods Institutions, African Development Bank, Nigerian Development.

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1. INTRODUCTION

In contemporary international relations, one of the major reasons for bilateral and multilateral relations and commitment among civilized states is the quest for development, hence countries
within the international political domain prioritize their national interests above other states which in turn brings progression to States, leading to development. (Mykola, 2022). Developing nations are working extremely hard to ensure that they attain macroscopic development or further advancement of their respective nations in the spheres of human development, economic, political, socio-cultural, technological, educational, agricultural, and environmental among other areas that are seriously in need of growths and development (Akpan, 2021 and Agah & Ikenga, 2019). Akpan asserted that the application of specific economic, political, educational, agricultural and technical/technological measures to make the best use of the resources at hand to stimulate economic growth and elevate people's quality of life in divergent spheres, constitutes development. In this context, according to Rabie (2016), development is essentially an economic and political term with positive connotations. It is a type of social change that promotes advancement in educational and technological systems, knowledge acquisition that's capable of leading to innovation and invention of new products and services as well as access to resources necessary for a reasonable standard of living among the citizens and non-citizens of a country. It can be seen as an improvement in people's existence at both individual and societal levels. Rabie, (2016) sees such developmental indices of advancement in a country's human capital development, technology, education, political system; economic system, cultural diversity, food security, civil security, and enviable standard of living are some elements that are not yet well defined in the quest for the development of Nigeria.

To ensure that Nigeria's economic and political fundamental structures, superstructures, and other supra structures are functioning well and where such developmental indicators are well established and operational, researchers are looking into the existence of well-defined developmental indices in Nigeria. To determine this, it requires a critical analysis of the relationship between such legal-political organizations and ultimately, the economic and financial international institutions of mainly the World Bank, International Monetary Fund, African Development Bank and the development of Nigeria. This is in a road map to precisely determine how the Nigerian State can profit from the loans granted to Nigeria and the reciprocal support of these international financial institutions, ultimately leading to her development.

Olonisakin, (2021) claims that the growth and development of Nigeria has been impacted by a variety of plans and visions, all of which had very small and insignificant expected effects. He sees the Nigeria Vision 20:2020 as expressing the desire for Nigeria to rank among the top 20
industrialized nations by the year 2020. These development plans were designed to effectively use human and natural resources to achieve rapid economic growth, to translate that growth into equitable social development for all citizens, and to promote private sector growth that is led by non-oil sector growth to lay a solid foundation for economic diversification leading to innovative and inventive prospects in Nigeria.

Olonisakin, (2021) stated that the Nigerian government could not make proper utilization of the monetary values obtained from the exchange of her numerous minerals and resources, resulting in the Nigerian government resorting to borrowing from the Bretton Woods Institutions and the African Development Bank for the execution of huge capital and infrastructural development-oriented projects. According to Mesieobi, (2021) one of the goals of the African Development Bank and the Bretton Woods Institutions is to ensure rapid development in third-world countries like Nigeria, hence Nigeria always turn to these international financial institutions for loans to aid her development drive. However, in practical terms, it does not appear that these programs and policies that have resulted in the granting of loans for developmental project execution over the years are aiding in the development of Nigeria. The foregoing analysis indicates that Nigeria's development depends entirely on the shared collective responsibility and cooperation of both local, state, national and other international actors like the Bretton Woods Institutions and the African Development Bank within the international system. International Financial institutions have therefore worked extremely hard to support development projects in different sectors of the Nigerian economy and the country as a whole, but poor management and unproductive leadership have hampered their efforts in Nigeria.

