Federal Government Budget Implementation and Economic Growth of Nigeria

[1] Uloh, Magnus Joseph, [2] Eyisi, Adanma Sabina and [3]Okoro, Chinonso Churchill
[1,2&3]Department of Accounting, College of Management Sciences,
Michael Okpara University of Agriculture Umudike. Umuahia, Abia State, Nigeria.
[1]Corresponding author's Email: churchillokoro@gmail.com

Abstract
The study focused on federal government budget implementation and economic growth of Nigeria. To achieve the objective of the study, ex-post facto research design was adopted. The data were collected through secondary source from CBN statistical bulletin and world bank data bulletin. Capital expenditure and recurrent expenditure were used to measure budget implementation while real gross domestic product was used to measure economic growth. The data collected were analyzed using autoregression distribution lag (ARDL) due to the variation in the stationary levels. The result from the analysis revealed that federal government recurrent and capital budget allocations have a significant effect on economic growth (real gross domestic product) of Nigeria. Based on the findings, the study recommends that Nigeria's government should try to increase capital and recurrent expenditures in its annual budget, both of which have a significant impact on real gross domestic product of the country. The study also recommend that government should pay attention to budgeting more of her resources (revenues), implement and monitor the budgets for desired economic growth especially in the area of per capita income. Furthermore, Nigeria government should promulgate more anti-corruption agencies to speed-up prosecution and execution of judgment on public fund looters that have hinders the effectiveness of budget implementation. If this is done, it would reduce the rate of inflation in the country.

Keywords: Budget implementation, RGDP, Per capital income, Inflation rate and Unemployment rata

1.0 INTRODUCTION

One of the most important tools for allocating, mobilizing, and managing the nation's finances is the budget. It is a crucial tool for enabling and achieving the goals of the government within a designated fiscal year. A budget must be carefully planned, implemented, overseen, and its efficacy must be thoroughly assessed. A budget may also be thought of as a structure for revenue and expense outlays for a certain amount of time, often one year (Olurankise, 2012). It is a tool that describes policies and initiatives meant to help a government achieve its goals for development.

A budget is a set of spending limits for a designated period of time. As stated by the Chartered Institute of Management Accounting (2013), it might also include anticipated cash flows, assets, liabilities, and expenditures and costs as well as resource levels. It outlines the organization's and

the business divisions' strategic plans, activities, and events in numerical terms. It is a mechanism for establishing plans and policies meant to assist a government in accomplishing its development objectives. Meigs & Meigs (2004) define a budget as a comprehensive financial plan that outlines the expected course for achieving an organization's operational and financial goals. According to Omolehinwa (2003), the budget is the plan that the dominant individuals in an organization have agreed upon as the organization's property. It is expressed in monetary terms and is subject to restrictions from other participants and the outside world. It shows how the available resources may be used to accomplish the goals that the dominant individuals have agreed upon as the organization's property.

The budgeting process in Nigeria has three steps: the executive prepares the budget, the legislature approves it, and government ministries, departments, agencies, and parastatals carry it out. There are often plenty of opportunities for manipulations and interventions throughout the budget implementation phase. This is because the appropriate senior government officials possess a significant degree of discretionary authority in determining which ministry or agency would be authorized to spend money. The manner in which budget is implemented determines the budget results with regard to equitable resource allocation, performance assessment and quality control (Nwala & Ogboji, 2020).

Arising from the frequent change in government as well as progressive change in policy and government philosophy, budgeting has created numerous difficulties concerning the modality of preparation and administration in Nigeria. It has continued to be difficult, both in terms of preparation and execution – a situation that has necessitated continual oversight to guarantee better resource use. Budget implementation in Nigeria has been a major problem for both the commercial and governmental sectors of the economy. Ekpo (2012) argues that poor attitude of administrators toward budget planning and execution, misplaced priorities, budget indiscipline, and insufficiency of money have all constituted obstacles to successful budget implementation.

The Nigerian economy recorded positive growth in the first three quarters of 2022 with the fourth quarter expected to present a positive growth figure as well. However, the economy has continued to witness elevated double-digit inflation, mounting debt liabilities, supply chain disruptions, FOREX liquidity challenges, and the rising cost of production. The implementation of the Petroleum Industry Act 2021, the National Development Plan (2021-2025), and the reforms in various sectors, are expected to create opportunities for business in 2022 and beyond.

Expectations are high even in the midst of an uncertain business environment. The 2023 Federal Government Budget estimates and the Finance Bill 2022 have provided some policy directions amid heightened concerns about the impacts of some business environment conditions that currently inhibit business operations. In the midst of these, opportunities shall abound, markets will open up and capital inflow is foreseen.

