Impact of Public Capital Expenditure on Poverty Rate in Nigeria

Jideofor Nnennaya Joy[1], Michah Chukwuemeka Okafor[1], Ikhite Hope Ohiorenuan[2]

[1]Department of Accounting, Michael Okpara University of Agriculture, Umudike, Nigeria

[2]Department of Banking and Finance, Michael Okpara University of Agriculture, Umudike, Nigeria

Abstract

According to the researchers, the aim of this study is to evaluate the impact of government spending on poverty rates in Nigeria. Several issues of the Central Bank of Nigeria's statistics bulletin were used in the research, which yielded a large amount of data. The data was submitted to a unit root test, which was performed using the Augmented Dickey fuller (ADF) method, in order to determine its time series characteristics. The variables' socioeconomic characteristics were obtained via the use of descriptive statistics. Because of the varying order of integration seen in the unit root, cointegration and regression analysis were carried out utilizing the ARDL- Autoregressive Distributed Lag method, which is an acronym for Autoregressive Distributed Lag. The results of the study revealed that the crucial t-value of 2.185498 is more than the t-statistic value of 2.185498 by a factor of two (2.0). Additionally, the result of 0.0377 is less than the cutoff value of 0.05. According to the findings of the research, capital expenditure has a significant impact on the poverty rate. According to the study, more capital investment in the following areas is recommended: education, electricity generation, economic services, and health. It also recommends that resources be effectively managed.

Keywords: Government Expenditure, Poverty Rate, Economy Growth, Central Bank of Nigeria, Capital Expenditure

Received: September 5, 2021
Revised: September 28, 2021
Accepted: October 29, 2021

Introduction

Following the collapse of the worldwide oil boomprice, poverty in Nigeria has become a significant source of concern. Nigeria's poverty level has been substantially worsened as a result of the continuing fall in oil prices on the international market. The over-reliance on oil money, along with inadequate attempts to generate cash from non-oil sources, led in a substantial decline in government income, which in turn resulted in a reduction in government public expenditure. Several researchers, including Sahn & Younger (2000), have shown that the two tasks that people most often want their government to do are the decrease of inequality and the elimination of poverty. The conclusion is that poverty reduction alone may not be adequate unless it is followed by a decrease in inequality on an equivalent scale. Investment in the form of public spending that increases access to basic social services such as education and healthcare, in addition to targeted food and housing aid, is important to increasing the wellbeing of those who are less fortunate than themselves.

Since most governments are under pressure to cut their total spending in response to growing deficits, the incidence of public capital expenditure is critical for efficient targeting. This has become even more critical in the current period of macroeconomic reforms, as most governments are under pressure to cut their total spending in response to growing deficits (Heltberg & colleagues) (2003). A second reason for this is that if spending is not properly

DOI: https://doi.org/10.47667/ijppr.v2i4.115

targeted, it may fail to accomplish its goals; as a result, policymakers must have knowledge on the sector's structure and financing in order to address this problem. This information provides a foundation for understanding the government's financial operations, and it contributes to the goals of resource efficiency and a fairly balanced distribution of budget allocation across sectors, locations, states, regions, and gender, as well as the goal of resource efficiency.

Shenggen & colleagues (1999) proposed that government spending can have an impact on poverty and people's well-being in three ways: through macroeconomic effects (such as inflation and unemployment), primary income effects (such as the incidence of expenditure), and transfer effects (such as transfers to the poor) (the benefit incidence). Also taken into consideration is the possibility that government expenditure has a direct impact on the outcomes of human development. The immediate consequences show themselves in the form of benefits obtained by the poor as a result of government expenditure on job and welfare programs, as well as increased inequality. Government spending on rural infrastructure, agricultural research, and rural people's health and education have indirect effects when agricultural and non-agricultural development is stimulated, resulting in improved job and income possibilities for the poor, as well as reduced food costs. Demery (2000) asserts that increased public spending is expected to generate additional incomes directly, some of which will benefit poor households, and that these additional incomes will generate additional incomes through the income expenditure multiplier process, which is described in more detail below. In cases where spending is progressive, transfers to the population in cash or monetary transfers, as well as social assistance or social insurance payments, or in-kind payments, are made. In cases where the spending is regressive, transfers to the population in cash or monetary transfers, as well as social assistance or social insurance payments, or in-kind payments are made.

