

Budget Evaluation and Economic Development in Nigeria

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Abstract

The major goal of this research was to see how budget assessment affected Nigeria's economic progress. The inspiration stemmed from a number of inconsistencies in the Nigerian economy's budget preparation and execution. This study employed an ex-post-facto design, with data gathered from the Central Bank Statistical Bulletin and the Federal Ministry of Finance for analysis. A model based on empirical and theoretical reviews was developed to attain this wide purpose. The model's dependent variable was the Human Development Index (HDI), while the model's independent variables were the government's capital budget, recurrent budget, and yearly budget implementation rate. To evaluate data, the researchers used the Ordinary Least Squares (OLS) Model. Budget assessment had a favorable and considerable influence on Nigeria's economic progress, according to the inferential findings. According to the report, Nigeria's government should make an effort to raise capital and recurring expenditures in its yearly budget, since both have a substantial influence on economic development. Finally, the government should make an effort to put in place effective budget monitoring and assessment equipment that will increase the rate of budget implementation while simultaneously ensuring strict adherence to due process.

Keywords: Budget Evaluation, Economic Development, Human Development Index, Capital Budget, Recurrent Budget, Auto Regressive Distributed Lag Model

Introduction

A budget is an estimate of income and spending outlays for a certain time period, generally one year, that reflects a reading of future financial circumstances and goals. The budget, as a government framework, is established to address fiscal policy instruments, outlining policies and programs targeted at achieving economic growth and development.

Government efforts to accomplish macroeconomic aims and objectives such as price stability, steady and full employment, economic growth, infrastructure development, and Balance of Payments equilibrium necessitate massive budgets such as deficits, surpluses, balanced, development, and supplementary budgets. The budget, as a key economic policy tool, shows the government's goals in terms of social and economic policies. As a result, this instrument converts

policies, campaign pledges, political pledges, and goals into income generation, money allocation, and expenditure choices.

Petroleum products and taxes are the main sources of revenue for the government's budget. The budget is based on projected revenue from petroleum, which is often calculated at a per barrel price and combined with tax revenues. As a result, if the market price of petroleum products fluctuates, the estimate must be adjusted to match the current situation. According to Falete (2017), a budget must have four key traits in order to fulfill its obligations: it must be well-designed, executed effectively and efficiently, monitored adequately, and evaluated. Based on the characteristics listed above, the fundamental goal of a budget is to satisfy the needs and ambitions of its citizens rather than to formulate or initiate a budget.

According to Olomola (2009), the budgeting process has always been blamed on ongoing flaws and constraints with budget execution. The Nigerian budget process includes executive budget development, legislative approval, and execution by various government ministries, departments, and parastatals. Through the use of warrants issued by the Ministry of Finance, ministries and spending agencies of the government carry out budget execution by incurring expenses. This warrant allows officials in charge of voting to spend money as specified in the approved budget, subject to any reserved items. In the event that the Appropriation Act does not go into effect at the start of the year, a temporary General Warrant may be issued to provide uninterrupted government services at a level that is not higher than the preceding year. The most common hurdles to budget implementation efficiency include partial or non-release of approved funds, as well as delays in releasing approved money for projected spending.

These impediments certainly have a detrimental impact on the government's ability to turn campaign promises, policies, and programs into outcomes that benefit its population. People can benefit from the execution of a well-designed budget in terms of increased employment possibilities, poverty reduction, and infrastructure development. It has been noticed that Nigeria, as an independent state, has been undertaking yearly budgeting to enhance the economy's production through public expenditure for the previous five decades, but to little success. Nigeria's prior and present budgetary forecasts reveal that the state has failed to establish or maintain a stable economic climate, owing to deficits in most budgets that were supposed to be balanced or surplus. This condition has exacerbated Nigeria's socio-economic difficulties, including unemployment, poverty, income inequality, high inflation, a low standard of living, and a negative balance of payments.

Governments, on the other hand, may use deficit financing to boost economic activity in a country as a tactic to boost established businesses and reduce unemployment, as well as give more social amenities to its population. Given the aforementioned variables, the situation in Nigeria is the polar opposite. Budgeting and related processes continue to be difficult to prepare and implement in both sectors. In industrialized and largely emerging economies like Nigeria, macroeconomic challenges such as insufficient national savings, unsustainable budget deficits, high unemployment, massive public debt loads, and fiscal policy have sparked policy discussion. The success of a society's socioeconomic well-being is dependent on the execution of policies and programs. Government spending plans and expected revenue utilization tend to boost a country's economic performance, as measured by its Real Gross Domestic Product (RGDP) and

Human Development Index (HDI).

