AE-FUNAI JOURNAL OF ACCOUNTING,
BUSINESS AND FINANCE(FJABAF)
ISSN:2635-392X, VOL.6, NO.1 JUNE. 2020
www.fujabf.org

Alex-Ekwueme
Federal University
Ndufu-Alike
Ebonyi State Nigeria

GOVERNMENT EXPENDITURE IN NIGERIA: AN EVALUATION

COMFORT .M. AMIRE
Department of Economics, Crawford University Igbesa,
Ogun State, Nigeria
comfortamire@crawforduniversity.edu.ng, amirecomfort1@gmail.com

PETER OLUWABORI AMIRE
amipet11@yahoo.com
Faculty of Law
Lagos State University Ojo, Lagos State. Nigeria

ABSTRACT

Government expenditure remains an important demand administration tool and, where adequately administered, it has the potential to boost the economy on a long-term sustainable development route. The government expenditure ideally should contribute meaningfully to the magnitude of the Nigeria's economic environment, though the prevalence of recurring disbursement in the governmental activities lean towards to lessen its efficiency. The huge recurrent expenditure becomes worrisome. With the attendant high rates of unemployment, illiteracy and poverty level among the citizens. This paper assesses the relationship between Government Expenditure in Nigeria and some variables of interest (Recurrent expenditure, Capital expenditure, Money supply and Gross capital formation) using simple regression analysis. The paper reveals, among others, that Total government expenditure have important positive impact on Nigeria's economy (Measured in terms of Per Capita Income) in the period covered by the study, Capital expenditure has a positive prediction on the size (or amount) of Per Capita income in Nigeria and Recurrent expenditure has a negative prediction on per capita income .The paper concludes that government expenditure is a significant driver of Nigeria per capita income, though the speed tends to be retarded or slowed down as the country is bleeding from the weights of the recurrent expenditure and recommends that capital expenditure should be greater than recurrent expenditure in order to lay the foundation for sustainable development and rapid Economic growth.

Key Words: Expenditure, Per Capita Income, Economic Development

INTRODUCTION

There is no gainsaying that government expenditure affects the management of economic activities on a short term or on a long term basis; especially when a country is working towards achieving fixed economic goals over a period of time. It is also important to note that the role of budgeting as it relates to government spending can never be over-emphasized. This is because budgeting as an economic tool helps guide spending and can always serve as a benchmark for determining whether or not a certain government have been prudent in her spending or otherwise. Where it can be shown that a government have been prudent in spending, the resource allocation in such a case will tend towards yielding maximum utility for a nation, it will help build strong reserve and help fix deficits. Where it is shown otherwise, that is, where from the available expenditure records, it is manifest that a government have not been prudent in spending, then country begins to incur huge deficits; potentially facing a mal-nourished economy that falls short of sustenance.

Generally, expenditure in a country like Nigeria

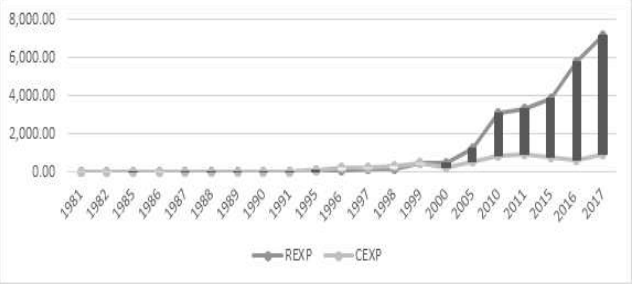
can be grouped into the following facets, that is, expenditure incidental to the execution of functions such as administrative functions, provision of basic social amenities, infrastructure provision, etc. for the sake of keeping the government running daily, administrative spending such as spending on defense, spending on the maintenance of government project, ministries, and other functionaries are imminent. In other instances, expenditures related to education, execution of foreign policies, health programs, among others can be widely grouped as social expenditures. So also, expenditures that relates to the management of the country's economy such as on agriculture, transportation, communication, etc., can be regarded as economic expenditures (CBN Statistical Bulletin, 2011).

