

## CROSS-COUNTRY FISCAL EXPENDITURE PROPOSITIONS AND COMPOSITIONS AND IMPLICATIONS FOR SOCIO-ECONOMIC DEVELOPMENT

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### ABSTRACT

Annual fiscal sectoral appointments indicate government policy thrusts, priorities and targets of the government for the future period. A comparative analysis of annual fiscal sectoral appropriate for the USA, UK, Ghana, South Africa and Nigeria shows that higher and stable appropriations by the USA, UK, South Africa and Ghana were on social welfare indicating that from year-to-year these governments increasingly spend to improve the welfare of its citizens through increased spending on social welfare, education, health, socio-economic infrastructure and pension expenditures with positive effects on longevity, stock of manpower, security of livelihood, security of life after service, availability of physiological needs of the society and societal wellbeing, availability of economic and social infrastructures for business and increase in production capacity expansion with positive effects on economic growth. High proportion of expenditures by Nigeria are on military/defence and security infrastructures with no positive effects on economic growth, social growth and development as the expected security seems elusive with negative effects on socio-economic activities.

**Key Words:** Budgetary allocations, Economic development, Fiscal expenditures, Sectoral allocations, Socio-economic growth

**JEL Codes:** H25, H27, H51, H52, H53, H71, H72

### Introduction

Countries plan and structure their annual budgets to achieve policy thrusts of directing and redirecting social, economic, security and government administrative (internal and external) activities to achieve set targets. Priorities of each government is shown by the percentage sectoral allocations of the total budgets. Governments immersed in internal and external conflicts, aggressions and conquest ambitions, spend a large percentage of their budget size on procurement of military and security hardware, maintain a large-size of security personnel. In addition, such governments spend much on procurement of military and para-military consumables. This leaves the education, health, economic and social sectors with little for stimulating its activities to improve growth and development. Large sectoral allocations to the education sector is an evidence of the manpower development plan of the country, with positive effects on provision of needed future manpower for private and public sector administration job openings, industrial, technical and technology positions for industrial growth. This in effect increases quality of manpower for paid employment and entrepreneurship, income growth, consumption spending, production and industrial growth, and reduction in youth and social restiveness.

Spending on economic infrastructures and welfare increases investments in production and capacity expansion with spiral positive effects on employment, disposable income, consumption and industrial growth. High proportion of a country's budget spent on social security and infrastructures reduces social vices, improve civility with significant reduction on spending on internal security, and growth in

economic activities and investments activities. High investments in healthcare facilities by government from high budget allocations to the health sector increases longevity, work hours, productivity and industrial growth. It also reduces death, sustain and increase the stock of existing manpower.

The policy thrust of a country is easily identified from budgetary allocations to different sectors of its economy. The size of budget expenditures to revenues indicate whether the budget is expansionary or contractionary. This paper aims to identify budget propositions and compositions of five countries from Europe, the Americas and Sub-Saharan Africa: the United Kingdom, the United States of America, Nigeria, Ghana and South Africa from 2014 to 2021 and examine its implications on socio-economic development.

### **Theoretical framework**

Underlying this study are the rationalisation and the incrementalism theories. The rationalisation theory posits that decisions on national fiscal resource allocations are hinged on agreed sets of national goals. The drive under this theory is the achievement of socio-economic, security and political goals via varied policy thrusts. This is commonly employed in periods of dwindling economic and financial resources requiring optimisation of economic, social, financial and political goals with the limited resources. The world economies have had series of crises. The global economic crisis of 2008 eroded economic powers and resources of major economies across the world with spiral negative effects on dependent and interrelated developing and emerging economies in Asia and Africa. Seemed recoveries of these economies were stunted by Ebola in Africa, SARS in Asia, and the COVID-19 pandemic which affected the entire globe. The unending Middle East crisis and the security crisis in the Sahel Region of Africa, and others preoccupying NATO forces is also evident. These economic, health and security crises structured the deployment of countries' resources to optimise socioeconomic and political benefits for the countries. The incrementalism theory of public sector budgeting is preferred in periods of stability. This theory posits that budget's sectoral allocations must be evenly distributed to maintain fairness in allocation of a country's resources (Nwidiobie, 2020). With intermittent crises and instability within and across countries from 2008 to 2020, either of these theories seem to have explained budget sectoral allocations across sampled countries.