These performance proxies (Real Gross Domestic Product and Human Development Index) fluctuate depending on a country's capital and recurring investment for improved economic infrastructure (Faloyin and Famoloya, 2015). Human Growth Index has recently been proven to play a substantial impact in determining economic development in emerging nations, according to research (Peterson, 2015). Not only Gross Domestic Product (GDP) as a larger measure of economic growth, but also residing in Human Development Index (HDI) is a better instrument for an economy to be developed and sustained. As a result, improving an economy's growth and development requires an assessment of the aforementioned measuring criteria, which is backed up by government fiscal policies that are correctly designed with effective and efficient procedures for capital and recurrent spending execution. It should be emphasized that one of the criterion for classifying a nation as developed or developing is how effectively and efficiently its resources are used to boost its economic performance.

Momoh (2017) observed that in many developed countries throughout the world, planned government expenditures as included in their annual budget are rigorous, with strict implementation of such budgets having a significant impact on reducing exchange rate disparities, poverty alleviation, job creation, and increased infrastructure creation for economic growth in the areas of communication, transportation, and energy. Budget implementations in Nigeria have been causing controversy since the steady succession of various democratic leaders in the elms of affairs from 1999 to 2019, since most of these budgets did not meet expectations, resulting in disagreement over the degree of implementation.

Despite this massive continual budgeting, the nation's economy continues to contract, raising doubts and concerns among all stakeholders (public servants, civil servants, foreigners, shareholders, managers, debtors and creditors). The emphasis of this research will be on the impact of budget execution on Nigeria's economic progress from 2000 to 2019. The outcomes of this study will add to the current body of knowledge on this topic. It will also help policymakers identify which factors to focus on in the creation of policies, the budgeting process, and the execution of policies that would increase the welfare of the country's population and, as a result, boost growth and economic development.

Statement of the Problem

Nigeria's economy is beset by a number of inconsistencies in the preparation and implementation of budgets. While the budget, as an essential economic policy tool at the government's disposal, is critical to achieving economic prosperity for its population, in most cases, the budget is veiled in myths and illusions and so does not contribute to the country's economic growth and development. However, the lag time between initiating it and fully implementing it to get the desired outcome has been a source of worry for both scholars and Nigerians. It is one thing to propose a budget; it is quite another to implement it in order to fulfill the proposed budget's economic growth and development objectives.

Budgetary concerns have gained significance in recent years as a result of growing democratization, civil society engagement, and a desire to address poverty-related developmental difficulties.

The studies on the effect of budget implementation on economic growth focused mostly on developed economies, with developing countries included in cross-country studies primarily to provide sufficient degrees of freedom for statistical analysis; previous research conducted by various researchers sought to examine the relationship between economic growth and budget use.

The purpose of this study is to examine the long run influence of budget implementation on economic growth in Nigeria by examining the influence of major budget components (Public Capital Expenditure, Public Recurrent Expenditure, and Implementation Rate) on the Human Development Index (HDI) as a proxy for economic development from 2000 to 2019.

Objectives of the Study

The study's primary purpose is to assess the impact of budget implementation on Nigeria's economic progress. The goals are to determine the effect of public capital budget spending on economic development in Nigeria; to establish the impact of public recurrent budget spending on economic development in Nigeria; and to discover the impact of budget implementation rate on economic development in Nigeria.

The following null hypotheses have been developed with a view to achieving the research objectives:

Ho1: There is no significant effect of public capital budget expenditure on economic development in Nigeria.

Ho2: There is no significant influence of public recurrent budget expenditure on economic development in Nigeria.

Ho3: There is no significant influence of effect of Budget implementation rate on economic development in Nigeria.

Empirical Review

Oke (2013) evaluated the effect of budget execution on Nigerian economic growth from 1993 to 2010; the dependent variable was proxied by gross domestic product (GDP), while the independent variables were public total expenditure (PEX), public recurrent expenditure (PRE), public capital expenditure (PCE), and foreign debt (EXD). The findings of the Ordinary Least Square (OLS) regression confirmed that budget implementation had a beneficial influence on Nigeria's economic growth. Additionally, the results indicate a positive association between GDP and public total expenditure (PEX), public recurrent expenditure (PRE), public capital expenditure (PCE), and foreign debt (EXD), but a negative association between GDP and public capital expenditure (PCE).