Over the years, there have been noticeable trends in government expenditure in Nigeria in relation to some areas of the Nigerian economy with both positive and negative effects.

During the 70s when huge infrastructural development project were embarked on by the government, it consequently meant an increase in the government record on capital expenditure, far and above the data available for other expenditures such as recurrent expenditure; meaning during those times, capital expenditure was more at its peak compared to recurrent expenditure (Onifade, Cevik,& or 2020). However, in view of the fact that the capital expenditure experienced during those times were expended on mega projects on infrastructure, the period after the 70s witnessed a decline in the level of capital expenditure with (Nurudeen and Usman,2010) noting that capital expenditure fell below the recurrent expenditure by almost a margin of about 9%.

However, their findings revealed that the trend in the fall and rise in capital and recurrent expenditure was not static; thus, the period of the 1990s saw an equilibrium in between and sometimes higher rate for capital expenditure especially towards the end of the deregulation policy of the Nigerian government in 1998 (Nurudeen and Usman 2010). The authors made relevant findings that showed that recurrent expenditure during the period between 1984-1985 exceeded the records of expenditure available as capital expenditure.

Through the years before the Nigerian democratic dispensation, there were falls and ups in the account of government expenditure and the return to a democratic rule also showed evidence of this shifting tides after 1999 when Nigeria started it modern day democratic rule. The rise of the recurrent expenditure in Nigeria's 1999 democratic era could be attributed to factors such as increase in the size of government, managing more personnel, projects, more institution to protect her democracy and agents to uphold the rule of law. As the size of manpower and staff increases, the payroll consequently increases, and as well as the purchasing of goods and services, bonuses, and other emoluments.



Source: Data from the Central Bank of Nigeria Statistical Bulletin (2017)

Figure 1. Inclinations in Nigeria's Federal Government Recurrent and Capital Expenditure (1981 – 2017)

Amassoma, Nwosa, and Ajisafe (2011) were of the view that the rise in the level of government spending in Nigeria over the recent years are the direct effect of the huge rise in the level of activities related to the extraction, sales and processing of the crude oil, and the increase in the public demand for basic social amenities such as good roads, transportation, health in return in view of the fact that the government activities on sales of crude oil was anticipated as a revenue booster by

the public which in turn should uplift the average wages earned per person in the country. This paper assesses the relationship between Government Expenditure in Nigeria and per capita income overtime.

Theoretical Review

Wagner's Law

The underlying position of Wagner's law is the position that the economy of any nation advances and develops the percentage of the expenditure of the government in relation to the nation's gross national product. The believe is that economic growth has the influence on government expenditure in the sense that it plays a huge role in determining what government spending will sum up to. This is basically the reason why Wagner's law is widely portrayed as emphasis spending by the states. The proponent of the theory is of the opinion that public expenditure is bound to increase and soar up constantly as the economic activities expands and grows. This means that the more the increase in industrialization, employment and the growth of per capital income, the more likely that public expenditure will rise. As modern industrial society enlarges and expand, there will be a drive or some sort of pressure from the populace that will indirectly or directly force the hands of the government into spending to better the lots of the community. For instance, good roads will ease market access and usher in development to areas previously closed to industrialization; this then means that as industrialization forces its way through the society, there will be clamours on government to embark on the construction of good road networks thereby increasing government capital expenditure at a given time. The advent of modern industrial society will result in increasing political pressure for social progress and increased allowance for social consideration by industry. Again, Wagner noted the it is imperative for the government to support the masses by providing services such as welfarism and culture-preserving services like increased training on education, training on public health, maintenance of the senior / aged citizens inform of pension and retirement schemes, food and product subsidies, emergency aids in readiness for the outbreak of natural disasters, programs geared towards maintaining the physical and aquatic environment , among others (Amire, 2020).

