Federal Government Expenditure and Economic Growth in Nigeria

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Abstract
The study examined the impact of federal government expenditure on economic growth of Nigeria using time series data from 1990 to 2021. The specific objectives were to ascertain the impact of federal government expenditure in agriculture on real gross domestic product of Nigeria and to examine the impact of federal government expenditure in education on real gross domestic product of Nigeria. The data set collected from Central Bank of Nigeria Statistical Bulletin were analyzed with descriptive statistic and multiple regression. The findings of the study revealed that federal government expenditure in agriculture has positive and insignificant impact on real gross domestic product of Nigeria while federal government expenditure in education has positive and insignificant impact on real gross domestic product of Nigeria. It was recommended that government should increase their expenditure to agriculture and education sectors of the economy to promote economic growth and also make policies to checkmate the strict implementation of the expenditure to avoid embezzlement.

Keyword: Expenditure, Economic growth, Agriculture, Education and Federal Government.

Introduction
The history of agriculture and education expenditure can be traced to 1960 when the federal government of Nigeria allocated huge amount of money to these sectors (Oluwasanmi, 2016). Government expenditure refers to government spending on investment goods. This means spending on things that last for a period of time. This may include investment in education and agricultural sectors sector of the economy (Njoku, 2017).

The importance of expenditure on agriculture and education on the economic growth of Nigeria cannot be overemphasized. Government expenditure on agriculture and education have remained crucial in economic growth, most especially in the less developed countries like Nigeria where

economic growth is characterized by small industries and small scale farming. According to Okoro (2019), the size of government expenditures on agriculture and education sectors and its effects on economic growth and vice versa, has been an issue of interest for decades now. According to Ozturk (2016), the education sector is one of the fundamental ingredients of growth, and no country will have prosperity unless it focuses on its education portfolio. The author also explained that efficiency of work improves in all segments of the economy, hence leads towards economic prosperity. In addition, it plays a vital role in enhancing economic and social structure and subsequently improves income distribution pattern in the economy. The quest for higher education in many developing countries has undoubtedly been buoyed by public perception of financial reward from pursuing such education. Generally, this goes with the belief that increasing government expenditure on education promotes economic growth. The need for increasing public expenditure could be found in various theories of public expenditure (Oluwasanmi, 2016).

Statement of the Problem

Government expenditure which serves as the bedrock of financing for the agricultural and educational sectors has consistently fallen short of the public expectation over the years in Nigeria. For instance, a collaborative study carried out by the International Food Policy and Research Institute (IFPRI) and the World Bank in 2008 revealed that Nigeria's public expenditure on agriculture sector is less than 2 percent of total federal annual budget expenditure. This is significantly below the expected amount or international standard compared to other developing countries like Kenya (6 percent), Brazil (18 percent) and 10 percent goal set by African Leaders Forum under the Comprehensive Africa Agricultural Development Programme (CAADP) in the current decade and this level of expenditure on the sectors is assume to have an adverse effect on the gross domestic product of the country (Bernard 2019).

In 1970, the agricultural sector was contributing nearly 60 percent of the Gross Domestic Product (GDP) and more than 70 percent of foreign exchange earnings, but today, the sector shows a declining trend in the growth of export and this is a reflection of the weakness on the part of government to diversify the export base of the economy to non-oil exports (NISER, 2000). Also, inadequate funding of the agricultural sector has been fingered by experts as an obstacle to increased agricultural output which adversely affects the gross domestic product of Nigeria (Bernard 2019).

Furthermore, education is concerned with the development of the human resources of any nation, rather than its physical capital and material resources, which ultimately determines the character and pace of its economic and social development. However, in Nigeria, the annual federal government budget to the education sector is nothing to talk about as statistics show that the percentages of allocation over the years, are not in line with the United Nations Educational Scientific and Cultural Organization's (UNESCO) recommendation of 26.0%. It was discovered that from 2005-2007, the percentage was 6.3%, 7.8%, 8.7% respectively and recently in 2019, only 5% was allocated to the sector hence, the federal government's low expenditure in the sector is assumed to have an adverse effect on gross domestic product of the country (Dele, 2016).

This study therefore examined the effect of federal government expenditure on the economic growth of Nigeria.

Objectives of the Study

The broad objective of this study was to examine the impact of federal government expenditure on economic growth of Nigeria. The specific objectives are;
   1. To determine the impact of Federal government expenditure in education on real gross

domestic product of Nigeria.