Iheanacho (2016) examined the government's contribution to economic growth in Nigeria using a disaggregated method. Between 1986 and 2014, the study studied the long and short term link between governmental spending and economic development in Nigeria. Two components of public sector spending and gross capital formation ratio were obtained from the Cobb-Douglas production function using cointegration and error correlation (EC). While recurrent expenditure is an important driver of economic growth in Nigeria, capital spending has a negative and considerable long-run influence on economic growth.

Onyele & Nwokocha (2016) investigated the impact of capital flight on Nigeria's budget implementation. Secondary data were gathered from 1986 to 2014. The dependent variable was aggregate government spending, whereas the independent variables were capital flight, foreign debt, government revenue, economic openness, and real exchange rate. The findings indicated that the variables exhibited a long term equilibrium relationship. Additionally, the findings indicated that capital flight had a favorable and significant effect on government expenditure in Nigeria. Additionally, it established a substantial short term causal link between capital flight and government spending in Nigeria.

Innocent & Christopher (2017) evaluated the impact of government performance and budget review on the Nigerian economy. The study gathered data from secondary sources such as Nigerian financial and economic publications. The data were examined in a descriptive as well as an empirical manner. Budget credibility was determined using the international threshold and mandated limit for budget deficit/GDP, as well as a minimum performance grade of 50% for regression economic performance. According to the findings, Nigeria's fiscal performance is suboptimal but acceptable.

The influence of capital budget execution on economic development in Nigeria was examined by Olatunji et al. (2017). The purpose of this study was to determine the effect on the growth of the Nigerian economy of capital spending on administrative, economic, and socio-community services. Secondary sources were used for data extraction. The findings confirmed that capital expenditure execution is critical for Nigeria's economic progress to be maintained and sustained.

Olaoye, Olaoye, and Afolabi (2017) investigated the effect of capital budget execution on economic development in Nigeria from 1981 to 2014. The study examined the effect of capital spending on administration, economic services, and socio-community services on the growth of the Nigerian economy in particular. The study analyzed secondary data. The Multiple Regression Analysis revealed a strong relationship between capital expenditure implementation on administration, economic services, sociocommunity services, and transfer and Nigeria's economic growth; it was also discovered that capital expenditure implementation on administration has a significant negative impact on Nigeria's economic growth in the long run, but not in the short run. Capital expenditure transfer has a negative effect on economic growth in the long run but a positive effect in the long run, and lastly, the study revealed that capital expenditure implementation has a major influence on Nigeria's economic growth in both the long and short term.

Ogbonna & Azubike (2018) examined the effect of public sector expenditures on Nigeria's economic development (1981-2015). The data were gathered from secondary sources, and the findings suggested that education spending had a sizable effect on GDP. Health spending is inversely related to GDP, whereas community services have no effect on GDP.

Ilemona & Sunday, (2018) analyzed Nigeria's budget implementation and economic development from 2014 to 2018. Data were gathered from secondary sources; Public Capital Expenditure (PCE), Public Recurrent Expenditure (PRE), and Public Debt Expenditure (PDEX) were used as explanatory variables in the model, while Gross Domestic Product (GDP) was used as the dependent variable. Multiple regression analysis found that PCE and PRE have a considerable

effect on GDP, but PDEX has a negligible effect.

Orji (2019) examined the influence of budget execution on Nigeria's economic development. Gross Domestic Product (GDP) was used to measure economic growth, while public capital expenditure (PCE), public recurrent expenditure (PRE), and public debt servicing (PDS) were used to measure budget execution. Secondary data sources include the CBN statistics bulletin from 1999 to 2018. The study's findings suggested that all factors had no significant influence on economic growth in the short run, and that they continue to have no significant influence on economic growth in the long run. Effiom & Edet (2019) examined the limits on Nigeria's capital budget execution. Primary data sources were a survey instrument produced and delivered to 200 respondents in 20 federal ministries, departments, and organizations located in two adjacent states in the country's south-south geopolitical zone. Multiple regression analysis revealed that delays in budget presentation by the presidency and approval by the national parliament, leakages linked with corruption, and ineffective monitoring and assessment of the budget were important variables impeding successful capital budget execution in Nigeria.

For the period 1999 to 2017, Adah & Akogu, (2019). examined the influence of budget execution on Nigeria's economic progress. The model's dependent variable was per capita GDP, while the model's independent variables were the government's capital budget, recurrent budget, and the pace of implementation of yearly budgets. The data analysis was performed using the Ordinary Least Squares (OLS) model. The findings indicated that capital budgeting cut GDP per capita greatly in the short term, but increased GDP per capita somewhat in the long run. Both the recurrent budget and the budget implementation rate were positive in the short run, but the recurrent budget remained positive in the long run and considerably so, while the budget implementation rate deteriorated and became negligible to the economy.