Peacock and Wiseman Theory of Public Expenditure

The perspective of the Peacock and Wiseman on government expenditure and economic development appears at variance with the position of Wagner. Principally, the position of Peacock and Wiseman is that there is no static formula for government expenditure in the sense that it relates largely with the political tides, interest of the government at any giving time. The proponent of this theory admits that there is some controlling factor that influences the tides of government spending as against a continuous trend argued by Wagner. For instance, the proponent argued that government expenditures might be influenced by social disturbance at a given time so much that the disturbance might require instantaneous response from the government in form of spending. This means that a disturbance in the economy of a state could force the hand of government towards increased spending in an aspect. In line with the position of Peacock and Wiseman, a disturbance of huge magnitude like a state of war will not only force the hands of government into adjusting its spending, but it will also affect revenue generation (Amire, 2020). This in turn would occasion a displacement effect much that the government may increase tax and other levies, which after the disturbance have been addressed, this may mean that the high regime of taxation remains and people getting used to it. This change in attitude, that is, increased taxation definitely affect the average income earned by individual and the per capita income.

Keynesian Theory of Public Expenditure

It is noteworthy that economists who have examined the connection between government expenditures and economic development, the

Keynesian approach based on the theory of public expenditure takes a unique look by describing public spending as being an exogenous factor that can be leveraged on as an instrument of policy regulations to boost economic growth. In furtherance of this position, the Keynesian theory propounded that when the government expend whether on healthcare, service delivery, transportation, etc., it directly increases economic activities and it affects economic growth in that there will be employment of labor – both skilled and unskilled, there will also be increase in profitability and increase in per capita income.

Musgrave Theory of Public Expenditure Growth

The Musgrave theory is a theory that assesses the per capita income of the nation against the demand for public services. The theory examined some relationship that exists between the range of income and the rate of demand for public services. The theory opines that there is a relative change in the income elasticity of demand for public services while examining the income elasticity from certain ranges of revenue entitled to each individual in the society. The theory posits that when there is a very low level of per capita income, there will likely be a corresponding low level of requisition for public amenities. This according to the proponents will be so because a low income level will much likely be devoted into satisfying primary needs in the life of individuals in the society rather than much comfort, and that the moment there is positive change or increase in the rate of the per capita income, it necessarily follows that the requisition for public amenities will increase because there is increased revenue to spend on services such as healthcare, insurance, education, among others. Thus, increase in per capita income will also propel the government to spend more on the provision of social and basic public services.

Government Expenditure in Nigeria

Following the Keynesian Model on macroeconomic 0utcomes, there are assurances that government spending can help boost economic development. Thus, the more the government increase spending on for instance consumables, there is the likelihood that this will boost economic activities and ultimately growth.

Clearly, it can be concluded that public spending is a way of augmenting the demand for public service and this in turn can drive an increase in the market output. Diamond (1989) shared the view that a high rate of consumption by the government may also sometimes lead to sidelining private investment, and by extension, individuals in the society, if the labor employed do not fall within the people in the society; thus, hindering the growth of individual activities in the labor market, especially in the short run, while also reducing the chances of raising capital in the long run. But another angle to this is that the Keynesian theory also opine that expenditure by government may assist in aiding a depressed economy or an economy nose-diving into recession especially if the government intervention is geared towards injecting money into failing businesses and covering debt deficits. (Mitchell 2005) however noted that the Keynesian theory also supported the position that the government intervention in this case cannot be permanent in the sense that as soon as the economic threat is over, the government should be prepared to reduce the capital spending and intervention

In addition, other scholars like Barro and Sala-i-Martin (1992) made a classification of public expenditures as expenditures which are productive and unproductive; meaning that assuming productive spending has a positive effect on the economy in significant sectors, the tendencies that the unproductive expenditure will have no effect is high. Going by that position, researchers like Agbonkhese and Asekome (2014), Taiwo and Agbatogun (2011), Okoro (2013) and Aninkan and Akinsanya (2014) concluded that Nigerian government expenditure has a productive impact on the countries growth using econometrics tools such as Ordinary Least Square, Johansen Co-integration, unit and root test while the research of

Abu and Abdullahi (2010) employing ordinary least squares (OLS) regression technique, found government capital and recurrent expenditure unproductive and having non-significant effect on economic growth of Nigeria.