### **Empirical Review**

Empirical studies on fiscal budget propositions and its implications for socio-economic growth exist in literature. In assessing the effectiveness of existing budgetary spending on education and healthcare considering current socio-economic realities using socially-oriented fiscal obligation method, Tatuev, Ovcharova, Rokotyanskaya, Abanokova and Usanov (2018) concluded that theoretical and analytical findings show evidence of absence of clear correlation between the dynamics of identified social expenditures and the dynamics of studied socio-economic factors in the consolidated budget of the Russian Federation. Tatuev et al. (2018) added that changes in socio-economic indicators characterised growth in public sector budget. Thus, policy initiatives aimed at minimizing the level of poverty, unemployment and mortality (socio-economic budget thrusts) increases spending on socio-economic infrastructures, concluding that realities in the Federation is far below the budgeted expenditures.

Kuzheliev, Rekunen, Nechyporenko and Nemsadze (2018) examined the effect of discretionary fiscal expenditure proposal on economic activities, state functions, public order, defense, judiciary and security, housing and utilities, and environmental protection in Ukraine for the period 2014 to 2017. They concluded that government budget aimed at socio-economic growth need to be predicated on progressive reforms, principles and methods between the different levels of budget systems with a high proportion of the budget allocated to the social and economic sectors of the economy.

Dholakia and Dholakia (2004) examined the impact of nine indicators from the health, education, social and nutrition sectors in India using data from 1971-1981, and 1981-1991 on the stability of identified coefficients of government allocation expenditures, and concluded that variations in budget allocations seem hinged on the performance of marginal returns in comparative terms, and not on the magnitude of marginal production of government expenditures.

Research results by Zouhar et al (2021) showed that individual sectoral budgetary allocations and growth does not achieve desired goals, but inclusive growth. Zouhar et al (2021) opined that a clear understanding of the required trade-offs between expenditure heads and sub-heads can achieve the required inclusive growth provided emphasis is placed on infrastructural development. Zouhar et al (2021) noted that outcomes of budget allocations depend on the amount of expenditures to each sector. Achievement of social outcomes for instance, requires increasing budget allocation to social activities with positive effects on poverty and inequality reduction. Zouhar et al (2021) argued that public spending is determined by the financial situation of the country. This they noted is influenced by the level of development of the country, the role of government in economic activities and the ability of the government to raise revenues through increase in taxes. Zouhar et al (2021) suggested that the right balance of spending should be consistent with fiscal sustainability and must be cost effective.

Abiola and Mustapha (2015) argued that all tiers of government in Nigeria rely heavily on budgets in planning their activities. Examining the effects of Nigeria's budget on poverty reduction using the econometric series model, Abiola and Mustapha (2015) showed evidence that federal budgets in Nigeria positively influence incidence of poverty. Zouhar et al (2021) observed that strengthening existing governance systems and institutions is fundamental to improving the efficiency and quality of government expenditures. Replacement of tax incentives with government expenditures according to Nwiodobie (2020b) significantly economic growth.

An exploratory study of the role of public sector expenditure in boosting an all-inclusive growth by examining the channels through which public spending affect poverty and inequality in both the long and short terms by Zouhar, et al (2021), showed that societal realities define government allocation and spending in any fiscal year. Zouhar et al. (2021) argued that government spending across countries from 2019 to 2021 were defined by plans to mitigate the Covid-19 pandemic and its effect on health and socio-economic activities. This explains the high proportion of budget allocations by various governments to healthcare, transfer payments and economic bailouts during the COVID-19 pandemic. The OECD (2020) contended that “spirited” efforts by various governments to contain the Covid-19 virus and its spiral negative effects on all sector in all countries increased total expenditures on health. Moreover, expenditures to restore economic and social activities to normalcy has also increased social protection expenditures across countries. With expenditures on social protection, health, and public order ranging

from 11% to 50% in 2018 in European countries, the OECD (2020) observed a high proportion of budget allocations spent on these between 2019-2021.

