GOVERNMENT BUDGETARY EFFICIENCY AND UNEMPLOYMENT: A WEST APPROACH –NIGERIA.

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Abstract

This study examined the impact of Government Budgetary efficiency on Unemployment in Nigeria. The study examined three specific objectives; the aim is to establish the effect government budgetary outcome has on unemployment in the Nigerian over the period of 2000 to 2023 by applying the Error Correction Model Approach. The findings showed that if all other factors stay constant, and government budgetary efficiency increases at a rate of one unit per year, it will cause unemployment to decrease. This suggests that the influence of government budgetary efficiency has a reducing effect on unemployment and this effect is statistically significant. This implies that unguided spending of government causes unemployment in Nigeria. Also government capital has the capacity to decrease unemployment in Nigeria. while government recurrent expenditures has a significant impact on unemployment as increase in recurrent expenditure causes reduction in unemployment in Nigeria and Inflation rate has no significant influence on unemployment rate in Nigeria as shown by the none significant t-stat values and probability values. The study concludes that the level of government budgetary efficiency may have a significant effect on unemployment in Nigeria and recommends that government should formulate and monitor her fiscal policy to check the channels of increase government spending to find out why the huge spending has not transmitted into a viable economic performance in terms of price stability and growth that guarantees employment creation.

Key words: Budgetary efficiency, unemployment, capital and recurrent expenditure, economic growth Inflation.

Introduction

Unemployment is one major macroeconomic defect which refers to a situation where people, who have actively been looking for job in the past four weeks and are currently available for employment, are unable to get jobs (Amadeo, 2018). It is a situation that has long assumed an endemic state in Nigeria due to its high prevalence and having defied many of its remedial efforts in the country. For instance, based on the National Bureau of Statistics (NBS Database, 2018), Nigeria can be said to be one of the countries with an alarming level of unemployment in the world. Based on the database (NBS Database, 2018), unemployment rate climbed from 13.30% in the second quarter of 2016 to 18.80% in the third quarter of 2017, and shows that Nigeria has, for over a decade, maintained this form of unemployment rate, i.e., a two-digit unemployment rate, which far exceeds the globally acceptable average, and with such high unemployment rate persisting in the country, many jobless persons have taken to crimes like armed robbery, drug trafficking and prostitution among others (Gbam, 2017).

Many scholarly writings have espoused on this macroeconomic anomaly, 'unemployment', and from an array of some of these writings, Olagunju (2008) deduced a number of factors that have attributably caused the problem of unemployment in Nigeria. Some of the factors so deduced are: the practice of a mono-cultural economy, i.e., the total dependence of Nigeria on only oil proceeds; political and civil instability; poor economic planning or no economic planning at all. Indeed, amongst these factors, economic planning stands out as one key factor that is prominently capable of influencing the trend of unemployment rate in Nigeria.

As an economic planning tool, especially for a government, a budget expresses various economic policies of the government for both short-term and long-term economic prospects (Ilemona& Sunday, 2018). Consequently, a budget serves as "an economic instrument for facilitating and realizing the vision of government in a given fiscal year or period" (Olayide&Ikpi, 2010; 91).It works as a machinery, tool or instrument by which limited resources are harnessed for optimal use (Lawyer, 2013).On this basis, in the description of Olayide and Ikpi (2010; 91)a budget stands as an inevitable "fiscal instrument of national resource mobilization, allocation and economic management", and it's therefore vital both in managing macroeconomic aggregates, such as national income, and in ultimately correcting such macroeconomic anomaly as unemployment.

As hitherto established, aside being a statement of future expected revenue and expenditure, a budget is reputably an instrument or tool of economic planning by which a government stimulates and drives macroeconomic aggregates, such as national income, and correct macroeconomic anomalies such poverty, inequality, inflation and unemployment. In this regard, a budget stands as a planning instrument at the disposal of government with the intention of tackling issues that may bother on unemployment (Ilemona& Sunday, 2018).Upon this premise Okafor, Raphael and Udeme (2021) stressed that in as much as the expediency of a budget in any process of economic planning is not in contention, what however should be deemed as most expedient should be the execution, or simply put, 'the performance', of the budget. The consequence of this is that, every successful economic plan is to ensure that unemployment in any country must necessarily be preceded by a budget that is "well-designed, efficiently, implemented, adequately and effectively monitored, and its performance well evaluated" (Olayide & Ikpi, 2010; 91).