A robust overview of the 2022 budget performance was done and the president lauded the innovation behind the performance and collection of revenue that exceeded set targets from the non-oil sector (118.8%), Company Income Tax (115%), Value Added Tax (165%), and the Nigeria Customs Service (104%). Despite the increased government revenue, there is revenue leakages which has affect the level of growth of the economy. Therefore, this study aimed to examine the effect of federal government budget on the economy of Nigeria.

While budgeting is a vital economic tool that the government may use to pursue long-term macroeconomic objectives and ensure the prosperity of the populace, in most cases, the reverse is

true in Nigeria. Nigeria's annual budget has been steadily rising due to the country's substantial revenues from the production and disposal of crude oil, even though the country's citizens are in great need of public services including power, good roads, healthcare, education, and communication.

An in-depth analysis revealed a 25.83% nominal increase in aggregate expenditure of the 2022 budget to N17.1trn, but the increase in real terms is 6.45% if adjusted for inflation, while the estimation in dollar terms shows a 3.81% increase in FGN expenditure after incorporating changes in exchange rates. The recurrent expenditure tops the list of allocated expenditures with N6.9trn, followed by capital expenditure (N5.96trn), while debt servicing will cost N3.61trn, and the least allocated expenditure is sinking fund with N270.71bn. However, the projected fiscal deficit which stood at 6.4trn in 2022 might not yield the intended impact on the economy, because fiscal spending is not complemented with adequate domestic and foreign investment.

The N410.15/$1 assumption is ambiguous and unrealistic in the face of depreciating Naira already above that rate. However, the benchmark of $62 per barrel is realistic, while being optimistic about oil production, inflation, and GDP growth assumptions. The estimated size of Nigeria's budget is about N40 trillion (multiply the federal budget by 2 for simple estimation) when the state and local government budgets are incorporated, but the size of Nigeria's economy is estimated to be around N160 trillion. This becomes a pessimistic view about the significance of N17.1 trillion federal government budget in an economy that is worth over N200 trillion (including the informal sector). Comparing the budget-to-GDP ratio shows Nigeria is the least among its peers at 7.9%, against Ghana, South Africa, and Angola with 26%, 29%, and 14% respectively; although, this statistic is not reflective of reality because Nigeria in this context is Federal government. In this regard, Nigeria needs private sector impetus, and investment friendly policies to help in bridging the gap, but this cannot be achieved without a peaceful political environment.

The identified key macroeconomic challenges facing Nigeria's economy include output gap, monetary gap, fiscal and external imbalances. The policymakers and stakeholders should be worried and provide solutions to the persistent deflationary or recessionary gap (potential GDP is greater than real GDP) experienced by Nigeria over the years, an indication that the labor force is growing faster than the rate of decline in unemployment. There is a widening fiscal gaps in Nigeria (that is, when government's spending and debt obligations exceed its resources or revenues over a period of time). This could lead to investors' loss of confidence in Nigeria's ability to pay debts or fulfill her obligations. The real GDP should grow at 2% above the potential GDP for it to have a notable impact on unemployment, but Nigeria's economy is seemingly far from achieving this when the present potential GDP growth stood at 9%, while the projected real GDP growth for 2022 is around 3.5%.

The widening fiscal gap is linked to the steep rise in the total debt stock, due to revenue crunch and rising expenditure. For instance, in 2021 $6.2bn of Eurobond was issued, while external debt is on the verge of clinging $40bn. The government should prepare for the increased burden of debt as some of the advanced economies mull rate hikes which may lead to a rise in global interest rates. Consequently, this will lead to higher debt service costs that will jostle existing limited funds for capital expenditures. All these have affected the economy of Nigeria in a negative way. It is on this ground that this study aimed to empirically examine the effect of federal government budget on the economy of Nigeria. The specific objectives of the study are to:

i.   Determine the effect of federal government recurrent and capital budget implementations on gross domestic product in Nigeria.
ii.   Examine the extent to which government recurrent and capital budget implementations have affected per capita income in Nigeria.
iii. Ascertain the effect of federal government recurrent and capital budget implementation on the inflation rate in Nigeria.
iv.   Assess the effect of federal government recurrent and capital budget implementation on unemployment rate in Nigeria.

2.0 REVIEW OF RELATED LITERATURE
2.1   Conceptual Framework
2.1.1 Concept of budgeting

The concept of budgeting originated from the United Kingdom's central government. Following the revolution of 1688, the UK parliament granted the Crown the authority to authorize expenditure and taxation aside from items on the sovereign's civil list, which was subsequently decreased until it only covered the royal family's personal expenses (Bendlebury, 2005). According to California Department of Finance (1998), the power and responsibility of the parliament was extended to setting the overall amount of government spending and prescribing or appropriating the amount to be spent for legislative purposes.