2. To ascertain the impact of federal government expenditure in agriculture on real gross domestic product of Nigeria
3. To examined the impact of total government expenditure on real gross domestic product of Nigeria.

Research Hypotheses
The following hypotheses were stated in null form;

$H0_1$: Federal government expenditure in education has no significant impact on real gross domestic product of Nigeria

$H0_2$: Federal government expenditure in agriculture has no significant impact on real gross domestic product of Nigeria

$H0_3$: Total government expenditure has no significant impact on real gross domestic product of Nigeria

Conceptual Framework
Concept of Economic Growth
Samuelson and Nordhaus (2012) described economic growth as the expansion of a country's potential gross domestic product (GDP) or national output or the outward shift of a country's production possibility curve. According to Haller (2012), economic growth, in a wider sense involves the increase of the gross domestic product expressed in both absolute and relative size, encompassing also the structural modifications of the economy. Jhingan (2013) defined growth as a quantitative sustained increase in a country's per capita output or income accompanied by expansion in its labor force, consumption, capital and volume of trade.

According to Todaro and Smith (2011), the sources of economic progress can be traced to a variety of factors. By and large, investment that improves the quality of existing physical and human resources, increases the quality of these same productive resources through invention, innovation and technological progress have been and will continue to be the primary factor in stimulating economic growth in any society.

Overview of Agriculture Sector
Agriculture is the largest economic activity in the rural area in Nigeria where almost 50% of the population live. Agriculture is the art and science of crop and livestock production. In its broadest sense, agriculture comprises the entire range of technologies associated with the production of useful products from plants and animals, including soil cultivation, crop and livestock management and the activities of processing and marketing. Originally an agriculture dependent country, Nigeria shifted focus to oil exports in the 1970s which for long has resulted to slow boost in agricultural production (Sekunmade, 2019).

However, the agricultural sector has been the mainstay of the economy since independence and despite its several bottlenecks, it remains a resilient sustainer of the populace. In the 1960s, Nigeria was the world's largest exporter of groundnut, the second largest exporter of cocoa, palm produces, cotton and rubber (Sekunmade, 2019). More recently, agriculture employs about two-thirds of Nigeria's labour force, contributing significantly to the GDP and providing a large proportion of non-oil earnings (Sekunmade, 2019).

Education Expenditure on Economic growth of Nigeria
The importance of education expenditure in any country cannot be over emphasized. Expenditure in education sector is imperative to propel any country to higher level of productivity and accelerate the rate of economic growth. Proper funding of education sector will also help the education sector in increasing the number of training of knowledgeable workers by improving

their skills and preparing them adequately for new challenges ahead of them (Abayomi, 2019).

Following the enhanced contribution of revenue from petroleum sector to total federally collected revenue in the early 1970s, budgetary allocation to education sector kept rising. Education sector allocation as a proportion of total budgetary allocation rose from 0.69% in 1970 to 10.83% in 1976; dropped temporarily to 5.6% the following year as a result of some vagaries in the international price of crude oil. Since then, it has been fluctuating between 1.9% and 9% of total federal government expenditure which is far below the United Nations recommended minimum standard of 26% (UNESCO, 1998).

In addition, the insignificant proportion of Nigeria's financial resources is spent on the education sector. Education budget as percentage of total national budgets were 8.43% in 2012 and 8.67% in 2021. These fell below those of other developing countries. Ghana, South Africa, Cote d'Ivoire, Kenya and Morocco had 31%, 25.8%, 30%, 23% and 17.7% respectively for their annual budget for education (Abayomi, 2019). The United Nations recommended that 26% of the total expenditure of a country's budget should be devoted to education sector. Due to poor funding of education sector which reflects in poor salaries to staff, poor state of the infrastructural facilities, irregularities of teachers' remuneration, inadequate staffing, etc. the negative impacts are enormous. This has resulted to incessant strikes embarked upon by the Academic Staff Union of Universities (ASUU), Colleges of Education Academic Staff Union (COEASU), Academic Staff Union of Polytechnics (ASUP), National Union of Teachers (NUT), Academic Staff Union of Secondary Schools (ASUSS), Non-Academic Staff Union, etc. (Kunle, 2022).

Owing to this, schools' academic calendars have been disrupted; pupils and students have stayed more than required on their studies. There exists no strong evidence of growth-promoting externalities of education in Nigeria, rather education expansion further deepens social inequality and inculcate negative social changes such as cultism, sexual harassment, result racketeering, brain drain, among other social vices in the Nigerian school system (Adekunle, 2017).