Basically, budget performance is a measure that seeks primarily to ascertain the extent to which the actual total revenue and expenditure of a government reflects its estimated total revenue and expenditure. Since a budget is a tool of economic planning, the need to maintain a balance or equilibrium in terms of its performance cannot be overemphasized. It is important to note here that the term 'balanced budget' is not concomitant with 'a balance in budget performance'. The term 'balanced budget' is used to express a budget whose revenue projections and expected expenditures are equal, while a balance or equilibrium in budget performance relates to a budget whose projected total revenue and expenditure equilibrates the actual total revenue and expenditure of a government in a given fiscal year. Consequently, in terms of budget performance, a budget may be regarded as having underperformed or over-performed, or as being balanced. A budget can be said to have underperformed if the actual total revenue and/or expenditure of a government fall below the budgeted total revenue and/or expenditure. On the other hand, a budget can be said to have over-performed if the actual total revenue and/or expenditure of a government exceeds the budgeted total revenue and/or expenditure.

From the central bank of Nigeria (CBN, 2020) statistical bulletin government total expenditure in Nigeria is shown to have, over the years, always exceeded the total revenue generated by the government. In fact, from 1981 to 2019, the Nigerian government has only recorded fiscal surplus in two years - 1995 and 1996 (CBN, 2020). In terms of budget performance, Kuranga (2020) expressed that actual revenue has been under-performing, while actual expenditure has been over-performing in Nigeria, especially since 2015.This under-performance in budget revenue and over-performance in budget expenditure, which has been a recurring decimal since 2015, posits as a major cause of concern amongst economic analyst, specifically in relation to such issues as poverty, inequality, inflation and unemployment.

As hitherto highlighted, under normal economic circumstances, a budget, being a planning instrument at the disposal of government, should be able to tackle issues that may bother on poverty, inequality, inflation and unemployment (Ilemona & Sunday, 2018). However, in Nigeria, despite the persistent rise in her national budget, specifically since 2015, instead of experiencing a decrease, issues bothering on poverty, inequality, inflation and unemployment have rather experienced an astronomical increase. Notice that in the years preceding 2015, specifically in the years 2014, 2011 and 2010, budget performances, in terms of revenue, were reputably high as actual revenue over-performed the budget revenues in these years, and the rate of unemployment in these years were low when compared to the period after 2015. In fact, in 2010, actual revenue over-performed the budget revenue by 23%, thereby making it the highest budget performance in Nigeria since 2010 (Kuranga, 2020).

Felix, A.K & Owede L,M(2024) carefully looked at fiscal responsibility and unemployment and was able realized that past unemployment level can significantly contribute to more unemployment in the current period. This was attributed to careless management of fiscal policies, less political will to implement state laws.

Under Keynes' psychological law of consumption, to stimulate growth and consequently reduce unemployment, it is necessary that consumption increases as revenue or income increases, but the increment in consumption should be less than the increase in revenue or income. Looking at Nigeria, the hitherto given statistics evidenced that Nigeria's growth in expenditure always outweighs her growth in revenue which clearly negates Keynes' psychological law of consumption, and because since 2015, issues on poverty, inequality, inflation and unemployment have heightened simultaneously with persistent under-performance in terms of budget revenue and over-performance in terms of budget expenditure, it may not be out-rightly wrong to hypothesize that the level of budget performance may have some tendency of affecting unemployment in Nigeria. For this reason, and coupled with the fact that this area of study have been scarcely studied, this study has ensued. Although, the studies of Adegoroye (2018), and N waorgu and Alozie (2017) may have made some explorations on the subject of budget performance, the studies however did not relate budget performance to unemployment as this study have done. While Adegoroye (2018) examined the effects of public debt on budget performance in Nigeria, Nwaorgu and Alozie (2017) only evaluated on Nigeria's federal budget performance. Consequently, the subject of budget performance and unemployment in Nigeria has been scarcely studied, warranting a study such as this.

The study investigate the effect of government budgetary efficiency on unemployment in Nigeria. The study specifically examine how:

1. Budgetary efficiency affect unemployment in Nigeria.

2. Government capital expenditure affect unemployment in Nigeria.
3. Government recurrent expenditure affect unemployment in Nigeria.