International financial institutions like the Bretton Woods Institutions and the African Development Bank have in different fiscal years provided billions of dollars in loans and grants/aid terms to developing nations of the world. The fundamental rationale underlying the granting of loans by these international financial institutions is to aid the execution of huge infrastructural and capital projects that would transmogrify into visible and accessible development which ordinarily, such low or middle-income countries would find largely very difficult to execute on their own Bräutigam, (2010). According to scholars like Diamond, (2020), so many civilized countries of the world are in their status of developed states by the virtue of a well-structured and progressive process of managing, appropriating and utilizing both the outputs of their natural resources and all granted and received foreign loans whether
from a more wealthy country or any of the international development agencies or international financial institutions, with particular reference to the Bretton Woods Institutions and the African Development Bank via either in a bilateral or multilateral relations. In Nigeria and some other third-world nations, however, the opposite of loan management, appropriation and result-oriented utilization is true. This negative reversal against the Nigerian development project can be linked directly to the inability of the Nigerian leaders to make such obtained loans useful in producing results that are advantageous to the advancement of the State human capital structure, the economic and political systems, educational and technological development as well as the civil and food security (agricultural sectors).

In consonance with the problematic developmental process in Nigeria and relations to Africa as a whole, Sanubi, (2014) asserted that the developmental problems in Africa as a whole are hydra-headed, impacting virtually all major sectors of the region's domestic economy, namely the governmental, agricultural, industrial, trade and service sectors. Thus, if it is not an issue over corrupt leadership (Ejumudo & Ikenga, 2015) or an abused electoral process high-jacked by some self-style messiah whose actions are geared towards truncating due process of genuine democratic development in their state (Ikenga & Agah, 2020). It will, in another segment of the region's economy, be that of drought or other harsh climatic conditions ravaging the production of crops and farm animals. Given Sanubi's claim, within another economic prism, the development crisis can also be deciphered in terms of ailing or failing industries working with a continuously dwindling capacity due to unfavourable domestic economic policy or uncompetitive international trade and foreign exchange disposition. Yet with the domestic service sector of most of the African economy (that is, power, communication, transportation/shipping, insurance, banking among others) bowing to poor public policy, it becomes much easier to visualize the nature of the region's economic and social predicament even before the factoring of globalization. The Bretton Woods Institutions and the African Development Bank are also products of globalization that has immensely aided developing countries such as Nigeria in the funding of capital projects. In most cases, aside from mismanagement and diversification of funds, the Nigerian experience has been a situation where some projects are being executed with substandard materials and/or others are being abandoned awaiting the re-awarding of such projects in fresh contracts.

The problem of this study is therefore consequently to determine the nature of the existing influencing relationship between the actual development of the Nigerian State, and the
development policies and programs/initiatives of the World Bank, International Monetary Fund (IMF) and the African Development Bank, which has given birth to fund raising and granting of loans in huge amounts to Nigeria. Efforts are made also to ascertain Nigeria's self-development capacity apart from any assistance from international development agencies in the form of loans, aids/grants, policies, programs/initiatives formulation and they seek to establish the development of the Nigerian state as a dependent variable on the assistance received from the Bretton Woods Institutions and the African Development Bank and that is why the objective of this study is to investigate the financial policies and loan effects of the International financial institutions (the World Bank) on the overall development of Nigeria.

This investigation employs a historical research design to comprehend past events concerning the present and forecast their future impact, with a particular emphasis on the interplay between international financial institutions and Nigeria's development. The aim is to gather, validate, and compile historical data to either substantiate or refute theories regarding this association. A variety of sources, including academic journals, books, newspapers, and internet publications, were qualitatively scrutinized to ensure impartiality and trustworthiness. The study utilises a descriptive method of data analysis to pinpoint patterns and correlations between dependent and independent variables, specifically exploring the ramifications of loans from institutions such as the World Bank, IMF, and African Development Bank on Nigeria's developmental trajectory.

2. LITERATURE REVIEW

To determine the relationship between the international financial institutions: the Bretton Woods Institutions (World Bank and International Monetary Fund), the African Development Bank, and the very development of the Nigerian States, the literature reviewed in this research work was obtained historically from various published writings in scholarly books, newspapers, magazines, academic journals, and the internet.

