

The Political Economy of Government Expenditure in Nigeria: An Econometric Analysis

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INTRODUCTION

Government expenditures constitute all categories of resource use for the provision of pure and merit public goods and services, as well as economic services. These type of goods and services include defence, judicial services, internal security, welfare, education, health and economic services. Governments undertake these various forms of expenditure purposely to meet the aspirations and economic well-being of their citizens as well as ensuring rapid social and economic development.

A major characteristic of any government expenditure is the collective financial responsibility and the non-exclusion of citizens from enjoying the benefits of such spending. The factors which influence governments to undertake various kinds of expenditure arise from political, social and economic considerations among which are:

- i) Changes in the level of domestic revenue and foreign aid.
- ii) Changes in ideology which is related to changes in social and economic structure.
- iii) International demonstration effect on the citizens, in the sense that nationals aware of the level of economic and social services available in other countries demand similar or higher levels of such services.
- iv) Changes in income per capita and urban population. As economic development and urbanisation takes place, there is a rise in expectations of the general populace in terms of the level of various economic and social services to be provided by the government.
- v) Changes in the degree of openness of the economy.