Budget has been defined as a plan made for estimating revenue and expenditures for a set period of time, generally a year. It is a document that specifies the policies and programs aimed at achieving a government's development goals. For Meigs & Meigs (2004), budget is a projected complete financial plan that lays out the expected method for attaining financial and operational goals of any given organization. It is considered as the plan of feasible or dominant individuals in an organization, expressed in financial terms and subject to problems imposed by other participants and the environment. In an organization, a budget spells out how the available resources can be used to achieve whatever its producers agreed to be the priorities

A government budget is essentially a financial summary of the government's projected spending and anticipated revenue for a specific time period, generally a year. It is one of the most significant tools in a government's economic policy arsenal. Budgeting and its process in Nigeria continue to be difficult in both the planning and implementation stages, necessitating the requirement for sufficient management targeted at increasing effective resource use throughout the budget implementation stage.

To achieve these goals, new audit waves such as value for money audits, due process audits, cost audits, and so on, need to be implemented. Budget plans are detailed, approved, and systematic plans of operation represented in monetary terms for a certain period, generally one fiscal year. Every year, annual budget planning is carried out. The budget of any government is used to allocate resources to strategic goals and prevent resource misallocation. It is also utilized for maintaining macroeconomic and management stability. As a key tool for resource mobilization and allocation, budgets make it easier for the government to achieve its vision and goals in a given fiscal year. Furthermore, public budgets establish the resource allocation to finance both capital and recurring expenditures over a specific time period. The budget process is a series of interrelated activities that guarantee that a budget plan is delivered. Managers may develop a habit of repeating a similar budget implementation and changing the amounts slightly to account for inflation as time passes.

Budgets for projected income and expenditures have been prepared by the government for many years. The government's projected revenues are expected from oil and non-oil sources as well as grants and external assistance, among others. Capital expenditures and recurrent expenditures (personnel expenses, administration, maintenance costs, etc) are among the anticipated expenditures items found in government's annual budgets. In the public sector, budgeting is a document or set of documents that describes the government's financial situation. In the sense that it pertains to projected future revenue and spending, a budget is prospective. A government budget plan can only be implemented properly if the anticipated finances are available, prudently allocated, and accounted for.

2.1.2 Budget implementation in Nigeria

In line with the declaration of the 2010 appropriation bill as a 'fiscal stimulus budget' while presenting the 2010 appropriation bill to the national Assembly members in Abuja, late president Umar Yar'Adua gave credence to this when he said "The purpose of the 2010 budget is to accelerate economic recovery through targeted fiscal interventions intended to further stimulate the economy and support the private sector growth" (Adebayo, 2015).

Accordingly, the 2010 budget provide about 90 percent of Ministries, Departments and Agencies capital expenditure to five key priority sectors as follow: critical infrastructure; human capital development; land reform and food security; physical security, law and order; and the Niger Delta. However, given the importance of the federal budget, it is not surprising that budget implementation, monitoring and evaluation have attracted much interest in recent years. According to Ayogu (2010), "The Senate is not satisfied with the budget performances and neither is the Minister of Finance himself satisfied with the budget performance, because the performances are as low as 15 percent, 27 percent, and 30 percent in some cases. This is to show that the problems facing industrial growth in Nigeria are multi-dimensional". Some of the problems identified are: weakness in budget implementation; corruption in the part of politicians and civil servants, thereby diverting the funds meant for development to service their personal needs; low budgetary allocation to those sectors that can trigger industrial growth like; Agriculture, Health, Education, Transportation and other socio-economic activities; and changes in the leadership.

2.1.3 Economic Growth and its measures

Muritala and Taiwo (2011) defined a country economic growth as a long term rise in capacity to supply increasing diverse economic goods to its population, this growth capacity based on advancing technology and the institutional and ideological adjustment that is demand. In other words, economic growth refers to increase in a country's potential Gross Domestic Product (GDP), although this differs depending on how national product has been measured. According to Ogundipe and Oluwatobi (2010), economic growth must be sustained for a developing economy to break the circle of poverty. Economic growth can be defined as the steady process by which the productive capacity of the economy is increased over time to bring about rising levels of national output and income (Todaro and Smith, 2005). However, it is pertinent to note that growth is concerned solely with quantitative and measurable attributes (Ogboru, 2006).

Furthermore, Lipsey and Chrystal (2007) regarded economic growth as the engine for generating long-term increase in the overall standard of living. This justifies why every economy aims at achieving economic growth annually. Economic growth is also defined as the increase in the market value of the goods and services produced by an economy over time. It is conventionally measured as a percent rate of increase in real gross domestic product (GDP). (IMF, 2012).This

conceptualization by IMF is adopted as the working definition for this paper because real GDP will be used to proxy economic growth.