Conceptualization

In research, conceptualization is the process of properly defining and precisely specifying research concepts because certain terminologies have several meanings, and individuals may see these terms from different perspectives, Garrett & Natalie, (2022). According to Green, (2019), determining exactly what we mean and don't mean when we utilize terms in our research is the main goal of conceptualization. The term "concept" (sometimes used
interchangeably with "construct") designates the product of "conceptualization." A concept can relate to a single word, a complicated series of events, or a series of ideas. (Sequeira & Surathkal, 2014), asserted that a concept is a phrase or symbol that represents a significant whole. Words that we use to describe a concept are also concepts, each idea in a definition must be grasped to fully comprehend the description of that concept, concepts had to be structured into discrete phenomena in addition to organizing observations into meaningful wholes. To this extent, the following concepts are covered:

**International Financial Institutions (IFI)**

A financial institution that was founded (or chartered) by multiple nations and is therefore governed by international law is known as an international financial institution (IFI), Kenton, (2021). Although other international institutions and other organizations occasionally figure as shareholders, national governments are often its main owners or shareholders. The majority of well-known international financial institutions (IFI) were founded by several countries, while certain bilateral financial organizations were founded by two states that are also considered IFIs. After World War II, the most well-known international financial institutions (IFI) were founded to aid in the reconstruction of Europe and offer frameworks for cross-border collaboration in the oversight of the world financial system. United Nations Development Programme, (2017).

International financial institutions are either bilateral or multilateral organizations. A bilateral international financial organization or agency/institution is a government entity that only provides development assistance to citizens of poor nations worldwide, such as medical care, disaster relief, economic help, and military support, (US Department of States, 2023). One of the bilateral development organizations is the United States Agency for International Development (USAID), which actively and vitally contributes to the advancement of American foreign policy objectives through its assistance programs. America and the American people get long-term advantages from the investments we make in emerging nations. The three crucial facets of American foreign policy defence, diplomacy, and development take their proper places. The United States has a steadfast and long-standing commitment to Africa at the regional level.
To advance our common interests and ideals in security, global health, combating climate change, freedom and democracy, and shared prosperity, we work closely and frequently with African nations, (USAID, 2022).

According to the United States Agency for International Development (USAID, 2022) as cited in Efebeh, (2020), we are interested in the prosperity and sustainable development of Africa, Nigeria in particular and we want to work together to promote trade that is climate-friendly and ensures the livelihoods of both African and American workers. For the sake of American economic and security interests, development in Asia is essential, Ruttan, (2010). As COVID-19 has demonstrated, our fates have never been so connected, particularly regarding issues of health and the economy. With 4.7 billion inhabitants, or over 60% of the world's population, and half of the world's economic output, Asia will have a lasting impact on the world through its actions and trajectory of development, Geoffrey & Nelson (2017). After years of autocratic control, most of Europe and Eurasia adopted political and economic reforms, which sparked a robust economy and sparked democratic transitions. However, the territory's progress and transition into a place that is whole, and free, and that peace is still slowed by development issues. USAID keeps working to overcome the region's bottlenecks, which include systemic corruption, political inertia, severe poverty, and underdeveloped policy and regulatory environments. Its investments aid in promoting American commerce and investment in this area, which is becoming increasingly important economically. Its development linkages also build important ties to national security because it is home to several NATO allies, (USAID, 2022)

On the other hand, a multilateral international financial institution according to Kenton, (2021), is a chartered global financial institution established by two or more countries to encourage economic development in poorer nations. Multilateral financial institutions consist of member nations from developed and developing countries. To Kenton, (2021), for investments that are in line with their development objectives, multilateral organizations offer loans and guarantees, they frequently have the ambitions, experiences, and diplomatic clout to provide political risk insurance for nations and initiatives that face greater political risks. A very good instance of multilateral international financial institutions is the Bretton Woods Institutions (The World Bank and The International Monetary Fund), the African Development Bank, The Caribbean Development Bank (CDB), and The Inter-American Development Bank (IDB) amongst others.
The Concept of Development