When we talk about economic growth, we are referring to a rise in a country's potential gross domestic product (GDP), which differs depending on how national product is measured. In order for a developing country to break free from the cycle of poverty, it must be able to sustain economic development. The eradication or substantial reduction of poverty was one of Nigeria's Millennium Development Goals (MDG) by 2015. However, the alarming pace at which poverty is increasing in the nation suggests that even reaching this goal in the near future is a long shot. According to the United Nations Department of Economic and Social Affairs (Undesa, 2015), the fulfillment of the Millennium Development Goals has resulted in about 1 billion people globally being lifted out of poverty. Despite the fact that Nigeria takes efforts to reduce poverty in line with the Millennium Development Goals (MDGs), the nation was designated the world's center of severe poverty in 2018. (2018); (Atiku, 2018). Nigerian billionaire Sanusi (2018) claims that he is the wealthiest man in Africa, despite the fact that Nigeria is known as the "World's Poverty Capital." The disparity between the wealthy and the poor in Nigeria is significant, and it is exacerbated by a lack of infrastructure in rural areas and migration problems created by Nigerians seeking greener pastures on other continents, among other factors. According to Sanusi (2018), the problem has always been one of misuse of resources and misalignment of priority allocations. It is irresponsible to spend funds that should be used for educational purposes, energy conservation, and the establishment of businesses to generate employment. Accordingly, the goal of this research is to investigate the relationship between public capital spending and the poverty rate in Nigeria. The main goal of the research is to achieve this.

DOI: https://doi.org/10.47667/ijppr.v2i4.115

Literature Review

Poverty, according to Abudullahi (1993), may be produced by two different factors. A more permanent problem than cyclical poverty, structural poverty is characterized by a number of reasons such as a shortage of productive resources, a lack of skills required for successful work, geographic disadvantage, and endemic socio-political and cultural elements. The other is a condition of temporary adversity such as homelessness. When compared to structural poverty, which has a lengthy and widespread existence, transitory poverty is more changeable. A number of factors contribute to this, including natural catastrophes such as war and environmental degradation, as well as internal policy shifts that may result in price rises, greater unemployment, and other negative consequences. Increased government expenditure is a medium-term approach for achieving economic growth and poverty alleviation via improved overall economic performance, human capital development, and the reduction of transaction costs, among other things (Wilhelm & Fiestas, 2005). Investment in infrastructure and social services by the government may have a positive impact on economic development and poverty alleviation if done correctly (Asghar et al., 2012).

Several scholars have recently tried to define the nature of government spending. According to Ogboru et al. (2018), government spending is defined as the expenses spent by the government in carrying out its responsibilities, especially in the area of providing public goods and services. For the purposes of this definition, government expenditures refer to the expenses that the government incurs to provide for and sustain its own institutions, economy, and society. Spending by the federal government usually increases over time as the economy becomes bigger and more developed, or as the scope of its operations develops. As stated by Taiwo (2012), government expenditures are a fiscal tool that may be utilized to aid in the management of inflation as well as unemployment, poverty reduction, the stability of the balance of payments, and the stability of foreign currency rates. The increase in government expenditure during times of depression and unemployment leads aggregate demand to rise, while the reduction in production and supply of commodities occurs.

Economic development, according to the basic assumption of government expenditure, should be stimulated by the creation of jobs, the reduction of the rate of unemployment, and the expansion of companies via the provision of infrastructure and the expansion of local markets. Essentially, these are methods for poverty reduction that come within the purview of government expenditure. According to Asghar et al. (2012), increased government investment in areas such as health, education, agriculture, and social amenities may aid in the alleviation of poverty, the reduction of transaction costs, and the development of the country's human capital potential. Dahmardeh & Tabar (2013) examined the direct and indirect effects of government expenditure on poverty reduction. They found that both direct and indirect gains were obtained. When it comes to direct consequences, the poor gain from government investments in job creation and social welfare programs, which are funded by general revenues. Investing in infrastructure, agriculture, health, and education by the government has indirect effects such as greater employment opportunities and more cheap food.