Haile and Nino-Zarazua (2018) showed evidence from the study of 55 middle-income and low-income countries from 1990-2009 that high expenditure targets on social protection, health and other social services targeted at reducing inequality, adjusted human development index and child mortality rates and improved human development index. Aravacik (2018) observed that welfare transformation in fiscal policy thrusts alters budgetary allocations. Welfare states according to Aravacik (2018), spent large proportions of their budgetary spending on social services to meet social expectations. This Aravacik (2018) noted, created economic crisis thereafter.

Synder, Jr. and Yackovler (2000) concluded that proposed expenditures on social protection in Latin America and Caribbean countries were counter-cyclical whereas budgeted expenditures on job training, education and health were pro-cyclical. Examining the effect of fiscal capacity on spending on social welfare among US States, Leloup (2002) concluded that states with high fiscal capacity spent more on social welfare, while states with low fiscal capacity spend less. Leloup (2002) observed a significant change in the composition in social spending within a 25-year period with more on provision of healthcare services. Examining the two-region German model where levels of government activities overlap, Arcalean, Glomm, Schiopu and Suedekum (2007) concluded that budget composition in federal and regional budgets on infrastructure are similar as the thrusts of both levels of government were aligned. Arcalean et al (2007) added that optimal budgetary spending arrangements for federal and regional governments with slightly different spending plans is partial decentralisation, and full decentralisation where there exists a wide difference in spending productivity plan between the two levels of government. The result of the examination of the composition of the US budget over a 30-year period by Leloup (2002) showed that changes in budget composition were caused by changes in the political and economic environment. Illustrating these dynamics, Leloup (2002) argued that increase in unemployment result in increased spending on Medicaid without any increase in non-medical social services. Leloup (2002) added that an increase in a state's per capita income increases Medicaid and non-medical social expenditures.

The Economic & Social Research Council, ESRC (2015) observed that reduction in social expenditures affect “better-off benefits claimants” and reduces the zeal to work. The ESRC (2015) added that the reduction on social services grossly affect the very poor increasing poverty. Leloup (2002) attributed the volatility in social welfare composition to social factors existing at each period. This he noted are capable of helping the state achieve its social goals. Research results by de Oliveira e Silva (2017) from the study of Brazil showed that policy thrusts aimed at reducing inequality and poverty significantly contributed to an increase in funding of wage increase, income transfer, assurance of community social programmes, health education and old-age pension programmes. Martinez-Vazquez (2001) argued that government's determination to reduce poverty usually results in reduction in taxes and increased spending on social services and transfer payments, altering budget composition. Statistics by Eurostat (2019) showed that East and Western European countries spent between 8.9%-24% of total budget expenditures on social protection with the Ireland spending the least and Finland the highest. In the EU-27, the proportion of expenditure on social protection stood at 41.4% of total expenditures in 2019. According to Thompson

(1994), social security spending comes with future fiscal liabilities for the country. Social security spending Thompson (1994) added, therefore require careful planning. In Bolivia, Bojanic (2013) observed that expenditure on military equipment took up a greater proportion of the country's budget. This Bojanic (2013) noted, is not attributed to security concerns in Bolivia, but its expected spiral positive effects on the country's economic growth.

Examining the effect of globalisation on budget composition, Rikard (2012), concluded that increased external competitions from globalization necessitates reduced spending on social protection with an increase in the proportion of total expenditures allocated to other sectors. Minhaj and Nishat (2018) examined the proportion of total budget on health, maintenance of law and order, education, subsidies and economic services in Pakistan and its effect on short and long-term economic programmes, and concluded that the proportion of expenditures in each sector significantly affects economic activities. This suggests that government do retain these expenditure proportions to grow the economy and gain economic results. Considering the effect of climate change on budget expenditures and composition, Bachner and Bednar-Friedi (2018) noted that concerns and deployment of strategies to combat climate change has a doubling effect on budget size and composition, macroeconomic feedback and reduction in tax base. To mitigate this, Bachner and Bednar-Friedi (2018) suggested a counter-balancing of budgets with a reduction in social spending, and an increase in taxes. Raghupathi and Raghupathi (2020) argued that the proportion of expenditure on each sector depends on the spiral economic benefits of such expenditures. Breaking down social expenditures in Ireland, Malone (2018) noted that this depends the number of the citizens falling sick, number of people with disabilities with need of social cares, level of working age income and working age employment support, and expenditure on pension. This is aimed at ensuring that all social and age groups are supported to live a normal life.