It is important to take into cognizance that the term development is a concept that means different things to different people, depending on their perception of what they think development is. The divergent scholarly views on what development entails made it impossible for a universally accepted definition of the concept. According to Roos, (2017), development is a process that results in expansion, advancement, constructive change, or the adding of elements that are physical, economic, environmental, social, and demographic. Roos stated that the goal of development is to raise the standard of living for the populace while protecting the environment's resources. It also aims to increase local income and employment opportunities and it comprises quality change aspects and the setting up of conditions for the continuance of that change, development is visible and beneficial, though not always immediately. According to Gustavo, (2018), at the beginning of the second part of the 20th century, the international agenda started to prioritize development and it became clear that increased economic expansion did not always translate into improved living standards for people worldwide. As time went by, experts and numerous academics came up with a variety of meanings and emphases for the term "development." For instance, Amartya, (1999) created the "capability approach," which described development as a tool that enables individuals to perform to the best of their abilities by allowing freedom of action, i.e., freedom of economic, social, and family acts amongst others. This methodology served as the foundation for the Human Development Index (HDI), which was created by the UN Development Program (UNDP) in 1990.

The capabilities approach was created by Nussbaum, (1988) as cited in Philips, (2002) also stressed the empowerment of women as a vehicle for development. Professionals like Paul Collier and Jeffrey Sachs, on the other hand, concentrated on the processes that impede or repress development in diverse countries. Civil wars, a lack of natural resources, and poverty itself are some of the different poverty traps. The ability to relate to the political, economic, and social circumstances in a nation allows for the advancement of development. The promotion of sustainable development, which holds that growth and development are necessary to raise the standard of living for people around the world today while also taking into account the needs of the environment and future generations of people, is one of Jeffrey Sacks' main foci. Society for International Development (2021).

Development centres around a constructive change in its natural state. Natural law requires change, Every aspect of life changes constantly, including politics, economics, geography, and
culture. This method applies to all structural categories, such as caste, family, and market, as well as cultural categories, such as practices, beliefs, ideologies, values, works of art, and artefacts. Different terms to describe various types of change include "development," "progress," and "evolution." Others are deliberate, planned, and pursued, while some changes are self-propelled and superficial, Haferkamp & Neil, (1992). The majority of social development can be seen in the way that society's structure and culture change. The conventional normative patterns, however, are not entirely replaced. In society, endogenous and exogenous factors both contribute to change. (Rabie, 2016). The changes that are not intended or planned for are essentially valueless, and they choose their direction and nature. Socio-cultural changes in society can be seen in the alteration of structural domains like caste, family, polity, and bureaucracy as well as cultural domains like way of life, values, and attitudes toward rituals and religious activities, nation and nationality, traditions, and customs.

To Rabie, (2016), development is a deliberate alteration of the material surroundings and associated with sociocultural context. After the second quarter of the 20th century, when academics began to pay attention to the challenges of development in Asian, African, and Latin American countries that became independent one after another and started on their own, the concepts of development and modernization first appeared in academic literature.

The aforementioned information on the concept of development makes it necessary to emphasize that it is a sociological component that covers all sectors of the nation's economy. The economy, which serves as the foundation for a society's development, is firmly rooted in wealth-generating, goal-oriented activities that benefit both the nation and its citizens, giving them a better, respectable, and influential position in the international community. This would lead to a high gross domestic product (GDP), although a country's GDP is not the primary metric or indicator of a state's overall development, it is a significant factor. Economic development is a concerted effort on the part of a city's or county's responsible governing body to steer private sector investment in the direction of possibilities that can result in sustained economic growth. Sustained economic growth can generate enough income for the local labour force, profitable business opportunities for employers, and tax revenues for maintaining an infrastructure to support this continuous growth. Centred political culture, where elected officials carry out their constitutional duties without discrimination, and a political system free of fund embezzlement, misappropriation, and diversification are all examples of development that cuts across the political system. The training and retraining of people (citizens) in many
specialized economic fields, education, technical and technological innovation, and invention make up the concept of development.