Methods

Research Design

Following the recommendations of Ihemeje, Umeh, and Ogbaje, an ex-post facto design will be used to investigate the impact of public capital expenditure on chosen economic performance indicators (2011) It is preferred when the variable or event being observed has

DOI: https://doi.org/10.47667/ijppr.v2i4.115

already happened; as a result, an ex-post facto research design will be utilized in this study as a kind of descriptive research in order to gather information after the fact.

Sources of Data Collection

In order to gather information for this study, secondary sources such as the Central Bank of Nigeria's (CBN) Statistical Bulletin, the National Bureau of Statistics (NBS) journals, and other pertinent sources will be used to collect data on a variety of variables such as Gross Domestic Product (GDP), Poverty Rates, Inflation Rate, Capital Expenditure, and real exchange rate from 1981 to 2015.

Techniques of Data Analysis

Prior to examining the relationship between public capital expenditure and selected economic performance indices, the Augmented Dickey-Fuller (ADF) approach was used to ensure that the variables' time series properties (stationarity) were in good shape before examining the relationship between capital expenditure and selected economic performance indices. To evaluate the impact of the explanatory factors on the dependent variables, the Autoregressive Distributed Lag model (ARDL) was used in conjunction with multiple regression and integration to find the effect of the dependent variables on the explanatory variables. The use of the Autoregressive Distributed Lag model (ARDL) in this research was prompted by the diverse order of integration seen in the unit root test, which led to the selection of the model. Many academics have shown interest in this method in earlier empirical investigations, such as Onwumere (2009), and it has been used by similar studies in Nigeria, such as Yekini (2001), Ezirim (2006), and Okafor (2009).

Model Specification

$Y=BO+B1+ei$

Where;

Y= Dependent Variables

B0= intercept of Y

Y= Dependent Variable

B1,2,3 are Parameters

ei=Stochastic Variables

In specifying the models to be used in this study, the following abbreviations will be applied;

PVR	Poverty Rate
INF	Inflation Rate
GDP	Gross Domestic Product Growth Rate
CAPEXP	Capital Expenditure
RER	Real Exchange Rate

The above model has been adopted and modified mathematically as follows;

$POVTR=\beta o+\beta 1CAPEXP+\beta 2RER+ei$

$INFR=\beta 0+\beta 1CAPEXP+\beta 2RER+ei$

$GDPGR=\beta 0+\beta 1CAPEXP+\beta 2RER+ei$

DOI: https://doi.org/10.47667/ijppr.v2i4.115

`Results and Discussion

Data Analysis and Interpretation of Results

All of the data in Table 3.1 was supplied by the United States government, including the gross domestic product, capital expenditure, poverty rate, inflation rate, and currency exchange rate. The pace of increase in the gross domestic product varied. According to the statistics from 1981 to 1985: 1.11%, 1.99 percent, 0.79 percent, 0.92 percent, 2.96 percent, 0.79 percent, 0.92 percent, 2.96 percent and 1.211 percent. Furthermore, it fluctuated between 0.46 percent in 1986 and 3.25 percent in 1992. A steady increase in the value of gross domestic product occurred from 1993 and 1995. (1.11 percent , 1.44 percent and 2.24 percent respectively).

The GDP increased steadily from 1997 to 2000, when it fell to 0.77 percent, where it remained until the end of the study period, ranging from 2.21 percent in 2002 to 0.61 percent in 2003 to 2.04 percent in 2004 to 1.23 percent in 2005 to 1.29 percent in 2006 to 0.67 percent in 2007 to 1.42 percent in 2008 to 0.83 percent in 2009 to 2.01 percent in 2010 to 0.81 percent in 2011. The GDP increased steadily from 1997 to 2000, when it fell to 0.77 percent, where it

Capital spending by the government varied between N6.57 million in 1981 and N6.42 million in 1982, N4.89 million in 1983, N4.1 million in 1984 and N5.46 million in 1985, with 1981 being the highest at N6.57 million and 1982 being the lowest. During the period 1986 to 2015, the total amount of government capital spending rose from N8.53 million to N1312.61 million.