De Schutter (2018) noted that budgets should be a programme for recognising the rights of the poor and marginalised citizens in any country, state or local government. De Schutter (2018) showed evidences that reductions in sectoral allocations to social and economic activities are usually allocations against the poor. De Schutter (2018) attributed this to existence of weightier needs for military and security expenditures for security personnel, equipment for fight against territorial and internal aggressions, increase in employee salaries, and increase in interest payments on government borrowings. Budgetary allocation according to De Schutter (2018) is not an end in itself. Execution of budgeted programmes and projects rest on the political power of the beneficiaries, which the poor lack. This negatively effects actual disbursements to reduce poverty and realisation of social and economic rights. This De Schutter (2018) added, reduces future budget allocation to social and economic sectors of the economy. Wang, Wang and Huang (2016) attributed changes in expenditure compositions to economic cycles with expenditures on social protection significantly and negatively affected in periods of economic downturn. Examining the proportion of expenditure on social protection to GDP in 2019 in the EU, Eurostat (2019) concluded that France spent 23.9% of GDP on social protection in 2019, Finland 24.0%, Denmark 21.4%, Austria 20.1% and Italy 21.2%. These countries were focused on improving the welfare of their citizenry, and were less interested in any form of external military aggression that would have necessitated expenditure on military equipment.

Yemen in dire need for recovery from years of proxy wars has a high proportion of total expenditures on

compensation increased from 35.3% in 2014 to 46.4% in 2015. Also provision of maintenance services increased from 7.2% in 2014 to 7.6% in 2015. The provision for interests on domestic and external loans increased from 19.3% and 0.6% in 2014 to 29.9% and 0.8% respectively in 2015. Fuel subsidy within the period declined from 18.2% in 2014 to 1.1% in 2015. Similarly, expenditures on capital projects declined from 4.9% in 2014 to 2.3% in 2015 (Ministry of Finance, Yemen 2015). These changes evidenced the thrust of provision of urgent social services and fulfilment of urgent financial obligations with less on capital reconstruction.

Evidences from the evaluation of fiscal expenditure proposals hinged on social protection by Scholz, Cichon and Hagemeyer (2000) showed that this is constantly threatened by political challenges. They added that concerns are high on the magnitude of expenditures on social protection which may not be economically sustainable in the future. Thus, initiated fiscal expenditure programmes may not continue in the distant future. This explains the volatility in fiscal provisions on fiscal expenditure heads over time. Scholz et al. (2000) observed that successful economic policy initiatives are not sustainable in the long-run except sustained by a sound and reliable social security system. Attempts to sustain them according to Scholz et al. (2000), may result in misappropriation of the social security funds.

## Methodology

Budgets allocations and budget compositions of South Africa, Nigeria (the two largest economies in Africa), and Ghana (the strongest emerging economy in Africa, GDP-wise), the United States (the largest economy in the Americas) and the United Kingdom (the third largest economy in Europe as the data for Germany and France, the largest and second largest economies in Europe were not available) for the period 2014 to 2021 were brought under study. This study undertakes a comparative evaluation of fiscal expenditure allocations by each of the sampled countries within the study period, describe observed sectoral classifications, annual proportions of sectoral allocations, trends of these propositions. These samples were brought under study considering the sizes of their economies in the continents. Data on proposed sectoral allocations for each country were obtained from the official expenditure proposals released by the Ministry of Finance of each country of the sampled countries for the period 2014-2021. The data are official budget proposals of the sampled countries for the study period and are thus valid and reliable.