Eze & Apiri (n.d) evaluated the economic performance-inhibiting effects of budget implementation in Nigeria from 1999 to 2018. Secondary data were analyzed, and the results indicated that a unit drop in government capital and recurrent expenditures would result in a drop in Nigeria's economic performance. The study found that budget implementation factors had a substantial influence on economic performance in Nigeria during the research period.

Nwala & Bameyi (n.d) used an ex-post facto study approach and secondary data extraction from diverse sources to examine budget implementation and economic development in Nigeria from 1981 to 2018. The dependent proxy was Gross Domestic Product, whereas the independent proxies were Capital expenditure, Recurrent spending, and Debt. The regression study revealed a positive and substantial link between capital spending and Nigeria's Gross Domestic Product. Additionally, the association between recurrent spending and gross domestic product is positive and substantial, while the association between government debt and gross domestic product is negative and substantial.

Methods

This section discusses the research design, population and sample size of the study, data collecting method and sources, variable measurement, model formulation, and data analysis procedures. The ex-post facto design of this study was utilized to investigate the effect of Budget implementation on Nigeria's economic progress. The study's research methodology is acceptable

since it enables a comprehensive examination of the effects of one variable on another without requiring any manipulation of the variables' data. The population and sample of this study were all of Nigeria's Ministries, Departments, and Agencies (MDAs).

For the period 2000 to 2019, secondary data were gathered from a variety of agencies and ministries, including the Central Bank of Nigeria Bulletin, the United Nations Development Programme (UNDP), the Federal Ministry of Finance, and the National Bureau of Statistics (NBS).

This section describes the models that were used to examine the impacts and correlations between the dependent and independent variables included in the hypotheses. The following is the implicit economic model that will be employed in this study:

$$y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon \quad \dots\dots\dots(i)$$

The model adopted is similar to the one used by Oke (2013) which is specified below as:

$$HDI = f(\text{Public Recurrent Exp, Public Capital Exp, Implementation rate}) \dots\dots\dots(ii)$$

However, to avoid the violation of the ordinary least square principles which is referred to as multicollinearity, the above model will be modified by removing public total expenditure, exchange rate and capital formation and introducing the rate of implementation of the budget.

Explicitly, the regression model is specified as:

$$HDI = \alpha + \beta_1PCEX + \beta_2PREX + \beta_3IR + \epsilon \quad \dots\dots\dots(iii)$$

Where:

HDI = Human development index

a = intercept;

PCEX = Public Capital Expenditure;

PREX = Public Recurrent Expenditure;

IR = Budget Implementation Rate;

ϵ = Error term.

Data Analysis Techniques

The panel multiple regression methodology was used to analyze the data in this study. The approach was chosen because the researcher wishes to investigate the influence and connection between a continuous dependent variable (economic development – Human Development Index) and independent variable measurements (Public capital expenditure, public recurrent expenditure and implementation rate). The regression coefficients expressed the direction and degree of the linear relationship between these variables numerically. The direction of the association was indicated by the sign of the regression coefficients, which were either negative or positive. Individual statistical significance tests (t-tests) and overall statistical significance tests (F-tests) will be used in this investigation; the model fitness will be modified using the coefficient of determination (R²). All analyses will be run using the SSPS program at a 5% level of significance.

Results and Discussion

The table below illustrates the findings of the ordinary least-squares analysis run on the supplied model. The OLS findings show that there is a direct association between the dependent variable

and each of the independent variables.

Table 1. Summary of Result

Variable	Coefficients	Standard Error	Probability
C	14.161	.029	.000
PCEX	.039	.000	.036
PREX	.749	.000	.000
IR	.142	.000	.290

R2 = 0.779 Adj R2 = 0.734 F-STAT = 17.598, DW-STAT = 1.429

Source: Author's Computation

From Table 4.1, it is possible to derive the link between the dependent variable (HDI) and the independent variables (PCEX, PREX, and IR) as follows: $HDI = 14.161 + 0.039 PCEX + 0.749 PREX + 0.142IR +$

The constant parameter is positive, indicating that if all independent variables remain constant, the dependent variable (HDI) will rise by 14.161 units. PCEX is likewise favorably associated to HDI, with a value of 0.039. This suggests that an increase in public capital expenditure (PCEX) results in a 0.039unit rise in HDI. Additionally, the PREX coefficient demonstrated a positive connection with the Human Development Index (HDI) with a value of 0.749. This suggests that an increase in the country's recurrent spending would result in a rise of 0.749 units in the Human Development Index (HDI). On its own, the Implementation rate (IR) coefficient indicated a positive link with the Human Development Index (HDI), with a value of 0.142. This indicates that a rise in the value of the nation's implementation rate results in an increase of 0.142 units in the value of the Human Development Index.