**Economic Growth**

Economic growth according to Max, (2021) can be characterized as the rise or improvement in the market value of the goods and services generated by an economy throughout a fiscal year after accounting for inflation. Traditionally, statisticians calculate this kind of growth using the real and nominal gross domestic product (GDP) as a percentage of growth. Max, (2021) asserted that to account for the distorting influence of inflation on the prices of products produced, growth is typically calculated in real terms, or terms adjusted for inflation. National income accounting is used to measure economic growth. It has all the benefits and downsides of the Gross Domestic Product (GDP) metric since economic growth is expressed as the annual per cent change in GDP. The GDP to population ratio, or per-capita income, is frequently used to compare the economic growth rates of different nations. According to Gordon, (2017), the geometric yearly rate of GDP growth between the first and last year over a given period is referred to as the "rate of economic growth". The trend in the average GDP level over the period is represented by this growth rate, which does not account for variations in the GDP around this trend. Intensive growth is the term used by economists to describe economic growth that results from more productive inputs, such as labour, physical capital, energy, or materials. On the other hand, extensive growth is defined as GDP growth that is solely attributable to increases in the amount of inputs available for utilization (such as new territory or an increase in population).

Gordon, (2017) sees the development of new products and services as major contributors to economic growth. Coincidentally, in the United States, almost 60% of consumer spending in 2013 was spent on products and services that were nonexistent in 1869. Economic Growth is an increase in the production of goods and services per person over time, measured in terms of population and creativity holds the key to economic growth. According to Charles, (2023), an economy experiences "economic growth" when its aggregate production rises, usually translating into an increase in national income. Increased average marginal productivity is frequently, but not always, correlated with overall output growth and as a result, incomes rise, encouraging buyers to spend more money and raise their standard of living and material quality of life. To Charles, (2023), in economics, the labour force, physical capital, human capital, and technology are frequently modelled as functions of growth. In other words, more working-age
people, either in terms of number or quality, and more tools and recipes for combining labour, capital, and raw materials will all contribute to higher economic output.

He, (Charles, 2023) identifies four phases of economic growth in the societies and these include: expansion, peak, contraction and trough. At the expansion phase, real Gross Domestic Product (GDP) is growing along with increases in employment, income, industrial production, and sales. The peak phase of economic growth is the point at which economic expansion reaches its limit. It truly marks a turning point. At the contraction stage, an expansion's constituent parts all start to diminish during this stage. Max, (2021) stated that there will be a substantial drop in almost all economic activities that affects the entire economy and this is what is referred to as recession. While at the trough phase of economic growth, when a recession ends and an economic upswing or recovery starts, the business cycle trough happens. This is the extent to which the broad indicators of output, employment, income, and sales have declined from their peak to their lowest point indicating the depth of a recession. From the foregoing therefore, it can be asserted that economic growth encompasses a quantitative and qualitative increment in goods and services, that is capable of making consumers spend more of their money to acquire more goods and services in a way to improves their standard of living, the increase in the production of goods and services can equally results in reduced inflation, increased employment rate and national income reinforced and it goes before the advent of economic development. Indeed, when loans received from the Bretton Woods Institutions and the African Development Bank are well managed by the seating government, it becomes very easy to attain economic growth in Nigeria.

**Economic Development**

Economic development is the process of wealth production from which the community benefits are realized, (Reinhart, Trebesch & Christoph, 2016). It is an investment in expanding on economy and boosting the prosperity and quality of life for all inhabitants, not just a jobs program. To various people, economic development means different things. Anything a community does to promote and build a strong economy can broadly be categorized as economic development. Experts in economic development are working harder than ever to define their area in terms that are more specific and noticeable to the general public, experts, and politicians (Reinhart, Trebesch & Christoph, 2016). As many definitions of economic development as there are practitioners are undoubtedly true.
The definition of the California Association for Local Economic Development (CALED, 2023), as it appears in the Economic Development Handbook is given below: From the viewpoint of the general public, local economic development entails the distribution of scarce resources, such as land, labour, capital, and entrepreneurship, in a way that enhances business activity, employment, income distribution patterns, and monetary stability. It is a method of consciously influencing economic growth by making it simpler or more alluring. Californian communities are currently focusing on what they can do to support monetary stability and improved economic development. Economic development is a coordinated effort on the part of a city's or county's accountable governing body to steer private sector investment toward opportunities that can result in long-term economic growth. Continuous economic expansion can generate enough income for the local workforce, viable business opportunities for employers, and tax revenues for the upkeep of the infrastructure required to sustain this growth. Although private sector investment is the only viable choice as the primary driver of economic growth, there are numerous programs that you may support to stimulate investments in areas where the local population feels they are most needed. It is crucial to understand that economic development is distinct from community development. Making a community a better place to live and work is a process known as community development.