The following are the research question for this study,

4. What is the impact of government budgetary efficiency on unemployment in Nigeria?
5. Do government capital expenditure affect unemployment in Nigeria?
6. What is the impact of government recurrent expenditure on unemployment in Nigeria?

From the objectives of the study, the following hypotheses (stated in null form) are drawn for the study:

H_{o1}: Government budgetary performance has no significant effect on unemployment in Nigeria.

H_{o2}: Government capital expenditure has no significant effect on unemployment in Nigeria.

H_{o3}: Government recurrent expenditure has no significant effect on unemployment in Nigeria.

Theoretical Literature

There exist a number of theories that relate to such concepts as budgetary performance and government expenditure and unemployment. However, Keynes psychological law of consumption and the Keynesian theory of unemployment, which are reviewed here, formed the theoretical framework upon which this study is based.

Keynes' Psychological Law of Consumption

It is said that the term "consumption" originates from Keynes' psychological law (Honea & Marisennayya, 2019).In Keynesian economic analysis, an exalted place is assigned to consumption expenditure in the determination of macroeconomic aggregates. On this basis, Anyanwu (1995) sees consumption function as one of the most crucial in macroeconomic relations.

Keynes postulated that aggregate consumption is a function of current aggregate income. The relation between consumption and income is based on his psychological law of consumption, which states that when income increases, consumption expenditure also increases but by a smaller amount. In other words, the consumption expenditure increases with increase in income but non-proportionally. The Keynesian concept of consumption function stems from the Keynes' psychological law of consumption which, in other words, states that there is a common tendency

for people to spend more on consumption when income increases, but not to the same extent as the rise in income because a part of the income is also saved.

The crux of Keynes' psychological law of consumption is that consumption mainly depends on income and that income recipients always do not tend to spend all of the increased income on consumption. Although Keynes idea on the psychological law of consumption was based on Family budgets data, however, the law is rather generally applicable, i.e., also applicable in government budgets. On this basis, Keynes extends the reasoning to the aggregate level by stating that aggregate consumption may exceed real income due to government budget deficits, financed by debt and aimed, for example, at providing for unemployment benefits or similar measures (Trezzini, 2012). Thus, on crucial importance of Keynes' psychological law of consumption is on its analysis on employment level. The law predicts a rise in consumption in response to a rise in government purchases of goods and services - an expansion in government expenditure on output (Galí, Vallés & López-Salido, 2007). As explained by Blanchard, (2003), the reason for the implied effect of an increase in government expenditure on consumption will depend critically on how government expenditure is financed, with the multiplier increasing with the extent of deficit financing. So, an expansion in government expenditure has the potential to raise aggregate consumption through its induced expansion in employment and the consequent rise in the real wage, labor income and, as a result, consumption of households. In turn, the resulting increase in consumption would raise aggregate demand, output, and employment even further, thus triggering a multiplier effect.

The Keynesian Theory of Unemployment

During the Great Depression of the 1930s, British economist J. M. Keynes advocated for government full involvement in economic activities. Due to the fact that the poor rely solely on the value of their labor, it is essential that employment rates rise (Hull, 2009). According to the theory, fluctuation in employment (persistent unemployment) is a surefire method to deepen poverty, low levels of human capital and inadequate levels of corporate capital and infrastructure. In order to keep the economy's full employment rate from fluctuating the Keynesian theory of unemployment advocated for the involvement of government primarily through its expenditure. The theory explained that through its expenditure, the government can ensure that an economy continues to grow at a steady clip by ensuring that an acceptable level of investment and consumption expenditure is maintained. Consequently, the Keynesian theory of unemployment suggests that government intervention, through government expenditure, is required to stimulate the economy and, ultimately, reduce unemployment through the multiplier effect.

Methodology

Drawing from the Keynesian theory of unemployment and Keynes' psychological law of consumption, being the theories upon which this study is based, government interventions, in form of its budgeted actual expenditure and revenue, are considered important in explaining the unemployment trend in any economy. Thus, to capture the relationship between budgetary performance and unemployment in Nigeria, the model is specified in line with the Keynesian theory of unemployment and Keynes' psychological law of consumption, using unemployment rate in Nigeria (UNEMP) as dependent variable, while some intervention measures of government, such as government capital expenditures (SGCE), government recurrent expenditure (SGRE), and difference in government revenue and expenditure interacted with a dummy (DUMGPD)are used as independent variables. Given the above, the model is specified firstly in functional form then transformed to its linear econometric form as follows;