Jhinghan (2011) stated that economic growth is the quantitative sustained increase in a country's per capita output or income, accompanied by expansion in its labour force, consumption, capital and volume of trade. While economic development is economic growth plus change. An economy can grow but may not develop. However, it is difficult to imagine economic development without economic growth. Though they differ in concept, they are sometimes used interchangeably.

Economic growth is the increase in the amount of the goods and services produced by an economy over time. It is conventionally measured as the percent rate of increase in real gross domestic product, or real GDP. Growth is usually calculated in real terms, i.e. inflation-adjusted terms, in order to net out the effect of inflation on the price of the goods and services produced. In economics, economic growth or economic growth theory typically refers to growth of potential output, i.e., production at full employment, which is caused by growth in aggregate demand or observed output. Economic growth is generally distinguished from development economics. The former is primarily the study of how countries can advance their economies. The latter is the study of the economic aspects of the development process in low-income countries, (Adekunle, 2017).

2.2 Theoretical Review

The study was anchored on Wagner's theory with the support of Economic growth theory

2.2.1 The Wagner's Theory of Increasing State Activities

Wagner's law is a principle named after the German economist Adolph Wagner (1835-1917). Wagner advanced his 'law of rising public expenditures' by analyzing trends in the growth of public expenditure and in the size of public sector. Wagner's law postulates that:

1) the extension of the functions of the states leads to an increase in public expenditure on administration and regulation of the economy;
2) the development of modern industrial society would give rise to increasing political pressure for social progress and call for increased allowance for social consideration in the conduct of industry;
3) the rise in public expenditure will be more than proportional increase in the national income (income elastic wants) and will thus result in a relative expansion of the public sector.

2.2.2 Economic growth theory

The theory was propounded by Adam Smith in 1968. Economic growth is the increase in services produced in a nation over a long period of time. It is measured by increase in Gross Domestic products (GDP) adjusted for inflation. A nation is expected to continually improve its GDP for sustainability. There are three types of economic growth theories, the classical, Neo-Classical and Solo- Swan modern-day theories. This study is an attempt to investigate the Solo- Swan modern day theory which focuses on three factors that affect economic growth that is labour, capital and technology. They should particularly focus on technology in terms of infrastructure advancement and economic growth in terms of GDP. According to Wells (2015) Solo- Swan theory argues that it is technological advancement that really grows an economy, because labour and capital adjust according to the advance recorded in technology. The theory argues that if all nations have access to the same technological advancement, the standard of living will be the same.

Hence, federal government allocation on infrastructure which forms part of capital budgetary allocation affects and economic growth of the country. When government spending is zero, there

is little economic growth because enforcing contracts, protecting life and property and infrastructure development would be very difficult.

2.3 Empirical Review

Udoh et al (2023) explored the effect of budgeting on economic development in Nigeria. The study made use of ex post facto research design and secondary data were obtained from, CBN statistical bulletin and multiple regressing and correlation analysis were adopted to analyze the data based on SPSS 2.0 and Advanced MS-Excel analytical Tool pack, 2018.The result of the analysis revealed a low positive and statistically significant effect of public capital expenditure (CAXP) on Per capita income and Life expectancy index (LEI) respectively. The finding of the study also showed a very low positive and statistically significant effect of recurrent expenditure (RCXP) on Per capita income (PCI) and life expectancy index (LEI). Thus, the study concluded that budgeting has contributed very little to economic development of Nigeria.

Umoh, Adonnai and Mbah (2023) explored the effect of budget padding on the Nigeria's Economy. The specific objectives were to; evaluate the socio-economic implications of budget padding, examine the powers of the legislature with respect to budget processes, and analyse the ethical and moral implications of budget padding. The study involved a descriptive research design and content analysis whereby the quantitative method was adopted using secondary sources of data. Findings revealed that; the socio-economic implication of budget padding was perturbing as it affects known economic indices negatively. Also, the legislature has powers to scrutinize and approve national budgets but lack powers to insert new projects and programmes without recourse to the Executive; it is also morally and ethically wrong for the legislators to introduce new items into the budget without the consent of the budget initiators. Finally, the consequences for failure of the budget had negative impact on the implementation of strategic government projects and programmes.

Timothy, Adamu and Yakubu (2023) adopted ethical theory using secondary data to examine the effects of budget governance on national development. The study generated evidence on the gaps in transparency and accountability mechanisms on budgets processes in Nigeria. The study revealed that budget governance has been seriously abused by both legislatures and the executives and as a result gravely affects national development.

Adeyemi and Olugbenga (2022) investigated the impact of health care expenditure on households living standard in Ekiti state with the specific objectives of determining how the percentage of household income spent on healthcare substantially affects the living standard of Ekiti people. The study made use of qualitative methods of descriptive analysis and Logit regression analysis to explore the stated objectives of this study. The findings of the study showed that the source of treating illness is basically through primary health care facilities and it is mainly by households' out of pocket expenses. The study also revealed that the most prevalent illness is malaria which is above 90%. The surprising result of this study is that the large proportion of the respondents has no much health problem, food problem, and school fee problem despite the fact that the households' expenses is out- pocket.