Economic development is the process of generating income so that the community can benefit, (Tim, 2012). There are just three methods utilized to boost regional economic growth. As follows: Business Growth and Retention - improving current business: Business growth via luring new clients: Business creation, which promotes the expansion of new enterprises. Economic and social development is the process through which the economic well-being and quality of life of a country, region, local community, or an individual are enhanced by specific aims and objectives, according to the economics study of the public sector. Although the phrase has become popular in the 20th and 21st centuries, the idea has existed in the West for far longer Somanath (2011) as cited in CALED, (2023). The terms industrialization, modernization, and Westernization, in particular, are frequently employed when referring to economic development. Before the 1960s, economic development programs tended to place more of an emphasis on infrastructure and industrialization than on reducing poverty. Economic growth is a phenomenon of market productivity and gains in GDP, whereas economic development is a governmental intervention intended to improve people's well-being. According to economist Amartya Sen, economic growth is merely "one aspect of the process of economic development." While scholars of community economic development are
also concerned with social development, economists are generally focused on the growth element and the economy as a whole, Seguino (2019). Without sufficient finance for project funding in any country that desires advancement in her economy, the dream of climbing the leather of development to the uppermost top would become a wish/a daydream, hence developing countries like Nigeria need the financial abilities to execute complete projects that are development aligned; the granting of loans for capital and infrastructural projects by the Bretton Woods Institutions and the African Development Bank to Nigeria is for the realization of development itself.

3. WORLD BANK LOANS AND NIGERIA'S DEVELOPMENT

According to the publications of Fatoyinbo, (1986), Nigeria was receiving a $250 million loan from the World Bank for trade policy and export development. He added that Nigeria's trade, export promotion, and exchange rate policies would be supported also by the $452 million overall loan, which the global bank authorized on October 16, 1986. He claims that in 1986 and 1987, the World Bank released the tranche after the Nigerian government and the Commercial Bank Steering Committee agreed on a financial package to help satisfy the country's financial needs. The financial plan, according to Fatoyinbo, (1986), includes $320 million in new commercial loans in addition to restructuring Nigeria's medium-term debts and short-term trade arrears. His research indicates that the $250 million that the World Bank is now to Nigerian importers who need foreign currency will be distributed through the Second-tier Foreign Exchange Market (SFEM), which opened on September 29. Under the SFEM, the market sets the exchange rate for the naira, the country's currency. According to Fatoyinbo, (1986), the second-tier foreign exchange market is the cornerstone of a daring and comprehensive program of economic changes that the Nigerian government is implementing. Over 90% of Nigeria's income comes from oil (Ikenga, 2012, Agah & Ikenga, 2007); hence the program's main objective is to halt the reduction in real national income that followed the dramatic drop in oil prices. He emphasized that the goals of the reform program are to reduce dependence on oil, increase economic efficiency, and minimize the role of government in setting prices, allocating resources, and controlling output, Fatoyinbo, (1986),

According to Fatoyinbo, (1986), numerous program components have already been implemented, and a system of currency rates set by the market has been developed. Export license requirements have been removed, including that of import license requirements. The list of items that could not be imported was significantly reduced, customs and excise rates
were adjusted, and a 30% (thirty per cent) import fee was removed. Market forces now
determine crop pricing in agriculture after the government-run Agricultural Commodity Boards
were disbanded. Domestic petroleum prices have increased by 100–250 per cent to keep up
with global costs. According to Fatoyinbo (1986), the administration has declared its
unwavering commitment to selling off significant parastatals in the non-strategic sectors of
distribution, services, and agriculture. Nigeria should significantly increase its non-oil exports,
foster economic growth, and generate employment through these and other initiatives. While
it is expected that the structural adjustment program will mostly benefit society, the
government has recognized the need to ensure that all aspects of society bear some of the
socioeconomic consequences of the reform initiatives, Fatoyinbo (1986), According to the
World Bank Group, (1986), Nigeria is receiving a substantial increase in loans from the
international financial institution to bolster the government's adjustment program focused on
growth and development. In 1986, over $800 million had already been committed, compared
to $235 million the year before. The $200 million trade policy and export development credit
will be extended in part by the World Bank, which will review the program's implementation
in around three months.