Agricultural sector on the Economic growth of Nigeria
In spite of Nigeria's rich agricultural resource endowment, there has been a gradual decline in agriculture's contributions to the Nigeria economy. The agricultural sector during the 1960s, accounted for over 70% of the total exports in Nigeria and constituted Nigeria's major source of revenue. According to Olajide, *et al* (2019), the agriculture sector fell to 40% in the 1970s, and got worse in the late 1990s by less than 2%. The sudden decline in the agricultural sector was largely due to the rise in crude oil revenue in the early 1970s. As a result of this, today, small scale farmers are constrained by lots of problem including poor infrastructure, poor access to modern inputs and credit, land and environmental degradation, inability to capture the financial service requirements of farmers and agric-business owners.

Categorically, the state of agriculture in Nigeria remains poor and largely underdeveloped which is constrained by the lack of synergy between public and private expenditure in boosting agricultural production. The sector relies on primitive methods to sustain a growing population without efforts to add value. This has reflected negatively on the productivity of the sector, its contributions to economic growth as well as its ability to perform its traditional role of food production among others. According to Falola and Haton (2018), the state of this sector has been blamed on oil glut and its consequences on several occasions, hence, the pattern was not an

outcome of increased productivity in the non-agricultural sectors as expected in the industrialization process, rather, it was the result of low productivity due to negligence of the agriculture sector (Christiansen and Demery, 2017).

It is evident that the agricultural sector, especially small scale farming constitutes about 70% of the population in Nigeria. Government intervention in the agricultural sector was primarily informed by the need for national food security, to ensure sustainable access to, availability and affordability of good quality food for all Nigerians. The agricultural sector in Nigeria, before now contributed nearly 40 percent of the Gross Domestic Product (GDP) and more than 70 percent of foreign exchange earnings, but today agricultural production shows a declining trend in the growth of export crops production and this is a reflection of the weakness in the efforts of government to diversify the export base of the economy to non-oil exports (Adekunle, 2020).
This may have formed the bases of pass researches done by other scholars, for instance, Adekunle (2020) carried out a study on the impact of agriculture on economic growth of Nigeria, and the finding of the study revealed that agriculture has positive and insignificant effect on the economic growth of the county. In addition, Dele (2016) also revealed that agriculture sector has positive and insignificant effect on the economic growth of the country.

Theoretical Framework
The Keynesian Theory
Keynesian theory was propounded by Keynes in 1936. *Keynesian theory stated that* increase in government expenditure has an expansionary effect on income and employment through multiplier effects on aggregate demand and other sectors of the economy like education and agriculture. On the other side, government expenditure crowds out private investment as a result of increase in the rate of interest and this slows down economic growth and reduces the rate of capital accumulation in the long run. Keynes (1936) regarded government expenditure as an exogenous variable that contributes positively to economic growth. Hence, an increase in government expenditure would likely lead to increase in employment, profitability and output through the multiplier effects on aggregate demand. With the introduction of government expenditure (G) by Keynes, the national income determination model is expanded which becomes; AD=C+I+G. Where, AD represents aggregate demand which equals the sum of consumption (C), Investment (I), and government expenditure. The government expenditure has direct and positive impact on the GDP. An increase in government expenditure will boost aggregate demand, resulting in higher level of national income. All things being equal, an increase in government spending has an expansionary effect on output and income while a decrease has contractionary effect on output and income (Okpanachi, 2014).

Musgrave's Theory of Public Expenditure Growth
Musgrave's theory of public expenditure growth was propounded by Musgrave in 1988. *Musgrave's theory of public expenditure growth stated that* the demand for public services tend to be very low, arguing that such income is devoted to satisfying primary needs and it is only when the per capita income starts to rise above these level of low income that the demand for services provided by the public sector such as education, health, and transports starts to rise, thereby forcing government to increase expenditure on them. The theory observed that with high per capita income typical in the developed nations, the rate of public spending falls as most basic wants are being satisfied.

Therefore, the theory suggested in connection to Wagner that as progressive nations become more industrialized, the share of public sector in the national economy grows continually (Musgrave, 1988).