Despite a little decrease in the poverty rate values in 1982, 1989, 1992, 2002, and 2009, the overall pattern of movement in the poverty rate values in Nigeria showed that poverty is rising across the nation. From 2010 to the conclusion of the research period, the geometric growth rate was found to be increasing steadily. Over the research period, the inflation rate fluctuated considerably, ranging from 20.9 percent in 1981 to 9.9 percent in 2015.

Over the course of the research, inflation reached its zenith in 1995, which also happened to coincide with the beginning of the geometric rise in poverty rates after previous periods of arithmetic movement. When comparing the years 1981 and 1985, the exchange rate remained steady, ranging between 0.63N/$ and 0.89N/$. Over the period 1986 to 1993, the value of the naira fluctuated, most likely as a consequence of the 1986 Structural Adjustment Programme (SAP). Between 1994 and 1998, the value of the Naira in relation to the US Dollar seemed to be constant. The exchange rate fluctuated between 1999 and the conclusion of this research. If we look at the trend of the variables used in this research, we can see that the results do not always match with the theoretical assumptions, which is a source of confusion. Following the presentation of the data for analysis, the research investigated the socioeconomic characteristics of the variables using descriptive statistics, as shown in Table 1 below.

Descriptive Statistics

Table 1. Descriptive statistics based on the variables used in the analysis

Variables	GDPgrowth rate (%)	Capital Expenditure (M'₦)	Poverty rate (%)	Variables	Exchange rate
Mean	1.434143	384.4611	53.89429	19.60286	72.15707
Median	1.211000	241.6900	54.40000	12.50000	22.05000
Maximum	4.625000	1312.610	76.00000	72.80000	172.3210
Minimum	0.376000	4.100000	27.50000	5.400000	0.630000
Std. Dev.	0.890797	415.3088	13.51300	17.12587	66.76271
Skewness	1.671999	0.823079	-0.294445	1.600805	0.195665

DOI: https://doi.org/10.47667/ijppr.v2i4.115

Kurtosis	6.142739	2.300056	2.331943	4.633788	1.261328
Jarque-Bera	30.71124	4.666315	1.156594	18.84103	4.631839
Probability	0.000000	0.096989	0.560853	0.000081	0.098675
Sum	50.19500	13456.14	1886.300	686.1000	2525.497
Sum Sq. Dev.	26.97964	5864368.	6208.439	9972.050	151546.8
Observations	35	35	35	35	35

Source: computed by the author from CBN statistical bulletin 2008 and 2015, using E-view 9.0

Using data from 35 years of analysis, Table 1 shows that the cumulative values of GDP growth rate, capital expenditure, poverty rate, and inflation rate were respectively 50.19 percent, N13456.14 million, 1886.30 percent, and 686.1 percent during the 35 years of data used in the analysis. Average annual GDP growth rates of 1.43 percent, capital expenditure of N384.46 million, poverty rate of 53.89 percent, and inflation rate of 19.60 percent were all recorded in the first quarter of 2018.

GDP growth rates reached a high of 4.62 percent in 2015 and a low of 0.37 percent in 1981, respectively. Between 2015 and 1981, capital expenditure reached a high of N1312.61 million and a low of N4.10 million in the period under consideration. Additionally, the poverty rate reached a high of 76.0 percent and a minimum of 27.5 percent during the course of the research period, respectively (between 1981 and 2015). Inflation rates reached a high of 72.8 percent in 2015 and a low of 5.40 percent in 1981, respectively. Between 2015 and 1981, the exchange rate hit a high of 172.3210N/$ and a low of 0.630000N/$, reaching a height of 172.3210N/$ in 2015. Between 2015 and 1981, capital expenditure reached a high of N1312.61 million and a low of N4.10 million in the period under consideration.