However, Uchenna and Osabuohien (2012) analyzed the behavior of government expenditure in Nigeria with vector autoregressive technique, from three theoretical frameworks, found evidence that government expenditure in Nigeria responds largely to fiscal decentralization and political instability than economic growth. This suggests that the government expenditure behavior in Nigeria can be explained much more by the Leviathan and Peacock-Wiseman Displacement theories than the Wagner's theory. While Onakoya and Somole (2013) made use of the Tri-stage and least square model technique in assessing the effect that government capital spending on the development of the Nigerian economy within the bounds of macroeconomic contexts. The outcome of this assessment was that the government capital expenditure (GCE) importantly added to the growth of the Nigerian economy. Furthermore, the outcome also revealed that government capital expenditure (GCE) had a clear, direct impact on the activities of major sectors of the Nigerian economy like the oil and manufacturing sectors in terms of productivity, but other sectors like the agricultural sector were unfavorably affected. On the effect on the service delivery sector, findings revealed that there appears to be insignificant evidence of growth. Furthermore, other established facts from the analysis was that government capital expenditure (GCE) indirectly boost economic development by stimulating private sector investment which can be traced back to the efforts of government in providing public amenities.

Problem of Government Expenditure in Nigeria

Government expenditure in Nigeria as a percentage to GDP rose from 5.15% in 2003 to & 7.37% in 2014. This surge in spending did not by itself produce the rapid GDP growth- which average 6% during the decade. Ramping up government spending without ensuring that household have more money to spend, individuals and businesses are making significant investments, and net export are growing will only provide a weak momentum, which will not be able to lift the economy.

The government expenditure ideally should contribute significantly to the size of Nigeria's economy, though the predominance of recurrent expenditure in the composition has tended to reduce its effectiveness. The recurrent expenditure ranges between 70- 74% of the total budget and 25 to 30 % of the budget goes to the capital expenditure. it shows that less than 3% of the populace will devote more than 70% of the cash that will be generated in Nigeria.

In a country like Nigeria that has problems such as-

i. High poverty rate among its populace despite its vast natural resources,
ii. Dilapidating social infrastructures that includes major road networks across the state,
iii. Little or no development in healthcare,
iv. Low level of development in the education sector over the years,
v. Terrible power supply and non-functional power grid and power distribution system,

It is not out of place to expect that the trend will be more shifted towards increased capital expenditure rather than the current situation where recurrent expenditure soars above. This unfortunate position has meant high level of unemployment, low level of industrialization, high illiteracy rate, increasing poverty rate, poor medical and health services, among other anomalies. This summarily evidences that the populace is not benefitting from government expenditure, and in turn a reasonable per capita income.

METHODOLOGY, PRESENTATION AND INTERPRETATION OF RESULTS

Empirical Analysis

Analyzing the effect of Government Expenditure on Nigeria's Economy (measured in per capita income) using Multiple Linear Regression Analysis for the period of 36 years and the direction of relationship between the variables, the ordinary least squares estimation technique and Granger causality test were employed for this. To pave way for sensitivity analysis, the entire disbursement was disaggregated into capital and regular components and the influences of each component on the economy was observed. Data were sourced from Central Bank of Nigeria's Statistical bulletin 2017 and World Bank Report 2017.

Model Specification

Therefore, to put this paper in a proper perspective methodologically, we employed the Musgrave Theory which stresses the importance of per capita income, Wagner's Law which stresses the importance of industrialization (gross capital formation) and the adopted model of Obasikene (2017); the model can be specified as follows;

PCI = f (TGXP REXP CEXP MS GCF)..... (1)

The econometrics presentation

$PCIt = \beta_0 + \beta_1 TGXPt + \beta_2 REXPt + \beta_3 CEXPt + \beta_4 MSt + \beta_5 GCFt + \mu_t$ ..... (2)

Where PCI_t represents Gross domestic per capita, $TGXP_t$ refers to Total government expenditure, and $REXP_t$, $CEXP_t$, MS_t & GCF_t represent Recurrent expenditure, Capital expenditure, Money supply and Gross capital formation respectively.