Onwuka (2022) studied empirical effect of budget deficit, inflation and economic growth in Nigeria. The work was anchored by Wagner and Keynes theories on the effect of government expenditure on economic growth. The study made use of the disaggregated Vector Autoregression (VAR) approach to analyse the data. The study found, amongst others, that overall deficit financing had a positive and significant impact on economic growth when financed through

external sources but had a deleterious effect when financed through domestic sources. The study also found that overall deficit financing is inflationary which also resulted to a decrease in real interest rates.

Omoniyi (2022) studied the impact of budget implementation on economic performance in Nigeria. Specifically, the study sought to examine the impacts of public capital and recurrent expenditures on Nigeria's real gross domestic product. This study revealed that recurrent government expenditure has a positive relationship with the economic growth, this implies that an increase in the units of recurrent government expenditure will lead to an increase in the economic growth of Nigeria in the period analysed, whereas capital government expenditure has a negative relationship with the economic growth, this implies that an increase in the units of capital government expenditure will lead to a decrease in economic growth of Nigeria. These results suggest that due process was compromised at the budget implementation stage.

Pagalung (2022) conducted an empirical study on budget and managerial performance effect. The study focused on how to improve on both budget participation and managerial performance. Review of past scholarly articles was adopted for the analysis. The study discovered that participation in budgeting is one and not the only improving managerial performance factor and can be moderated using psychological capital as one of the variables.

Okafor, Raphael and Udeme (2021) investigated budget implementation on economic development in Nigeria. The data used in the study was obtained from CBN, Statistical Bulletin and the Federal Ministry of Finance. A model was constructed based on both empirical and theoretical investigations in order to achieve this broad goal. The HDI, was the dependent variable and government capital budget, recurrent budget, and the speed of annual budget implementation were the independent variables in the model. Data were analyzed using the Auto Regressive Distributed Lag (ARDL) Model. Diagnostic tests such as the test of normality, auto correlation test, and heteroskedasticity test were performed which proved the validity and reliability of the model; inferential results reveal that the use of budget evaluation had a positive and significant impact on the Nigerian economy. According to the study's suggestions, Nigeria's government should try to increase capital and recurrent expenditures in its annual budget, both of which have a significant impact on economic development.

Goran (2021) investigated the effect of the socioeconomic development on life expectancy at birth as an indicator of mortality or longevity in five EU accession candidate countries. Using aggregate time series pool data on an annual level from UN and World Bank databases for the period 1990–2017 and full information maximum likelihood model, it was found that this connection between the socioeconomic conditions and life expectancy at birth is a prerequisite for longer life in the five countries. Our dependent variable was the life expectancy at birth, and the background exploratory variables for the socioeconomic development were GDP per capita and infant mortality rate. The main results are that higher values of GDP per capita and lower values of infant mortality levels lead to higher life expectancy at birth suggesting that longevity of people in these five countries is increasing.

Olukumi and Umar (2021) explored the life expectancy–economic growth nexus in Nigeria. The paper examined life expectancy–growth nexus and the role of poverty reduction with the view to determining the contribution of health to growth and poverty reduction and the threshold of health required to mitigate the adverse effect of poverty on economic growth in Nigeria. Based on the endogenous growth theoretical approach, the link between life expectancy, poverty incidence, and

economic growth was estimated using the fully modified ordinary least square method. Findings showed that health contributes positively to economic growth and also mitigates the adverse effect of poverty on economic growth in Nigeria. The study determined the minimum threshold of life expectancy of 64.4 years as a health improvement annual benchmark. Ugochukwu and Oruta (2021) did a work on the effect of various components of government expenditures on economic growth in Nigeria. Secondary data was used. The study adopted the Error Correction model and Granger Causality Test. The short-run model revealed that the components of government expenditures like recurrent expenditures on agriculture, health and education have an insignificant negative impact on economic growth. Recurrent expenditure on debt servicing and road and construction indicated a positive and negligible impact on economic growth. Concerning capital expenditures, government capital expenditures on social services were shown to have a negative and significant impact on economic growth. In contrast, government capital expenditures on economic services indicated a positive and insignificant impact on economic growth in Nigeria. In the long run, all the components of government expenditures employed showed a significant effect on economic growth.

3.0 METHODOLOGY

3.1 Research Design

This study used an ex-post facto research design. Ex-post facto is a systematic empirical enquiry in which the scientist does not have direct control of independent variables because they are inherently not manipulated. At the time of the study, the government expenditures have already taken place. This design helped the researcher establish, describe and explain existing phenomena and draw generalization on the study universe based on the data collected.