The GDP growth rate, capital expenditure, poverty rate, and inflation rate were all found to have high levels of skewness, with values ranging from 1.672 to 0.823 to -0.29 to 1.60, as shown in Table 4.1. Except for the poverty rate (which showed a downward trend), all of the variables in the research had a positive value curve distribution, according to the results. This shows that as time passes, values tend to rise in value as well. The poverty rate, on the other hand, has a skewness score of -0.29, showing a negative distribution of the value curve, indicating that values tend to decline as time passes. The unit root test must be carried out in order to determine whether or not the variables under consideration are stationary. When you look at the descriptive statistics table in Table 1 in more depth, you will see that the data were evenly distributed.

Stationarity Properties of the Variable Used in the Analysis

First, the statistical characteristics of the data series, including tests for stationary state, are investigated. This is followed by estimation of the economic models described in this research. Unit root tests on unlogged variables were used in the study, and the results of the Augmented Dickey Fuller (ADF) unit root test on these variables are summarized in Table 2 below.

Table 2. Result of unit root test for unlogged explained and explanatory variables

Augmented Dickey-Fuller			
Variables	**1(0) Level**	**1(1) FD**	**Order of Integration**
GDP growth rate	-7.765285	-8.609866***	I(0)
Capital expenditure	0.536145	-7.305632***	I(0)
Poverty rate	-1.378090	-6.075139***	I(0)

DOI: https://doi.org/10.47667/ijppr.v2i4.115

Inflation rate	-2.787913	-5.618758	I(1)
Exchange rate	-0.148237	-6.047158	I(1)
Test critical values: 1% level	-3.639407	-4.273277	
5% level	-2.951125	-3.557759	
10% level	-2.614300	-3.212361	

Source: Researcher's compilation from E-view 9.0 wind processed (FD-first difference). ** and *** represents 5% and 1% levels of significance.

According to Table 2, the rate of GDP growth at I was found to be stagnant (1). As a result, all The variables used in the research were integrated to the first order, I(1), with the exception of the GDP growth rate, which was used at the level of I. The variables used in the study were integrated to the first order, I(1) (0). The creation of the ARDL-Autoregressive Distributed Lag technique for variables with mixed order of integration was motivated by the discovery of difference-stationary values for variables determined to be stationary at integration orders one, I(1), and zero, I(0), respectively. Pesaran and Shin (1999) demonstrated that cointegrating systems can be approximated using ARDL models, with the advantage that the variables in the cointegrating relationship can be either I(0) or I(1), without the need to specify which variables are I(0) or I(1) in advance. Pesaran and Shin (1999) demonstrated that cointegrating systems can be approximated using ARDL models, with the advantage that the variables in the cointegrating relationship can be either I(0) or I(1), without the need to specify which variables are I (1).

The enhanced Dickey Fuller specification was used to estimate the unit root of the data sets used in this study. This was accomplished by comparing ADF values to critical values in absolute terms. Additional to this, the cointegration analysis in Table 4.2 was carried out to assess the probability that a long-run connection existed between the variables that were integrated to order one.

Using the model's variables as an example, Table 3 shows the cointegrating nature of the connection between them.

Table 3. cointegration analysis of GDP growth model

Cointegrating Form				
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
D(GDPGR(-1))	0.198415	0.146263	1.356558	0.1917
D(CAPE)	-0.002422	0.000687	-3.523071	0.0024***
D(INFR)	0.021342	0.008483	2.515802	0.0216**
D(INFR(-1))	0.037739	0.009699	3.890937	0.0011***
D(POVR)	0.041147	0.025199	1.632883	0.1199
D(POVR(-1))	0.002426	0.029067	0.083472	0.9344
D(POVR(-2))	0.016865	0.027903	0.604424	0.5531
D(POVR(-3))	0.033062	0.025165	1.313813	0.2054
D(RER)	0.007970	0.005403	1.475042	0.1575
CointEq(-1)	**-2.020833**	**0.261026**	**-7.741879**	**0.0000*** **

Source: computed by the author using E-view 9.0. Note ** and *** stand for 5% and 1% respectively.