Economic A' Priori Criteria

$\frac{\Delta PCI}{TGXP} = \beta_1, > 0$, $\frac{\Delta GDPC}{REXP} = \beta_2, > 0$ $\frac{\Delta GDPC}{CEXP} = \beta_3, > 0$

$\frac{\Delta GDPC}{MS} = \beta_4, > 0$ $\frac{\Delta GDPC}{GCF} = \beta_2, > 0$

Based on theory, each explanatory variable should have signs as indicated in the table below:

Table 3: A' Priori Criteria

Variable	Expected sign	Obtained sign	Conclusion
Total Government Expenditure (TGXP)	Positive(+)	Positive (+)	Conforms
Recurrent Expenditure (REXP)	Positive(+)	Negative (-)	Not Conforms
Capital Expenditure (CEXP)	Positive (+)	Positive (+)	Conform
Money Supply (MS)	Positive (+)	Positive (+)	Conform
Gross Capital Formation (GCF)	Positive (+)	Positive (+)	Conform

Empirical (OLS) Results

PCI = 83.86005 + 0.462290*TGXP – 0.801960*REXP + 0.079695*CEXP + 0.023884*MS + 0.113362*GCF

S.E = (99.70515) (0.170507) (0.177794) (0.359639) (0.033673) (0.040563)

Prob. Value = (0.4070) (0.0113) (0.0001) (0.8262) (0.4840) (0.0093)

Adjusted $R^2 = 0.93$

Durbin-Watson Statistics = 1.80

Source: Author's computation from Ordinary Least Square Result (Appendix 1)

Table 4: Pairwise Granger Causality Tests (Summary of results

Lags: 1

Null Hypothesis:	Obs	F-Statistic	Prob.
TGXP does not Granger Cause PCI	36	10.9394	0.0023
PCI does not Granger Cause TGXP		1.80774	0.1879
REXP does not Granger Cause PCI	36	3.26227	0.0800
PCI does not Granger Cause REXP		1.33774	0.2557
CEXP does not Granger Cause PCI	36	25.3636	2.E-05
PCI does not Granger Cause CEXP		0.24016	0.6273
MS does not Granger Cause PCI	36	0.48484	0.4911
PCI does not Granger Cause MS		4.44649	0.0426
GCF does not Granger Cause PCI	36	5.98932	0.0199
PCI does not Granger Cause GCF		0.32575	0.5720

Source : E-view result

Interpretation of Results

The table 3 above shows that the A' priori expectation for the explanatory variable in which Total government expenditure (TGXP), Capital expenditure (CEXP), Money supply (MS), Gross capital formation (GCF) conforms to economic acceptability of the estimate while Recurrent expenditure (REXP) did not.

The regression results show that total government expenditure with a coefficient value of 0.4623 and associated probability value of 0.0113 < 0.05 has a significant positive effect on the per capita income of Nigerians. The results further show that a 100% increase in value of total government expenditure will lead to about 46.23% increase in the per capita income of Nigerians.

The government recurrent expenditure with a coefficient value of -0.8019 and associated probability value of 0.0001 < 0.05 has a significant negative effect on the per capita income of Nigerians with a 100% increase in value of recurrent expenditure leading to about 8.01% decrease in the per capita income of Nigerians. Also, government capital expenditure with a coefficient value of 0.0796 and associated probability value of 0.8262 > 0.05 has a non-significant positive effect on the per capita income of Nigerians with a 100% increase in value of capital expenditure leading to about 0.79% increase in the per capita income of Nigerians.

Broad money supply with a coefficient value of 0.0238 indicates that a 100% increase in the volume of money supply will result to about 0.23% increase in the per capita income of Nigerians. The associated probability value of 0.4840 > 0.05 shows that money supply positively and non-significantly affects per capita growth in Nigeria. While gross capital formation with a coefficient value of 0.1133 indicates that a 100% increase in the volume of gross capital formation will result to about 1.13% increase in the per capita income of Nigerians. The associated probability value of 0.0093 < 0.05 shows that capital formation positively and significantly affects per capita growth in Nigeria.