Additionally, during the term of the loan, the Nigerian government will have access to $2
million for training, technical support, and further investment research, World Bank Group,
1986.

Omolaoye, (2021) said that the World Bank had given Nigeria a US$750 million credit line for
development, which would aid the nation in implementing reforms to draw in investment and
generate jobs, in the examination of development-oriented loans to poor countries. Because
many Nigerian governments are unable to pay their employees due to poor earnings, they are
looking to local banks and the local bond market for infrastructure finances. The World Bank's
country director for Nigeria, Shubham Chaudhuri, said in a statement that increasing private
sector investment remains the primary means of increasing jobs, increasing state revenue, and
enhancing social and economic outcomes for Nigerians. Nigeria has improved its business
activity, although the country has not been as successful in luring foreign and local investment
as other countries, according to the World Bank Group, (2021).

According to the World Bank Group, (2021) as cited in Altaffer, (2022) writings, the $750
million loan will enhance the business regulatory environment, land stewardship, public-
private partnerships, investment promotion, and telecommunications infrastructure. The
Federal Government asserts that state governments bear the primary responsibility for the country's water supply issues. In 2021, it announced that it had obtained a $700 million loan from the World Bank to fund particular water projects. This information was shared with reporters by Minister of Water Resources Suleiman Adamu outside the ministry's inaugural Rewards and Recognition awards event in Abuja. According to him, the federal government's role in supplying water is to support the states. The purpose of the event was to recognize and inspire ministry employees who have succeeded in their positions and shown effectiveness. The first tier of the $700 million loan is anticipated to assist about seven states: Imo, Delta, Bauchi, Ekiti, Katsina, Kaduna, and Plateau, (Omolaoye, 2021).

The World Bank granted Nigeria's request for a $1.5 billion loan at some point in December 2020. The Bretton Wood institution indicated that the facility is a five-year CPF with a 2021–2024 timetable in a statement made public by the World Bank Group, (2020). The facility was designed in collaboration with the Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC), as stated by the bank. World Bank for Nigeria Country Director, Shubham Chaudhuri says, "This mechanism for the country partnership will organize our efforts over the next five years to support the Nigerian government's tactical goals through an adaptive and phased perspective." To reach its ultimate potential, the nation needs to make drastic reforms. Our cooperation will be centred on assisting Nigeria in its efforts to combat poverty and encourage steady growth that is led by the private sector. The loan will mainly target four areas of engagement: investing in human development, promoting resilience, promoting the creation of jobs, transforming the economy and diversification, and fortifying the fundamental institutions of the public sector. The bank's board of directors authorized two projects worth $1.5 billion in Nigeria. The efforts include the State Fiscal Transparency. Extra Funding and Nigeria COVID-19 Accountability and Sustainability Program for Results (SFTAS) and Action Recovery and Economic Stimulus - Program for Results (Nigeria CARES). For these projects, the International Development Association (IDA) supplied a $750 million facility. According to (Awojulugbe, 2020), Nigeria had to complete its currency reform before the $1.5 billion loan could be approved.

Zainab Ahmed, Nigeria's Minister of Finance, Budget, and National Planning, said that the government has secured a $800 million World Bank facility, according to the US Agency for International Development. She stated that about 50 million Nigerians, who are among the most disadvantaged members of society, will get cash transfers for the first phase of palliative
care for $800 million. The financial deal was negotiated between Nigeria and the International Development Association (IDA), a division of the World Bank that aids the world's poorest nations in developing their economy, according to material that PREMIUM TIMES was able to access, the money, as stated in the agreement, is a portion of an amount designated as "concessional financing". According to the US Agency for International Development, concessional loans—also referred to as "soft loans"—have better conditions than market loans. Examples include interest rates that are below market rates, grace periods that spare the loan recipient from making payments for a certain amount of time, or a combination of both grace periods and low-interest rates. The report further revealed that the facility agreement was signed by the Nigerian government and IDA on August 16, 2022. Adegboyega, (2023) further stated that the project's goal is to give cash transfers to disadvantaged and vulnerable people in Nigeria's rural and urban areas as a response to economic shocks for a minimum of two years. Through the use of digital technology, the plan seeks to improve the safety net program's delivery system by increasing its reach geographically and increasing its efficacy, (Adegboyega, 2023)