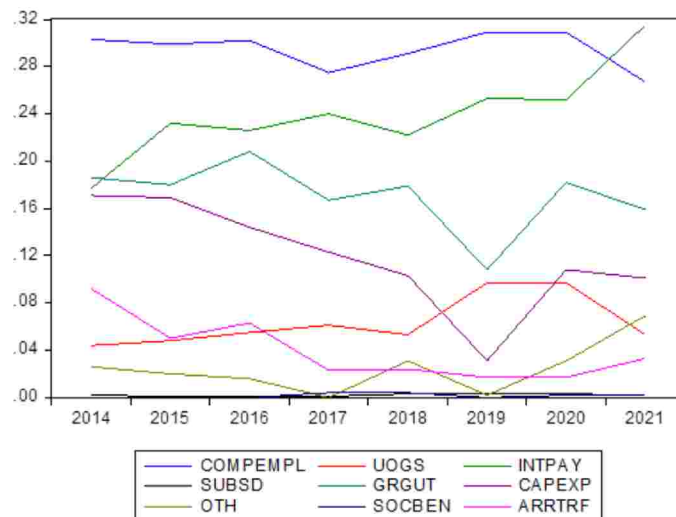
## Data presentation, discussion of results and policy implications of findings

Proportion of sectoral allocations by Ghana from 2014 to 2021 are shown in Fig. 1. Compensation of employees (COMPEMPL), use of goods and services (UOGS), interest payments (INTPAY), subsidies (SUBSD), grants to other government units (GRGUT), capital expenditures (CAPEXP), social benefits (SOCBEN) and arrears and tax refunds (ARRTRF) are the expenditure classifications.

From Fig1, the proportion of total budget on compensation of employees decreased from 30.3% in 2014 to 29.9% in 2015. It increased marginally to 30.2% in 2016 followed by alternate growth and declines over the years to 26.7% in 2021. Proportion of budget allocation to use of goods and services was 4.4% in 2014. It witnessed intermittent increase and decrease in allocations reaching 9.7% in 2019 and 2020 followed by a decline to 5.3% in 2021. The proportion of budgetary allocations to interest payments increased steadily from 17.7% in 2014 to 31.5% in 2021. The proportion of total budget allocation on subsidies was

0.2% in 2014, increasing to 0.3% in 2018-2020, and followed by a decline to 0.2% in 2021. Similar budget expenditure patterns were observed with allocation grants to other government agencies which was 18.6% of total budget in 2014 and 15.9% in 2021.

Figure 1: PERCENTAGE OF ANNUAL SECTORAL BUDGETARY ALLOCATIONS FOR GHANA



Percentage of allocations to capital expenditures declined from 17.1% in 2014 to 10.1% in 2021 (Fig. 1). Percentage allocation on social benefits was 0% from 2014-2016, 0.2% in 2020 and 2021. Allocation to Arrears on Clearance and Tax Refunds was 9.2% in 2014 and declined to 3.3% in 2021. Percentage of allocation to Others was 2.6% in 2014 increasing to 6.9% in 2021 (Fig. 1).

Nigeria's annual sectoral budgetary allocations are made under recurrent expenditures, capital expenditures, statutory allocations and debt service.

Figure 2: PERCENTAGE OF ANNUAL SECTORAL BUDGETARY ALLOCATION FOR NIGERIA

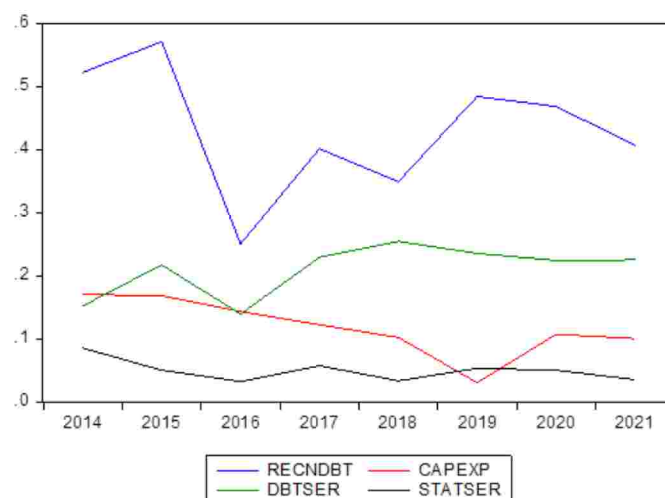


Fig 2 shows Nigeria's annual budgetary allocations. Percentage budgetary allocations to recurrent expenditures was 52.3% in 2014, increasing to 57.2% in 2015 with a sharp decline to 25.1% in 2016 with

an increase to 40.8% in 2021 (Fig. 2). Allocations to capital expenditures declined from 23.7% in 2014 to 15.8% in 2015. This was followed by an intermittent increase and decrease to 33.1% in 2021. Allocations to debt service increased from 15.3% in 2014 to 22.6% in 2021. Statutory transfers had a similar increase and decrease patterns from 8.6% in 2014 to 3.6% in 2021 (Fig. 2).