The adjusted R-squared statistics which measures the goodness of fit of the model indicates that about 93.9% of the variations in Per capita income can be explained by selected explanatory variables in the model. While the Durbin Watson statistic value of 1.80 indicates that there is no serial correlation present in the model.

Granger Causality Test

To investigate the presence of a contributory bond between government outflow (recurrent and capital) and Per Capita income, the Granger causality test put forward by Granger (1969) was carried out. The outcomes of the examination are highlighted below. Results indicating a Unidirectional causation is observed between Total government expenditure (TGXP), gross capital formation (GCF) and Per capita income (PCI), with causality running from both TGXP and GCF to PCI, indicating that the magnitude of government spending and investment is a significant predictor on the size (amount) of per capita income of Nigerians. Also a unidirectional causation is observed between PCI and Money supply (MS), with causality running from PCI to MS, indicating that the amount of Per capita income of Nigerians is a significant predictor of the level of Money supply in the economy. While no causality is observed between Recurrent expenditure (REXP), Capital expenditure (CEXP) and Per Capita income.

Findings, Conclusion and Recommendations

Findings (Discussion of Result)

From the empirical analysis, the entire government outflow had a substantial significant effect on Nigeria's economy (Measured in terms of Per Capita Income) in the period covered by the study, confirming the Musgrave theory of public expenditure and the Keynesian theory. Also, causality runs Total government expenditure to Per Capita income, indicating that the magnitude of government spending is a significant predictor on the size (amount) of per capita income of Nigerians.

Capital expenditure has a positive prediction on the size (or amount) of Per Capita income in Nigeria, i.e. the volume spent on principal developments and/or the total amount spent in the elevation of such projects will increase income par head of Nigerians. At an average rate, Nigeria's Government's recurrent spending far surpassed her capital spending between 1981 – 2017 period

under consideration. No doubt this is not only alarming, but also absurd given that Nigeria as one of the developing countries of the world should ordinarily tailor its spending on capital investments in other to drive her economy. This incident result to the negative significant relationship between recurrent expenditure and Per Capita income of Nigerians and no causal effect between these variables.

The impact of recurrent expenditure on per capita income was negative which was contrary to the A' priori expectation which assume increase in recurrent expenditure impact positivity on per capita income while that of capital spending was encouraging, though there are evidence that the unfortunate effect of regular expenditure had stronger or more consequential effect compared to capital investment. Nigeria's government recurring outflow had been mainly unproductive and incompetent due to the debt service payment and the bureaucratic system of government, while her capital disbursement had been moderately productive.

CONCLUSION

The contribution to existing literature is that it reveals that government spending has been a noteworthy stimulator of Nigeria per capita income, though the rapidity tends to be retarded or decelerated as the country is bleeding from the weights of the recurrent expenditure. About 70-74% of the total budget goes to the recurrent expenditure and 25 to 30 % of the budget goes to the capital expenditure. This shows that less than 3% of the population will spend more than 70% of the money that will be generated in Nigeria.

Also, the research also brings to the front, the role of capital formation on the level of per capita income where a positive relationship exists between the variables. This indicate that the level of investment (Gross capital formation) is a significant predictor of the amount of income Nigerian's receives. This is in conformity with the causality text, with causality running from gross capital formation to per capita income.

Recommendations

In view of the results, the following recommendations are advised:

I. Looking at the state of the economy in Nigeria momentarily, there is no gainsaying that spending on capital project should be the status quo far and above spending on recurring expenditure if the ambition of economic growth is to be achieved. Thus, this bring to the fore the need to rationally decide on the path of the nation's expenditure especially as it relates to prioritizing needs and cogent areas of the economy.