The above review of World Bank loans and Nigeria's development indicates that considering the vast amount of loans the country receives in different fiscal year quarters, along with the numerous monetary policies, economic reforms, agricultural initiatives, technological, educational, and sociopolitical reforms that were initially intended to support Nigeria's development in her various sectors, the country ought to have developed much earlier. Mansir, (2023) further stated that the loans provided to Nigeria by the Bretton Woods Institution will not start to yield game-changing outcomes in the nation's development projects until Nigerians and the government realise the value of good governance, selfless leadership that is focused on needs of the people, and responsible, competent, and accountable constituted authorities.

To explain all of this concept, there is a need for a theoretical framework, and the modernization theory is one of the theories of international relations that helped researchers to explain the development from different angles. It predicts and explains development in a way that elevates policy initiative imitation, innovation, and invention that greatly enhances economic liberation. The core principle of the theory emphasizes that for the pre-modern or traditional society to develop, it must adopt and make operational more modern development practices of the modern states. This is more visible in the establishment of these international financial institutions by the modern states, saddling these instructions with the responsibility of
formulating their kinds of economic reforms and financial policies as well as loan conditionality which the traditional society must adopt and make operational in their respective states if they want to develop as the modern states. In theory applicability, the modern states of America, Europe and others came together to establish the Bretton Woods Institutions, the African Development Bank and other international development agencies and manipulated these instructions as a vehicle for transporting their economic reforms and financial policies that they so viewed as strategic for development to the developing countries being referred to as traditional society. To proponents of this theory, the inability of the traditional society to adopt and make operational the various phases of development as the modern states did, underdevelopment would prevail more in the pre-modern states.

4. CONCLUSION

The study investigated the existing relationship between international financial institutions and the development of Nigeria, with particular reference to loans granted to Nigeria over the years by these international financial institutions (the World Bank, International Monetary Fund and the African Development Bank). The research findings indicate that there exists a positive and development-influencing relationship between the advancement of Nigeria and the international financial institutions' policies and initiatives concerning the issuance of loans and development assistance.

Based on the study's findings, the researcher draws the following conclusions: the Nigerian government has received an approved significant amount of loans from the World Bank in divergent fiscal years to fund the nation's development projects in both capital and infrastructure and this is as a result of the cordial relationship between international financial institutions, (the Bretton Woods Institution, the World Bank) and the development of Nigeria. Ranging from the approval of $452 million in loans in 1986 and 1987 to assist economic reforms in Nigeria's trade, export promotion, and exchange rate policies was a major factor in the country's development. The researcher also concludes that the major destructive factors behind the unproductive outcomes of the Bretton Woods Institutions' efforts and the African Development Bank's loans to the Nigerian States for her development are misappropriation mismanagement and diversification of loan funds by government officials.
Recommendations

1. Concerning Nigeria's development in various sectors of the economy, the Nigerian government should first look inward at other internally generated revenues from custom duties, sales of crude oil, sales of refined crude (Petro), maritime and other agricultural products revenues. To redeploy such funds towards the execution of developmental projects instead of continuous borrowing from local or international financial institutions.

2. The Nigerian government should with a matter of urgency enact legislation to establish an independent body or strong institution and saddle it with constitutional authority to independently discharge the responsibility of appropriating, managing, and utilizing all foreign-related funds, whether it is loans received from the Bretton Woods Institutions, African Development Bank or other wealthy nations within the international community.

3. With the very speed of light, laws should be enacted to specifically punish those personnel who are caught involved in the misappropriation, mismanagement and especially in the diversification of loan-related funds that were meant for Nigeria's development. They should be punished accordingly, and the penalty should be death. This is because their actions have left Nigeria in huge foreign and local debt.

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