*Figure 3: PERCENTAGE OF ANNUAL SECTORAL BUDGETARY ALLOCATION IN THE UNITED KINGDOM*

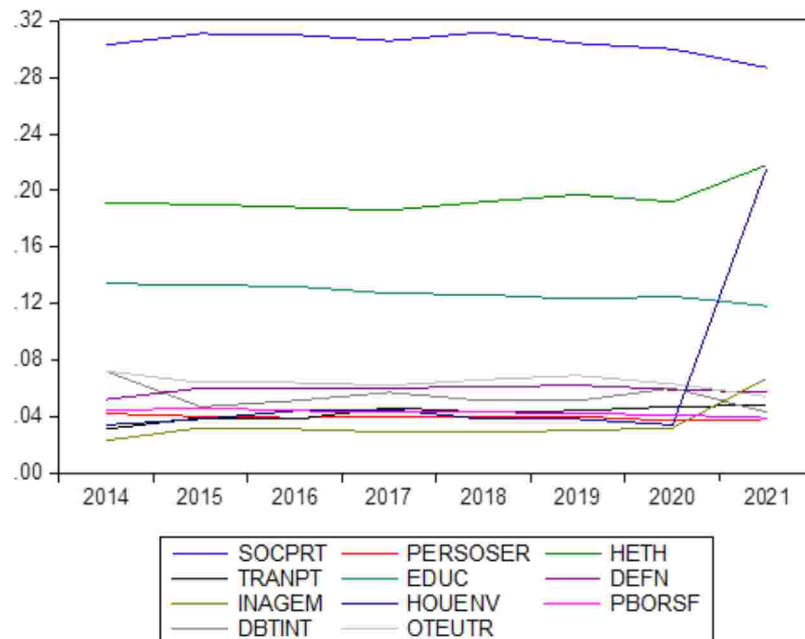
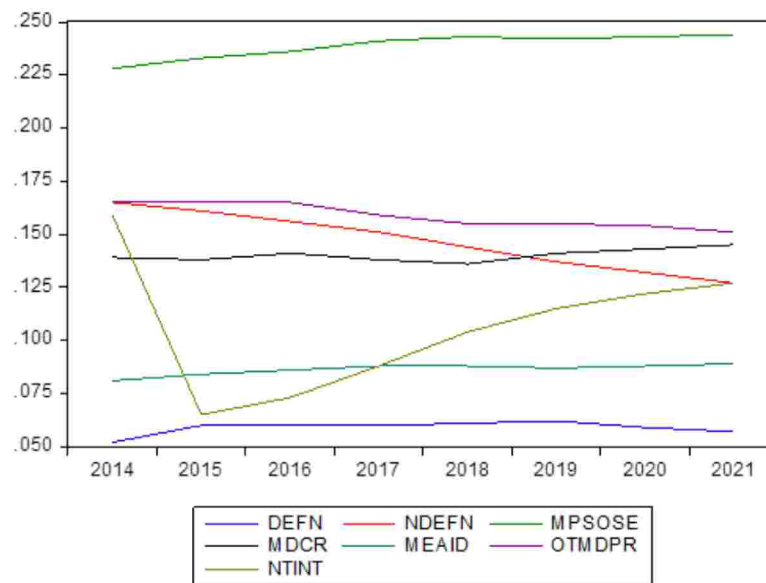