The coefficient of determination (R2) is indicated as 0.779 in the results of the multiple regression, implying 78 percent, with an adjusted R2 of 0.734 implying 73 percent. This explains why the explanatory factors (PCEX, PREX, and IR) explained 78 percent of the behavior of the Human Development Index (HDI), while the stochastic variable explained the remaining 22%. Additionally, given the Durbin-Watson statistic value of 1.429, it is possible to conclude that there is no serial correlation in the data series utilized in the panel multiple regression, since the DW-stat value does not exceed 2. This demonstrates that the model's output may be used to aid in decision-making. Finally, the F-statistic of 17.598 indicates that the model fits well enough to account for the statistical significance of all the variables included in this hypothesis. The F-statistic value of 17.598 is more than 0.0000, which is less than 0.05. (5 percent acceptable level of significance).

Hypotheses Testing

The first hypothesis is intended to study the relationship between government spending on public capital and the economic growth of Nigeria. The second hypothesis is to find out the extent to which public recurrent spending influences economic development in Nigeria, as well as to discover the effects of budget implementation rate on economic growth in Nigeria.

Test of Effect of Capital Budget Expenditure on Economic Development of Nigeria

An overall assessment of the connection between the variables was completed by running a panel of multiple regressions. The statistical significance of the results of this research will be measured using two different tests: the t-test and the F-test. The model fitness will be modified by utilizing the coefficient of determination (R²). All of the analyses will be done using the software provided by SPSS with a significance threshold of 5 percent. A panel regression analysis will be conducted utilizing the results of the regression model, an ANOVA, and standardised beta coefficients of the regression.

By way of multiple regression, the results of the measure of budget implementation on economic development are reported in the Appendix A and summarized in table 4.1. The findings suggest that Human Development Index (HDI) would rise by an average of 14.161% given that all the independent variables are maintained constant. In order to realize this, it's necessary to achieve four simultaneous goals, which are all very difficult to achieve. The four goals are to: keep public capital expenditure, public recurrent spending, and budget implementation rate at zero, while increasing Human Development Index (HDI). To say that a 1% increase in public capital expenditure (PCEX) would enhance HDI by 30.9% is equivalent to saying that a 30.9% rise in HDI is possible when 1% additional public capital expenditure is added. The regression results give a P-value of 0.000 that indicates there is evidence in favor of public capital spending. The relationship between these two parameters is substantiated by the P-value of P = 0.000, where P-alpha is 0.05. This provides more validation for the link established above.

It is thus implied from what was said above that public capital investment has a considerable impact on the development of Nigeria. It is assumed that the null hypothesis—that there is no substantial impact of public capital budget spending on economic growth in Nigeria—is rejected, and the alternative hypothesis—that this spending has an impact—is accepted.

Test of Influence of Recurrent Budget Expenditure on Economic Development of Nigeria

In this table, findings from analyzing the effect of increasing public recurrent spending by 1% show that the Human Development Index (HDI) will expand by 74.9% when this increase is made. When analyzing the results of a correlation test with a hypothesis test, it is possible that a significant result with a low p-value may be seen, if the t-statistics and p-value of the correlation test are positive. This then leads to the conclusion that the hypothesis, which asserts that there is no substantial correlation between the country's public recurrent budget spending and the country's economic progress, is rejected, while the alternative, which contends this spending has a positive impact, is accepted.

Test of Significant Influence of Effect of Budget Implementation Rate on Economic Development of Nigeria

From the statistics in Table 4.1, it can be concluded that a 1% increase in the implementation rate resulted in a 14.2% rise in the Human Development Index (HDI). According to the P-value and t-statistics (.290, 1.098), the association between them was substantiated. The Null hypothesis: The Null hypothesis: There is no substantial impact of budget implementation rate on economic growth of Nigeria has been accepted, while the Alternative hypothesis has been

rejected.