Empirical Review

Hycenth, Asukwo, Olugbemi, Nkamare & Emefiele *(2020) examined government capital expenditure and economic growth, using annual time series data for the period from 1972-2018. The study employed the error correction mechanism (ECM) methodology in estimating the relevant equation. However, before the final result was estimated, the study tested for unit root using the augmented Dickey-Fuller (ADF) test and Philips-Perron (PP) test. The study also tested for the long run equilibrium relationship among the variables using Johansen-Jesulius multivariate co-integration approach.*

The Granger causality test was also carried out to investigate the direction of causality between gross domestic product and the various components of government capital expenditure in Nigeria. The result of the co-integration test showed that the variables are co-integrated, hence there is a long run relationship among them. The granger causality test revealed that there were bi-directional relationship between gross domestic product and capital expenditure on social and community services, expenditure on administration, expenditure on economic services and expenditure on transfers. The empirical results showed that previous one and two period values of gross domestic product have positive and significant impact on the current value of gross domestic product in Nigeria. The results also showed that public capital expenditures on administration have positive and significant impact on economic growth.

Nnachi and Gregory (2020) conducted a study on government spending-economic growth nexus. This study explored the effects of aggregate public expenditure, recurrent government expenditure and capital government expenditure on economic growth, and the effect of economic growth on aggregate public expenditure. Using a time series data set from Nigerian context for the period between 1981 and 2018 and analyzing same with OLS regression model, after a pre-estimation unit root test, impressive results emerged. First, the study found that whereas aggregate public expenditure positively affects economic growth, recurrent government expenditure and capital government expenditure have insignificant effects on economic growth. Second, the study found that economic growth positively affects government spending. These results offer an insight that would enable fiscal policy makers to insist on improved government spending.

Stephen, Savaş Savaş, Simplice and Festus' (2020) examination of the impacts of public expenditures on economic growth have been revisited in this paper with respect to capital expenditure, recurrent expenditure and the government fiscal expansion in line with support for the budgetary allocations to various sectors in the context of the Nigerian economy. Pesaran's ARD approach was applied to carry out the impact analysis using annual time-series data from 1981 to 2017. Further results from the Granger Causality Test revealed that fiscal expansion of government that is hinged on debt financing is strongly granger causing public expenditures and domestic investment with the latter also Granger causing real growth in the economy.

Methodology
Research Design
The research design for the study was ex-*post facto research. Ex-post facto* design is used when a researcher attempts to identify the cause and effect of the relationship that exit between two or more variables. The population of the study covered agriculture and education sectors of the Nigerian economy.

Source of Data Collection
The data was sourced from Central Bank of Nigeria (CBN) statistical bulletin, annual CBN reports between 1990 to 2021, and the National Bureau of Statistics.

Data Analysis Techniques
The stated hypothesis 1,2 and 3 were combined to form one multiple regression.

Model Specification
This study adopted the model of Idaho and Sunday (2018) stated below:

RGDP = F (GEXA)……………………….………......................….(1)
RGDP = β_0 + β_1GEXA +U_t ………..(2)
Where;
      RGDP = Real gross domestic product
      GEXA = Government expenditure in Agriculture
      β_0 = intercept
      β_1 = parameter estimate
      Ut = stochastic variables

Then, the model is now modified by the researcher to capture stated hypothesis one, two and three specified below:

RGDP = F (GEXA ,GEXE, TEXP)……………………….………….............(3)
RGDP = β_0 + β_1GEXA + β_2GEXE + β_3TEXP +U_t ………...............................(4)
Where;
      RGDP = Real gross domestic product. GEXA = Federal government expenditure in agriculture, GEXE = Federal government expenditure in education, TEXP = Total government expenditure, β_0 = intercept, β_1. β_3 = parameter estimate, Ut = stochastic variable

Data Presentation and Analysis
This study examined **the impact of federal government expenditure on economic growth** of Nigeria from 1990 – 2021.

Descriptive Statistic
Descriptive analysis was conducted to have a first insight into the nature of the individual variables used for this study. The Table 1 below presents the result of the descriptive analysis.