3.2 SOURCES OF DATA

In carrying out this research work, secondary sources of data was used. The sources include Central bank of Nigeria's statistical bulletins, Debt Management Office publications, journals, etc from 1972-2022.

3.3 MODEL SPECIFICATION

The multiple regression models were used in the study (which is in line with what is mostly found in the literature) is given as:

$$RGDP_t = B_0 + B_1 CEXP_t + B_2 REXP_t + u_t$$

Where:

RGDP	= Real Gross Domestic Product
CEXP	= Capital expenditure
REXP	= Recurrent expenditure
B_0	= Unknown constant to be estimated
$B_1 - B_2$	= Unknown coefficients to be estimated
u	= Stochastic error term

3.4 Data Analysis Techniques

Auto regression distribution lag (ARDL) was used to analyze the data. The ARDL is used when testing macroeconomic time series data. Pesaran et al. (2001) developed the ARDL limits test approach to co-integration employed in this investigation. The ARDL bounds test approach to co-integration has been demonstrated to outperform other traditional co-integration strategies. This is because it offers many advantages over other long-term estimation techniques. When applied to

variables that are either I(1), I(0), or a combination of the two, the approach yields unbiased estimates and its t-statistics are still usable, even if some of the regressors are endogenous (Harris & Sollis 2003).

4.0 RESULT AND DISCUSSIONS
4.1 Data Presentation
The study analysis estimated the impact of federal government budget implementation on Nigeria economy in Nigeria from 1972-2022. Capital expenditure (CEXP) and recurrent expenditure (REXP) of Nigeria represents the independent variables of the study while real gross domestic product (RGDP) served as the dependent variable was used as the dependent variable of the study. The data were collected from CBN statistical bulletin and World Bank data bulletin.
4.2 Data Analysis
4.2.1 Descriptive Statistics
Table 4.1 Descriptive statistics

	CEXP	REXP	RGDP
Mean	1.964957	2.274998	3.681192
Median	2.379216	2.200203	4.338239
Maximum	3.401831	4.687635	4.859701
Minimum	0.612784	0.676694	2.139659
Std. Dev.	0.944462	1.178440	1.118621
Skewness	-0.178665	0.052904	-0.289825
Kurtosis	1.409665	1.634418	1.234673
Jarque-Bera	5.645804	3.986518	7.336293
Probability	0.059433	0.136251	0.025524
Sum	100.2128	116.0249	187.7408
Sum Sq. Dev.	44.60039	69.43604	62.56564
Observations	51	51	51

The descriptive table above shows the findings of the descriptive or summary statistics for a number of variables (CEXP, REXP and RGDP). It is important to remember that the raw data used in the regression analysis were used for the summary statistics in their original, undisturbed state in order to evaluate their structure. The summary statistics were used to compare the data set's metrics of central tendency, dispersion, and normalcy.

The metrics of dispersion considered in this study were the minimum value, the highest value, and the standard deviation. The dataset's minimum values for CEXP, REXP, and RGDP were 0.612784, 0.676694, and 2.139659 respectively. The maximum values are 3.401831, 4.687635, and 4.859701 respectively for CEXP, REXP, and RGDP. The findings revealed that the mean values of CEXP, REXP and RGDP were 1.964957, 2.274998, and 3.681192 respectively. The normality test establishes the normal distribution of the data set. In this study, skewness and kurtosis were looked at as markers of normalcy. The degree of asymmetry in the series was measured using skewness. The show may be generally biased, slanted to one side or the other, or neither.

If a distribution's skewness value is higher than the sample mean, it is referred to as positively skewed and has a lengthy right tail. If there is no skewness and the distribution is symmetrical around the mean, it is said to be normal. A distribution with a long left tail and negative skewness has a lower mean. The skewness values for CEXP, REXP and RGDP, were, according to the E-view result, -0.178665, 0.052904, and -0.289825 respectively. REXP appeared to exhibit positive skewness, as shown by their long right tails and skewness values greater than the sample mean. However, skewness values for CEXP and RGDP show longer leftward skewness than the sample mean.

Kurtosis is a statistic used to assess how well data fits into a normal distribution or how flat or peaks are. There are three types of kurtosis: platykurtic, leptokurtic, and mesokurtic. The kurtosis of a normal distribution, also known as a mesokurtic distribution, is 3. A kurtosis bigger than three is referred recognized as positive or leptokurtic. When the kurtosis is less than three, a flat curve with values below the sample mean is created; this condition is referred to as platykurtic or negative kurtosis.

The dataset findings from Table 4.1 show that the kurtosis values for CEXP, REXP, and RGDP are 1.409665, 1.634418, and 1.234673 respectively.