In this instance, the t-test decision rule states that when the t-statistics is more than the critical value (where the P-value of $.000 < P\text{-alpha}$ of 0.05) or when the P-value of $.000 < P\text{-alpha}$ of 0.05, the null hypothesis is rejected. Although the approved critical value is bigger than the t-statistics, it will be accepted when it reaches that number. It can be deduced from Table 4.1 that, based on the P-value decision rule, when using a significance threshold of 5%, there is a positive and substantial link between Public Capital Expenditure (PCEX) and HDI. The t-statistics of 2.301 with a P-value of 0.036 is a sign that 2.301 has significant variation. It is an additional piece of evidence which reveals that the explanatory variable has a considerable effect on economic growth and development. This is in agreement with findings presented in a study by Adah & Akogu (2019), which said that investing on capital expenditures generates economic growth. Thus, the initial null hypothesis is rejected, resulting in a false negative.

Additional research has indicated that government recurrent expenditure (expenditures that are reoccurring and predictable) has a major influence on economic growth in Nigeria. the t-statistic of 5.420 reveals that PREX has a substantial effect on promoting growth and development in the economy by providing evidence of a substantial positive contribution to that effect at the 5% significance level, thereby rejecting the null hypothesis. This is in keeping with the research results of Eugene (2016) which show that the expenditure on recurring costs is a significant driver of economic growth and development. Despite the studies that indicate PCEX, PREX, and economic development to be wrong, the t-statistics value of 1.098 (which is lower than the crucial value of t, which is 2.31) suggests that IR has no significant impact on HDI at the 5% significance level. Therefore, the third null hypothesis of the investigation has been accepted. When it comes to the implementation rate of the country's budget (IR), this signifies that it has a little effect on economic development. These findings further strengthen the theory presented by Iheanacho (2016) stating that the budget implementation rate does not have a substantial impact on economic growth.

The fact that the a priori expectation of $\beta_1 > 0$, $\beta_2 > 0$, and $\beta_3 > 0$ was not met due to the constant variable having positive values for all the explanatory variables, together with an R-squared of 0.779 (R²) value showing the model is a good fit, indicates that the model is useful. These findings further show that over three-quarters of the variance in HDI can be described by predictor variables whereas less than one-quarter can be explained by other factors other than PCEX, PREX, and IR. When R² is corrected for the whole of the changes in economic development (HDI), R² yields a value of 0.734, which implies that 73% of these changes can be attributed to the model. Furthermore, this is an accurate reflection of the great explanatory power of the coefficient of determination (R²).

The research was done to examine the role of Nigeria's financial management and economic growth in affecting Nigeria's budget execution. This need for analysis of budget formulation and execution imbalances, including the difficult conditions they put the Nigerian administration in, stems from the need of interpreting how Nigeria's economic growth is connected to the country's finances. The data for the research was acquired from the Central Bank of Nigeria Bulletin, the United Nations Development Programme (UNDP), the Federal Ministry of Finance, and the National Bureau of Statistics (NBS) on Nigeria's budgets and HDI throughout the period of 2000

to 2019. The developed hypotheses were put to the test using the panel multiple regression findings. The following conclusions may be drawn from the results of the data analysis in section four of this study:

It is reasonable to consider many causes while searching for the presence of a substantial association between indicators of budget execution and economic progress in Nigeria. Human Development Index (HDI) values depend more on public recurrent spending than on public capital investment and implementation rate. As modest as it is, the implementation rate of the nation's budget has had little to no effect on the overall progress of Nigeria (HDI). There are also exogenous elements (Public total budget spending, total debt expenditure, Capital Expenditure on Administration, Capital Expenditure on Economic Services, Capital Expenditure on Social Community Services, and Capital Expenditure on Transfer) which contribute to the overall economic growth of Nigeria.

Conclusion

This research focuses on the execution of Nigeria's budgets and the country's economic progress. Based on the data and conclusions of the research, the research arrives at the conclusion that there is a substantial link between the measurements of Nigeria's budget and economic progress. This illustrates that the growth of Nigeria's economy is dependent on the adoption of various budgetary initiatives. The link is modified by the various explanatory factors. These factors have a great impact on the growth of Nigeria's economy. From the results, the research finds that the combination of public investment in capital and recurring costs has a major influence on economic growth in Nigeria. A government budgeting role, action, implementation, and monitoring influence economic activity at both the micro and macro level, resulting in growth and development of the economy. This can be seen in the growth of HDI, which, since the 1960s, has risen from a low of 0.258 to the current value of 0.805. Every year, public recurrent spending increases a country's Human Development Index (an important element for development), making it possible for an underdeveloped country to move towards industrialization

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