Table 1: Summary of Descriptive Statistic

	RGDP	GEXA	GEXE	TEXP
Mean	40845.84	22.98333	157.574	2643.857
Maximum	80654.9	65.4	587.9	9598.09
Minimum	19199.06	0.21	0.29	60.27
Std. Dev.	20143.32	21.2336	164.7298	2603.063

Source: EVIEWS Output (2021)

From table 1, the mean value of the Real Gross Domestic Product (RGDP) is ₦40,845.84 which represents the average of RGDP over the period of study. With regard to Federal Government Expenditure in Agriculture (GEXA), the mean value is ₦22.98 billion. It was also found that on the average, Federal Government Expenditure in Education (GEXE) recorded an average rate of ₦157.574 billion as shown by the mean value and the mean value of government Expenditure

was ₦2643.857 billion. The maximum and minimum values show that the highest and lowest values of RGDP over the period are ₦80,654.9 and ₦19, 199.06 respectively. Also, it was found that Federal Government Expenditure in Agriculture (GEXA) was ₦65.4 billion and the lowest of ₦0.21 between 1990 and 2019. It was also observed that the maximum and minimum values of Federal Government Expenditure in Education (GEXE) were ₦587.9 and 0.29 and maximum and minimum values of total Government Expenditure were ₦9598.09 billion and ₦0.29 billion. Finally, with standard deviation of 20143.32, 21.2336, 164.7298 and 2603.063, a high value of standard deviation implies that the data are widely spread (less reliable) and a low value of standard deviation shows that the data was clustered around the mean.

Regression Analysis
The analysis was carried out with multiple regression using the selected variables. The result of the multiple regression is presented in table 2

Table 2. Regression Analysis

Dependent Variable: LOG RGDP
Method: Least Squares
Date: 05/20/21 Time: 17:41
Sample (adjusted): 1 31
Included observations: 31 after adjustments

Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG GEXA	1.294883	1.384802	0.93506	0.3536
LOG GEXE	1.207674	1.905721	0.63370	0.5732
LOG TEXP	1.103666	1.195835	0.92292	0.3810
C	2.239882	1.100809	10.66200	0.0000
R-squared	0.740116	Mean dependent var		39473.12
Adjusted R-squared	0.632930	S.D. dependent var		19018.26
S.E. of regression	4925.334	Akaike info criterion		19.96961
Sum squared resid	6.06E+08	Schwarz criterion		20.15821
Log likelihood	-285.5594	Hannan-Quinn criter.		20.02868
F-statistic	0.608243	Durbin-Watson stat		1.061575
Prob(F-statistic)	0.523240			

Source: Researcher Computation from E-View 10

From the result, the adjusted R^2 of 0.632930 suggests that about 63% of the total variation in the real gross domestic product (RGDP) in Nigeria is explained by the independent variables (federal government expenditure in agriculture, federal government expenditure in education and total government expenditure) included in the model. In order words, 63% of the total variation in the real gross domestic product (RGDP) is as a result of variation in amount of federal government expenditure in agriculture, federal government expenditure in education and total government

expenditure) during the period carried. The calculated F-statistics value of 0.608243 with p-proba of 0.523240 is statistically insignificant at 5% level, suggesting that the entire result is insignificant.

Test of Hypotheses
Table: 3: Test of Hypothesis One

$H0_1$: Federal government expenditure in agriculture has no significant impact on real gross domestic product of Nigeria

Variable	Coefficient	t-statistic	Prob.
LOG GEXA	1.294883	0.93506	0.3536

T-tabulated = 1.76

Source: Extracted from regression result table

Table 3 indicates that the coefficient value of federal government expenditure in agriculture is 1.294883 while the probability value (p-value) is 0.3536 and the t-statistic value is 0.93506, all at 5% level of significance. Since the coefficient value is positive while the p-value is greater than 0.05 at 5% level of significance and the t-statistic value is less than the T-tabulated value of 1.76, the null hypothesis is accepted. This implies that federal government expenditure in agriculture has positive and insignificant impact on real gross domestic product of Nigeria

Table 4: Test of Hypothesis 2
$H0_2$: Federal government expenditure in education has no significant impact on real gross domestic product of Nigeria

Variable	Coefficient	t-statistic	Prob.
LOG GEXE	1.207674	0.63370	0.5732
T-tabulated = 1.76			

Source: Extracted from regression result table

Table 4 indicates that the coefficient value of federal government expenditure in education is 1.207674 while the probability value (p-value) is 0.63370 and the t-statistic value is 0.5732, all at 5% level of significance. Since the coefficient value is positive while the p-value is greater than 0.05 at 5% level of significance and the t-statistic value is less than the T-tabulated value of 1.76, the null hypothesis is accepted. This implies that federal government expenditure in education has positive and insignificant impact on real gross domestic product of Nigeria.