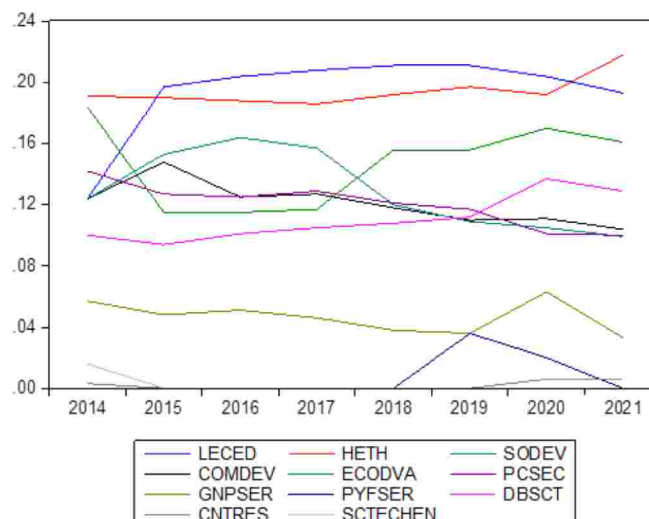
Fig. 3 shows the budgetary allocations in the United Kingdom. Budgetary allocations in the United Kingdom are made to social protection, personal social services, health, transport, education, defense, industry, agriculture and housing and environment, public order and safety, debt interest and others (including EU transactions). Percentage of budgetary allocation to each of these were fairly stable during the study period. Percentage allocation for social protection was 30.3% in 2014/2015, 31.1% in 2015/2016 with a slight decline to 28.7% in 2021/2022. Percentage allocation to personal social services was 4.2% in 2014/2015 with a slight decline to 3.8% in 2021/2022. Allocation to the health sector was 19.1% in 2014/2015 with a steady increase to 21.8% in 2021/2022 (Fig. 3). Allocations to the transport sector increased steadily from 3.1% in 2014/2015 to 4.8% in 2021/2022. Allocation to the education sector declined from 13.4% in 2014/2015 to 11.8% in 2021/2022. Spending on defense increased from 5.2% in 2014/2015 to 6% in 2015/2016, 6.1% in 2016/2017, 6.2% in 2018/2019, 6.2% in 2019/2020 with a slight decline to 5.7% in 2021/2022. Allocations to industry, agriculture and environment increased from 2.3% in 2014/2015 to 6.7% in 2021/2021 fiscal years. Allocations to housing and environment declined from 3.4% in 2014/2015 to 4.4% in 2016/2017 with a sharp increase to 21.6% in 2021/2022 fiscal years (Fig. 3). Budgetary allocation to public order and safety declined steadily from 4.4% in 2014/2014 to 3.9% in the 2021/2022 fiscal year. Allocation to debt interest was volatile during the study period from 7.2% in 2014/2015, 4.7% in 2015/2026, 5.1% in 2018/2019, 6% in 2019/2020 and 4.8% in 2021/2022 fiscal years. Budgetary allocation to others (including EU transactions) was 7.2% in 2014/2015 and 5.4% in 2021/2022 fiscal years (Fig. 3).

Figure 4: PERCENTAGE OF ANNUAL SECTORAL BUDGETARY ALLOCATION FOR THE UNITED STATES



The US budgetary allocations are made under defense, non-defense, social security, medicare, medicaid, mandatory programmes and net interest. Percentage of budgetary allocations to these sectors were fairly stable in the US during the study similar the behavior pattern of budgetary allocations of the United Kingdom. Allocation to defense declined from 16.4% in 2014 to 11.7% in 2021. Allocations for non-defense declined steadily from 16.5% in 2014 to 12.7% in 2021. Percentage of budgetary allocations to social security increased steadily from 22.8% of total budgetary allocation in 2014 to 24.4% in 2021 (Fig. 4). Percentage of allocations to medicare and medical increased marginally from 13.9% and 8.1% respectively in 2014 to 14.5% and 8.9% respectively in 2021. Allocations for mandatory programmes and net interest declined marginally from 16.5% and 15.9% respectively in 2014 to 15.1% and 12.7% respectively in 2021 (Fig. 4).