II. There is a need to supplement government economic efforts with the inclusion of strategic partnerships with the private sector especially on the area of pouring more revenue into capital projects to drive economic growth. This will mean more funds and circulating cashflow to complete and manage capital investment in social amenities and other economic areas.

III. There should be sustainable plans to ensure that the masses reap the benefits of government spending. This means that it becomes imperatives for the government through its plans for the economy to include approaches that will ensure that social amenities are enjoyed by all including persons in the poorest region of the country. This will boost the welfare of the populace and in turn increase individual savings, and the per capita income.

IV. There is also the need to tackle corruption in the process of government budgeting and expenditure. To achieve this, the process of budgeting, expenditure and allocation of resources should be monitored by interest groups, debated at the floor of the Nigerian legislature, and executed in responsive ways that ensures full transparency accountability, and adherence to the rule of law guiding the application of public funds.

REFERENCES

Abu, N. & Abdullahi, U. (2010). Government expenditure and economic growth in Nigeria: A

disaggregated analysis. *Journal of business and Economics*, 1-11.

Agbonkhese, A.O. & Asekome, M. O. (2014). Impact of public expenditure on the growth of Nigerian economy. *An European scientific journal,* 10(28): 219-229.

Amassoma, D., Nwosa, P., and Ajisafe, R. (2011), "Components of Government Spending and Economic Growth in Nigeria: An Error Correction Model". *Journal of Economics and Sustainable Development*, Vol.2, No.4, 2011.

Amire C.M (2020), Impact of Health and Education Expenditure on Poverty Alleviation in Nigeria. *Caleb University International Journal of Development Studies (CIJDS)* vol. 3(1)

Anyanwu, J.C. (1993). *Monetary Economics: Theory, Policy and Institutions.* Onitsha: Hybrid Publishers LTD.

Attamah, N. (1999). *Basic Principles of Economics. Enugu: MARYDAN PUBLISHERS.*

Bird, R.M. (1971) "Wagner's law of Expanding State Activity", *Public Finance,* 26: 1-26.

Henrekson, M. (1993) "The Peacock-Wiseman Hypothesis". In Gemmel, N. (ed.), *The Growth of the Public Sector, Theories and InternationalEvidences.* Cheltenham: Edward Elgar Publishing.

Nurudeen . A, and A. Usman, ―Government Expenditure and Economic Growth in Nigeria. A Disaggregated Analysis‖, Business and Economics Journal, vol. 2010, no.4, pp.1-11, 2010.

Okoro, A. S. (2013). Government spending and economic growth in Nigeria, (1980-2011). Singaporean journal of business economics and management studies, 2(5):81-92.

Olakalns, H. (2010) "Peacock and Wiseman's Displacement Hypothesis: Some new Long-Run Evidence for the UK". *Applied Economics*, 42: 1455-1460.

Olayiwola, K.W., and Osabuohien, E.S. (2010) "Evaluation of the Role of Fiscal Policy in Promoting Savings, Investment and Capital Formation in Nigeria". *The Journal of Banking and Finance,* 10 (1):26-45.

Onifade, S.T., Çevik, S., Erdoğan, S. *et al.* An empirical retrospect of the impacts of government expenditures on economic growth: new evidence from the Nigerian economy. *Economic Structures* 9, 6 (2020). https://doi.org/10.1186/s40008-020-0186-7

Peacock, A.T., and Wiseman, J. (1961) "Determinants of Government Expenditure," NBER Chapters, in: *The Growth of Public Expenditure in the United Kingdom*: 12-34 National Bureau of Economic Research, Inc. Available at http://www.nber.org/chapters/c2302.

Rodden, J. (2003) "Reviving Leviathan: Fiscal Federalism and the Growth of Government". *International Organization*. 57: 695-729.

Sanjeev, G., De Mello, L., and Sharan, R., (2001) "Corruption and Military Spending", *European Journal of Political Economy*, 17(4): 749-777.

Taiwo, A. S. & Agbatogun, K. K. (2011). Government expenditure in Nigeria: a sine qua non for economic growth and development. *AJORIND 9(2):155-162.*