It is evident all the variables CEXP, REXP, and RGDP are platykurtic, meaning that their findings are lower than the sample mean. The skewness and kurtosis of the series are compared to those of the normal distribution using the Jarque-Bera (JB) test. For JB statistics, the null hypothesis is the series' normal distribution.

Based on the data shown in Table 4.1 above, the JB values for CEXP, REXP and RGDP are 5.645804, 3.986518 and 7.336293 respectively. The corresponding p-values are 0.059433, 0.136251, and 0.025524. The null hypothesis, which states that there is no autocorrelation, was accepted for CEXP and REXP which means that CEXP and REXP meet the normality assumption while RGDP has probability values less than 0.05 which means that RGDP did not meet normality assumption.

4.2.2 Unit root Test

To avoid running a spurious regression, a unit root test was carried out to ensure that the variables employed in this study are mean reverting i.e stationary. For this purpose the Augmented Dickey Fuller (ADF) test was utilized and the result of the test is presented in the table below.

Table 4.2. Augmented Dickey Fuller (ADF) Test

Variable	ADF	Critical value	P-value	Level	Decision
CEXP	7.356169	2.922449	0.0000	1(0)	Stationary
REXP	6.553154	2.923780	0.0000	1(1)	Stationary
RGDP	6.432466	2.922449	0.0000	1(1)	Stationary

The individual stationarity of the variables was displayed in table 4.2. The p-value can be used to evaluate the results of the Augmented Dickey-Fuller (ADF) unit root test. If an analysis is conducted using 5%, a variable is considered stationary if the ADF p-value is less than or equal to 0.05 level of significance. The outcome reveals that CEXPis stationary at 1(0) whereas REXP and RGDP are stationary at 1(1). A non-stationary time series can be rendered stationary by integrated series by differencing, according to Gujarati and Porter (2007).

According to Pesaran et al., (2001) ARDL is used when the stationary order level of variables is between 1(1) and 1(0). When there is a mixture of "at level" 1(0) and first difference 1(1), ARDL is indicated. Therefore, ARDL was employed in this research.

This study used the autoregressive distributive lag model (ARDL) limits testing method developed by Pesaran et al. (2001) to determine whether or not a long-run relationship between the variables exists. The ARDL method, for instance, may be applied when it is uncertain how the pertinent variables should be integrated.

4.3 Data Analysis

4.3.1 Long Run Cointegration (Bound Test)

Table 4.3: Bound test result

T-statistics	Value	K
F-statistics	5.563834	2
Critical bounds test Significance	Lower bounds 1(0)	Upper bonds 1(1)
10%	3.17	4.14
5%	3.79	4.85
2.5%	4.41	5.52
1%	5.15	6.36

Source: Extracted from Appendix 4Aiii

The ARDL Bound test was used to determine whether the study variables had long run cointegration. (Table 4.3). The F-statistic value of 5.563834 indicated that the variables had long-term cointegration because it was higher in value than the upper bound value of 4.85 at the 5% level.

4.3.2 Short Run Relationship between government budget and RGDP
Table 4.4: Short Run Model Result
Dependent Variable: RGDP
Method: ARDL

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
RGDP(-1)	0.860284	0.151328	5.684882	0.0000
RGDP(-2)	-0.109974	0.186845	-0.588581	0.5595
RGDP(-3)	-0.196297	0.135861	-1.444841	0.1565
CEXP	-0.053095	0.160472	-0.330869	0.7425
CEXP(-1)	0.491483	0.168914	2.909656	0.0059
REXP	0.159063	0.100962	1.575478	0.1232
REXP(-1)	0.228967	0.110022	2.081098	0.0440
REXP(-2)	-0.329535	0.116720	-2.823290	0.0074
C	0.652283	0.175186	3.723374	0.0006

R-squared	0.980679	Mean dependent var	3.775745
Adjusted R-squared	0.976716	S.D. dependent var	1.084404
S.E. of regression	0.165471	Akaike info criterion	-0.592680
Sum squared resid	1.067846	Schwarz criterion	-0.241830
Log likelihood	23.22432	Hannan-Quinn criter.	-0.460093
F-statistic	247.4418	Durbin-Watson stat	2.204637
Prob(F-statistic)	0.000000		

Source: Extracted from Appendix 4Ai

Table 4.4 above showed the results of the estimated short run model of the federal government budget on economic growth in Nigeria. In other words, the study analyzed how government capita and recurrent budget implementation affects the real gross domestic product in Nigeria. It is important to know the short run effect of the explanatory variables on the dependent variable.