Figure 5: PERCENTAGE OF ANNUAL SECTORAL BUDGETARY ALLOCATIONS IN SOUTH AFRICA



Budgetary expenditure heads for south Africa are learning and culture, health, social development, community development, economic regulation and infrastructure, peace and security (defense), general public services, payments for financial assets, debt-service costs, contingency reserves science technology and environmental affairs. Budgetary allocations to learning and culture was 12.4% in 2014/2015 fiscal year, increasing to 20.8% in 2017/2018 with a slight decline in 2021/2022 fiscal years (Fig. 5). Allocation to health was 12.6% in 2014/2015 and 11.9% in 2021/2022 (Fig. 5). Budgetary allocation to social development was 18.4% in 2014/2015 and 16.1% in 2021/2022 fiscal year. 12.4% of the annual budget for 2014/2015 was allocated to community development and 10.4% was allocated to community development in 2021/2022 with slight fluctuations in between. Allocations to economic regulation and infrastructure had a similar pattern with 12.4% of the annual budget allocated in 2014/2015 and 9.9% in 2021/2022. Peace and security (defense) received 14.2% of the budget allocation in 2014/2015 which declined steadily to 10% in 2021/2022 fiscal years. General public services were allocated 5.7% and 3.3% of the annual budgets in 2014/2015 and 2021/2022 fiscal years respectively. Payments for financial assets received 3.6% and 2% of the annual budget in 2019/2020 and 2020/2021. Budgetary allocation on debt service cost increased from 10% of total budget in 2014/2015 to 13.7% in 2020/2021 with a slight decrease to 12.9% in 2021/2022. Contingency services had an allocation of 0.3% of the budget in 2014/2015, 0.6% in 2020/2021 and 2021/2022. Science technology and environment only had allocation of 1.6% in 2014/2015 fiscal year.

### Policy implications of findings

Fiscal expenditure proposals predicated on actual services to be rendered to the populace: internal security, agriculture, social services, Medicaid, medicare, housing, infrastructures, social protection, public order and safety, science and technology, general public service, subsidies and defense as with Ghana, South Africa, the United States and the United Kingdom have policy thrusts aimed at socio-economic growth and societal wellbeing. Specific projects and programmes to achieve these policy thrusts as clearly identified in budget proposals are pursued by the respective governments with clear target objectives with spiral positive effects on the country's socio-economic growth and development. This explains the clear directions of the economies of Ghana, South Africa, the United States and the United Kingdom. Stability in the allocations in Ghana, South Africa, the United States and the United Kingdom over the study period is an evidence of strategic long-term planning of the government with focus on socio-economic targets with positive effects on micro socio-economic planning with positive effects on macroeconomic growth. Sectors in the United Kingdom, USA, South Africa and fairly with Ghana are services to be rendered to the citizens. Where allocations are renderable service-oriented, the citizens can easily identify with the allocations that relates to the services expected from government. Government on its part can easily execute its budget, the achievement of which will result in socio-economic growth of their countries.

Nigeria's budget proposals hinged on capital, recurrent, debt servicing and statutory allocations result in project and programme selections not specifically tied to socio-economic programmes and services of the government yield little or nothing to the country's economic growth. Citizens also seem unable to identify with specific socio-economic benefits of budgetary allocations.

## Conclusion

From this study, we conclude that:

- (i) Countries with high percentage of budgetary allocations to social and economic services are the countries with high level of socio-economic growth and contentment of the citizens with the government- the US, UK and South Africa.
- (ii) Budgetary allocations in the UK, USA, South Africa and Ghana are predicated on economic sectors and identifiable render able services to the citizens.
- (iii) Budgetary allocations in the developed economics of the UK and USA are fairly stable over time.
- (iv) Countries with high level of stability in sectoral budgetary allocation seems to have a high level of socio-economic growth.
- (v) Budgetary allocations based on identifiable services to be rendered to the citizens seem to have positively influence socio-economic development.
- (vi) Budgetary allocations in Nigeria are to capital, recurrent, debt service and statutory transfers and allocations are comparatively highly volatile from year-to-year.

## Recommendations

To improve socio-economic growth through budgetary allocations,

- (i) Budgetary allocations, should be based on identifiable socio-economic services to citizens such as housing, infrastructural development, social services and welfare, agriculture, science and technology, education, public order and safety, and defense.
- (ii) Budgeting should be on a long-term planning horizon with high evidence of stability in budgetary allocation on the time horizon. This will require improvement in budgeting process.
- (iii) Budget allocations should increasing be on socio-economic projects and programmes with spiral positive effects on socio-economic development.

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