Table 5: Test of Hypothesis 3
$H0_3$: Total government expenditure (TEXP) has no significant impact on real gross domestic product of Nigeria.

Variable	Coefficient	t-statistic	Prob.
LOG TEXP	1.103666	0.92292	0.3810
T-tabulated = 1.76			

Source: Extracted from regression result table

According to table 5, the coefficient value of total government expenditure (TEXP) is 1.103666 while the probability value (p-value) is 0.3810 and the t-statistic value is 0.92292, all at 5% level of significance. Since the coefficient value is positive while the p-value is greater than 0.05 at 5% level of significance and the t-statistic value is greater than the T-tabulated value of 1.76, the null hypothesis is accepted. This implies that total government expenditure (TEXP) has positive and insignificant impact on real gross domestic product of Nigeria

Discussion of Results
The study examined the impact of federal government expenditure on economic the growth of Nigeria from 1990 – 2021. The stated hypotheses were analyzed with multiple regression. The result of first hypothesis revealed that federal government expenditure in agriculture has positive and insignificant impact on real gross domestic product of Nigeria. This implies that in spite of government allocation to the sector, these funds are not enough to bring about the necessary growth in the sector. The result is in line with that of Bernard (2015) who stated that inadequate funding of the agricultural sector has been raised by experts as an obstacle to increased agricultural output which adversely effects gross domestic product of Nigeria. Also, the result may be attributed to the issue corruption ravaging all sectors of the economy, a situation in which funds allocated to a particular sector and are misappropriated by the leaders in the country.

The second result revealed that federal government expenditure in education and agriculture have positive and significant impact on real gross domestic product of Nigeria. This result may be attributed to the poor funding of the education sector that has resulted to Nigerian education system being plagued by frequent problems and recently made worse by frequent strikes by teachers in the primary, secondary schools and lecturers in the tertiary institutions. Most of the stakeholders in the education sector attribute these to poor funding of the education sector by both past and present administration in the country. This has led to teachers and lecturers not giving their best to the students and has resulted in the institutions producing half braked graduates.

This finding is in line with the study by Eweniyi (2018) who stated the incessant strikes experienced in the hands of the Academic Staff and Non Academic Staff of primary/secondary schools and tertiary institutions in the country have really affected the contribution of the education sector to the gross domestic product of the country. This has also affected students' enrolment in schools. Most scholars attribute the causes of incessant strike to poor allocation of recurrent and capital expenditure to the education sector, non-payment of staff salaries when due and government's undue intervention in the management of these institutions, like the issue of Integrated Personnel and Payroll Information System (IPPIS), higher enrolment of pupils and students in overcrowded classrooms, poor staff management of institutions by some Vice Chancellors. It is assumed that these issues have led to brain drain among the staff as well as falling standards in the primary, secondary and tertiary institutions in the country.

The last result reveals that total government expenditure (TEXP) has positive and insignificant impact on real gross domestic product of Nigeria. This can also be attributed to mismanagement of funds by the past and present leaders in the country.

Summary of Findings
The study examined federal government expenditure and economic growth on Nigeria from 1990 – 2021. The findings revealed that:
i. Federal government expenditure in agriculture has positive and insignificant impact on real gross domestic product of Nigeria;
ii. Federal government expenditure in education has positive and insignificant impact on real gross domestic product of Nigeria;
iii. Total government expenditure (TEXP) has positive and insignificant effect on real gross domestic product of Nigeria.

Conclusion
Government expenditure which serves as the bed rock of financing for the agricultural and education sectors have consistently fallen short of the public expectation over the years in Nigeria, for instance, a collaborative study carried out by the International Food Policy and Research Institute (IFPRI) and the World Bank in 2008 revealed that Nigeria's public expenditure on agriculture sector is less than 2 percent of total federal annual budget expenditure. This is significantly below the expected amount or international standard compared to other developing countries like Kenya (6 percent), Brazil (18 percent) and 10 percent goal set by African Leaders Forum, under the Comprehensive Africa Agricultural Development Programme (CAADP) in the current decade and this level of expenditure on these sectors is assumed to have adverse effects on the gross domestic product of the country. The findings of this study revealed that federal government expenditure in agriculture has positive and insignificant effect on real gross domestic product of Nigeria; that federal government expenditure in education has positive and insignificant effect on real gross domestic product of Nigeria; and that total government expenditure (TEXP) has positive and insignificant effect on real gross domestic product of Nigeria.