DOI: https://doi.org/10.47667/ijppr.v2i4.115

In Table 4.3, it can be observed that there is cointegration between GDP and capital expenditure, which indicates that the two variables have a long-term connection. Conversely, the rate of inflation was statistically significant at the 5 percent level, indicating that the variables were cointegrating. Furthermore, although the poverty rate did not show a cointegrating sign in the study, capital expenditure did, indicating that there is a probability of a long-term connection between the two variables.

Table 4. long run cointegrating form of GDP growth model

	Long Run Coefficients			
Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
CAPE	-0.001198	0.000308	-3.896587	0.0011***
INFR	-0.009360	0.005230	-1.789572	0.0904*
POVR	-0.011322	0.010283	-1.101039	0.2854
RER	0.003944	0.002613	1.509167	0.1486
C	2.374387	0.448798	5.290543	0.0000***

Source: Computed by the author using E-view 9.0 * and *** stand for 10% and 1% respectively.

Stevenson's (1988) method for the cointegration analysis ARDL is used to evaluate economic performance. This is due to the fact that the aim of cointegration analysis is to search for evidence of a long-run connection, and it is thus fair to assume that the actual and projected rates of equilibrium adjustment are the same in the long run. In this research, the maximum number of lags is one, due to the large sample size of 35 years.

The findings of the ARDL cointegration are consistent with those obtained by Anari and Kolari (2002), but they differ from those obtained by Zhou and Clementa (2010). For another option, and given that the connection extends from capital expenditure to GDP growth, the P-value and t-statistic values in Tables 3.43 and 4.44 suggest that the cointegration findings are very strong. It indicates that capital expenditure and GDP growth rates are all cointegrated at the 95 percent level of significance, which is the most significant level of significance. CointEq(-1) is a properly signed equilibrium adjustment mechanism that shows that for variables integrated to order 1, there is a chance of reverting to long run equilibrium in the least period of time feasible. (-2.020833).

This study proceeded with regression analysis to check for the impact of public capital expenditure on poverty rate in the Nigerian economy.

$POVT=Bo+\beta 1CAPEXP+\beta 2RER+ei$……1

Table 5. Regression result of the effect of public capital expenditure on poverty rate in Nigeria

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
POVR(-1)	0.777803	0.108531	7.166647	0.0000***
CAPE	0.011145	0.005100	2.185498	0.0377**
RER	-0.130985	0.064243	-2.038916	0.0514*
RER(-1)	0.206703	0.081325	2.541692	0.0171**
RER(-2)	-0.115892	0.065884	-1.759025	0.0899*
C	11.91772	4.817967	2.473599	0.0200**
R-squared	0.878062			
Adjusted R-squared	0.855480			

DOI: https://doi.org/10.47667/ijppr.v2i4.115

F-statistic	38.88468			
Prob(F-statistic)	0.000000			
Durbin-Watson stat	2.119711			

Source: Computed by the author using E-view 9.0; *, ** and *** respectively refers to 10%, 5% and 1% levels of significance.

This test, as shown in Table 4.5, evaluates how much of the variation in the dependent variable can be explained by the factors that are controlled for. This indicates that the explanatory factors investigated may account for about 87.8 percent of the variation or change in the poverty rate throughout the course of the study (expenditures in various sectors of the economy). Results in Table 4.5 show that public capital spending (with a coefficient of 0.011145 at 5 percent) had a positive and statistically significant impact on poverty rates throughout the course of the study period (with a coefficient of 0.011145 at 5 percent). That this result has economic ramifications is that when capital expenditure rises, poverty rates continue to climb in lockstep with the growth in spending. In contrast to the a priori/theoretical assumption that an increase in government capital investment would result in a reduction in poverty rates, this finding was reached. The economic significance of this result is that it suggests that government spending on capital projects in Nigeria, such as primary health care, a decent road network, schools and university institutions, as well as industrialisation, may be inefficient. As shown by the calculated co-efficient (0.011145), a percentage increase in government spending is associated with an equal percentage increase in the poverty rate, while an increase in the poverty rate is associated with a 77.78 percent increase in public expenditure. It was not possible to predict whether the computed coefficients for the model variable would have the predicted sign (negative influence on poverty rate). A significant impact on variations in the poverty rate was exerted by changes in the exchange rate, as shown by a coefficient of -0.206703 in the study's first lag period.