The R^2 which measure the level of variation of the dependent variable caused by the independent variables stood at 0.980679. The R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (RGDP) that can be explained by the independent or explanatory variables (CEXP and REXP). Thus the R^2 value of approximately 0.981 indicates that 98.1% of the variation in the RGDP of Nigeria can be explained by a variation in the federal government budgeting (CEXP and REXP) while the remaining 1.9% (i.e. $100-R^2$) could be accounted by other factors not included in this model. The adjusted R^2 of approximately 0.976716 indicates that if other factors are considered in the model, this result will deviate from it by only 0.004 (i.e. 0.981 – 0.977). This result shows that there will be a further deviation of the variation caused by the independent factors to be included by 0.004%.

The results showed that lagged of CEXP and REXP had a significant short-term impact on RGDP in Nigeria.

Lagged of CEXP and REXP had a positive impact on RGDP. Additionally, one percentage increase in the CEXP in the present year resulted in an increase in RGDP of 0.491483 percentage in the following year. This implies that continuous increase in CEXP of Nigeria would have positive impact of the country's RGDP. Also, REXP lag yielded a coefficient value of 0.228967, indicating a positive impact on RGDP. The result showed that a percentage increase in REXP would lead to 0.228967 increases in RGDP.

Based on the result of F-statistics value of 247.4418 with the probability value of 0.0000, it implies that federal government budget implementation (CEXP and REXP) have a significant on RGDP in Nigeria.

4.3.3 Results of the Long Run Model
Table 4.5: Long Run Model Result
ARDL Cointegrating And Long Run Form
Dependent Variable: RGDP

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(RGDP(-1))	0.306271	0.138965	2.203944	0.0335
D(RGDP(-2))	0.196297	0.135861	1.444841	0.1565
D(CEXP)	-0.053095	0.160472	-0.330869	0.7425

D(REXP)	0.159063	0.100962	1.575478	0.1232
D(REXP(-1))	0.329535	0.116720	2.823290	0.0074
CointEq(-1)	-0.445987	0.122294	-3.646843	0.0008

Source: Extracted from Appendix 4Aii

The study carried out a long run relationship between CEXP, REXP and RGDP. In some cases some variables may not have a short run relationship but have a long run relationship and vice versa. In macroeconomic data, long run relationship is important to know how the explanatory variables can affect the dependent variable in a long run. The result of the long run relationship indicated that CEXP has both negative and no long run relationship with RGDP while REXP has both positive and long run relationship with RGDP.

4.4 Discussion of Results

Result in hypothesis one revealed that federal government recurrent and capital budget implementations have a significant effect on gross domestic product of Nigeria. The decision is based on the fact that the P-value is less than 0.05. The finding is consistent to the findings of Sani and Nwite (2018), which revealed that government budget has a significant effect on economic growth in Nigeria. The findings is also contrary to the findings of Olaoye, Olaoye and Afolabi (2017), which revealed that capital budget expenditure implementation is germane in maintaining and sustaining economic growth in Nigeria. Also, the study of Omoniyi (2022) examined the impact of budget implementation on economic performance in Nigeria. This study revealed that recurrent government expenditure has a positive relationship with the economic growth, this implies that an increase in the units of recurrent government expenditure will lead to an increase in the economic growth of Nigeria in the period analysed, whereas capital government expenditure has a negative relationship with the economic growth, this implies that an increase in the units of capital government expenditure will lead to a decrease in economic growth of Nigeria. In contrary, the findings of Adenuga (2013), revealed that budget implementation has not significantly affected the growth of the economy.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study focused the impact of budget implementation on economic growth of Nigeria.

Budget implementation refers to the allocation of tax powers and the revenue sharing arrangements not only among the three levels of government but among the federal government sectors such as Agriculture, manufacturing, Education and the health sector as well. In Nigeria budget implementation is taken as the distribution of national revenue among the difference sectors of the economy in the federation in such a way as to reflect the structure of fiscal federalism. Federal government recurrent budget implementation and federal government capital budget implementation were used as proxies for budget implementation while real gross domestic product, money supply and per capita income were used as proxies for economic growth. The data were collected from CBN statistical bulletin and was analyzed using multiple regression analysis. The findings revealed that budget implementation (CEXP and REXP) has a significant impact on economic growth of Nigeria (RGDP).

5.2 Recommendations

(i)   Nigeria's government should try to increase capital and recurrent expenditures in its annual budget, both of which have a significant impact on real gross domestic product of the country.

(ii)   The study recommended that government should pay attention to budgeting more of her resources (revenues), implement and monitor the budgets for desired economic growth especially in the area of per capita income.

(iii)   Nigeria government should promulgate more anti-corruption agencies to speed-up prosecution and execution of judgment on public fund looters that have hinders the effectiveness of budget implementation. If this is done, it would reduce the rate of inflation in the country

(iv)   Government should devise ways of maintaining an effective control to avoid wastage and misappropriation of funds for expenditure purposes.

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