Recommendations
i. Government should increase expenditure to the agriculture sector of the economy to promote economic growth and also make policies to checkmate the strict implementation of the expenditure to avoid embezzlement.
ii. Government should increase expenditure to the education sector of the economy to enhance the needed growth in the sector. This may also help to improve structures in the primary, secondary and university school systems in the country.
iii. The Apex bank (Central Bank of Nigeria) should, as a matter of fact formulate policies that will checkmate the misappropriation of allocated funds in the country.

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APPENDIX

Years	Real Gross Domestic product (RGDP) (? 'Billion)	Federal Government Expenditure in Agriculture (GEXA) (? 'Billion)	Federal Government Expenditure in Education (GEXE) (? 'Billion)	Total Government expenditure (TEXP) (? 'Billion)
1990	19,305.63	0.26	2.40	60.27
1991	19,199.06	0.21	1.26	66.58
1992	19,620.19	0.46	0.29	92.7974
1993	19,927.99	1.80	8.88	191.2289
1994	19,979.12	1.81	7.38	160.89
1995	20,353.20	1.51	9.75	248.77
1996	21,177.92	1.59	11.5	337.22
1997	21,789.10	2.06	14.85	428.22
1998	22,332.87	2.83	13.59	487.11
1999	22,449.41	59.32	43.61	947.69
2000	23,688.28	6.34	57.96	701.05
2001	25,267.54	7.06	39.88	1,018.00
2002	28,957.71	9.99	80.53	1,018.18
2003	31,709.45	7.54	64.78	1,225.99
2004	35,020.55	11.26	76.53	1,426.20
2005	37,474.95	16.33	82.8	1,822.10
2006	39,995.50	17.92	119.02	1,938.00
2007	42,922.41	32.48	150.76	2,450.90
2008	46,012.52	65.4	165.98	3,240.82
2009	49,856.10	22.4	137.12	3,452.99
2010	54,612.26	28.22	170.8	4,194.58
2011	57,511.04	41.2	335.8	4,712.06
2012	59,929.89	33.3	348.4	4,605.39
2013	63,218.72	39.43	390.42	5,185.32
2014	67,152.79	36.7	343.75	4,587.39
2015	69,023.93	41.27	325.19	4,988.86
2016	67,931.24	36.58	341.85	5,858.56
2017	68,490.98	50.26	394.9	6,456.70
2018	69,810.02	53.99	399.34	7,813.74
2019	70,123.50	56.87	412,45	8,987.67
2020	80,654.90	59.98	587.9	9,598.09
2021	81,289.23	61.28	652.8	9,728.65

SOURCE: Central bank of Nigeria Statistical Bulletin, 2021

DESCRIPTIVE RESULT

	RGDP	GEXA	GEXE	TEXP
Mean	40845.84	22.98333	157.574	2643.857
Median	36247.75	17.125	81.665	1624.15
Maximum	80654.9	65.4	587.9	9598.09
Minimum	19199.06	0.21	0.29	60.27
Std. Dev.	20143.32	21.2336	164.7298	2603.063
Skewness	0.429429	0.517543	0.887459	0.927282
Kurtosis	1.697186	1.919505	2.640581	2.993244
Jarque-Bera	3.0437	2.798592	4.099391	4.299313
Probability	0.218308	0.246771	0.128774	0.116524
Sum	1225375	689.5	4727.22	79315.7
Sum Sq. Dev.	1.18E+10	13075.11	786941.2	1.97E+08
Observations	31	31	31	31

Regression Analysis

Dependent Variable: LOG RGDP
Method: Least Squares
Date: 05/20/21   Time: 17:41
Sample (adjusted): 1 31
Included observations: 30 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG GEXA	1.294883	1.384802	0.93506	0.3536
LOG GEXE	1.207674	1.905721	0.63370	0.5732
LOG TEXP	1.103666	1.195835	0.92292	0.3810
C	2.239882	1.100809	10.66200	0.0000

R-squared	0.740116	Mean dependent var	39473.12
Adjusted R-squared	0.632930	S.D. dependent var	19018.26
S.E. of regression	4925.334	Akaike info criterion	19.96961
Sum squared resid	6.06E+08	Schwarz criterion	20.15821
Log likelihood	-285.5594	Hannan-Quinn criter.	20.02868
F-statistic	0.608243	Durbin-Watson stat	1.061575
Prob(F-statistic)	0.523240		

Source: Researcher Computation from E-View 10