Using Durbin Watson statistics, we may assess whether or not there is a serial relationship between two variables. This means that there was no problem with autocorrelation in the model, as shown by the Durbin Watson coefficient of 2.119. Therefore, government public expenditure is insignificant and unable to have any positive impact on the quantity of government spending in Nigeria throughout the research period, despite the fact that the study period is finished.

According to the findings of the research, the t-statistic value of 2.185498 is more than the crucial t-value, which is shown in the preceding Table 4.6. (2.0). The p-value of 0.0377 is also smaller than the p-value of 0.05, which is considered to be significant. According to the findings of the research, capital expenditure has a significant impact on the poverty rate

Conclusion

Specifically, the goal of this research is to establish the relationship between public capital spending and poverty rates in Nigeria. According to the findings of the research, capital expenditure has a significant impact on the poverty rate. According to the study, more capital investment in the following areas is recommended: education, electricity generation, economic services, and health. It also recommends that resources be effectively managed.

References

Asghar, N., Hussain, Z., &Rehman, H.U. (2012). The impact of government spending on poverty Reduction: Evidence from Pakistan 1972 to 2008. *African Journal of Business Management*, *6*(3), 845-853. https://doi.org/10.5897/AJBM11.922

DOI: https://doi.org/10.47667/ijppr.v2i4.115

Atiku, A. (2018). In 2018, Nigeria became world headquarters for extreme poverty-Atiku. PM News. Retrieved March 27, 2019, from https://www.pmnewsnigeria.com/2018/12/31/in-2018-nigeria-became-world-headquarters-for-extreme-povertyatiku/

Dahmardeh, N., & Tabar, M.H. (2013). Government expenditures and its impact on poverty Reduction (Empirical from Sistan and Baluchestan Province of Iran). International *Journal of Academic Research in Economics and Management Sciences, 2*(1), 251-260.

Ezirim, C.B (2006). Explaining the size of Public expenditure in less developed countries. Theory and Empirical Evidence from Nigeria. *Nigerian Journal of Banking and Finance* UNEC (6)

Heltberg, R., K. Simler and F. Tarp. 2003. "Public Spending and Poverty in Mozambique". FCND Discussion Paper No. 167. *Food Consumption and Nutrition Division, International Food Policy Research Institute*, Washington, D.C.

Ogboru, I., Abdulmalik, F.A., & Park, I.O. (2018). Government expenditure on agriculture and its Impact on unemployment reduction in Nigeria: 1999-2015. *International Journal of Economics, Commerce and Management, 6*(3), 1-25.

Okafor, M.C. (2015). *Effect of federal government expenditure on social sector outcomes in Nigeria*, unpublished M.sc Thesis. Institute for development studies, University of Nigeria, Enugu Campus.

Sahn, D.E., S.D. Younger and K.R. Simler. 2000. "Dominance testing of transfers in Romania". *Review of Income and Wealth, 46*(3): 309-27.

Shenggen Fan, P. Hazell and S. Thorat 1999. "Linkages between government spending, growth, and poverty in rural India". *IFPRI Research Report* No. 110.

Taiwo, M. (2012). Government expenditure and economic development: empirical evidence from Nigeria. *European journal of business and management 3*(9)

Undesa. (2015). The millennium development goals report 2015. New York: United Nations. Retrieved March 28, 2019, from http://www.un.org/millenniumgoals/reports.shtml

Wilhelm, V., & Fiestas, I. (2005). Exploring the link between public spending and poverty Reduction: Lessons from the 90s. *Working Papers*. World Bank Institute Washington, D.C.

DOI: https://doi.org/10.47667/ijppr.v2i4.115