UNEMP = f (GCEXP, GREXP, DUMPF, INFL)……...……..… (3.1)

Equation 3.1 can be transformed as:

$UNEMP = \alpha_0 + \alpha_1 GCE + \alpha_2 GRE + \alpha_3 GBP + \alpha_4 INFL + \varepsilon_{t...}$…….(3.2)

Where:

'UNEMP' is Unemployment Rate in Nigeria

'GCE' is Government Capital Expenditure

'GRE' is Government Recurrent Expenditure

'DUMGBP' is Difference in revenue to expenditure of government interacted with a dummy variable, 1= period of efficiency, i.e excess and 0 = inefficient.

'INFL' is Inflation Rate

'α_0' is the Intercept term

'α_1, α_2, α_3, and α_4'are Parameters to be estimated.

'εi' is the Stochastic term or error term

The behavioral assumptions, the a priori, or the presumptive signs are stated as follows:

$\alpha_1<0$: This, in line with the Keynesian Theory of Unemployment suggests a negative association between government capital expenditure and unemployment in Nigeria

$\alpha_2 < 0$: This, in line with the Keynesian Theory of Unemployment indicates a negative relationship between government recurrent expenditure and unemployment in Nigeria.

$\alpha_3 < 0$: This, in line with Keynes' psychological law of consumption indicates a negative relationship between budget deficit financing and unemployment in Nigeria.

$\alpha_4 < 0$: This, in line with Keynes' psychological law of consumption indicates a negative relationship between budget performance and unemployment in Nigeria.

Result and Discussion

The data set for this study are descriptively examined using the descriptive statistics of group data analysis.

Table 1. Descriptive Statistics

VARIABLES	UNEMP	GCEXP	GREXP	INFLR	DUMPF
Mean	10.71447	426.2211	1294.234	17.42553	1435.211
Median	12.10000	289.3500	455.6500	11.70000	198.8000
Maximum	21.50000	1682.100	5675.200	76.80000	6404.800
Minimum	1.900000	4.100000	4.800000	0.200000	-242.2000
Std. Dev.	6.755952	441.8889	1637.703	17.12722	1956.298
Skewness	0.243366	0.901362	1.106652	1.977754	1.212867
Kurtosis	1.560378	2.989409	2.963499	6.212196	3.212628
Jarque-Bera	3.656580	5.145715	7.758401	41.11007	9.388216
Probability	0.160688	0.076317	0.020667	0.000000	0.009149

Source: EViews Output

The result in table 4.2 indicates that the variables are positively skewed. It's also worth noting that all the variables (UNEMP, SGCE, SGRE, DUMGBP and INFL) are with coefficient values greater than 3 as such highly peaked, while UNEMP, SGCE and SGRE with values less than 3 are lowly peaked. Furthermore, the Jarque-Bera probabilities, indicates that the data set are not normally distributed as such should be subject to stationary test to ascertain their behavior. Therefore, the nature of the data series under study can be better understood by using Augmented Dickey Fuller unit root tests consistency of their variance and the reversion of their means over

time and to determine their stationary status. The Augmented Dickey Fuller unit root tests is presented in table 2.

Table 2. Unit Root (Results Augmented Dickey-Fuller)

Variable	Augmented Dickey-Fuller Statistic		Critical Value (5%)		~I(d)
	Level	1st Order	Level	1st Order	
UNEMP	-3.222	-7.373***	3.536	-3.540	I(1)
GBPF	-1.521	-5.900***	-3.526	-3.533	I(1)
GCEXP	-0.107	-6.103***	3.562	-3.562	I(1)
GREXP	-3.563	-3.644**	3.555	-3.562	I(1)
INFLR	-3.383	-6531***	-3.479	-3.552	I(1)

Source: Author's Computation using EViews

The result in table 4.3 indicates that all the variables demostrates were not stationary at the level. However they all were stationary at first differencing as such given credence to the stability of the variable and makes them suitable for further analysis.

Cointegration Test

Table 3: Cointegration test. (Trace and Eigenvalue Cointegration Test)

Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.741035	147.3453	117.7082	0.0002
At most 1 *	0.565394	98.70710	88.80380	0.0080
At most 2 *	0.531962	68.70773	63.87610	0.0185
At most 3	0.425499	41.37632	42.91525	0.0707

At most 4	0.329500	21.42321	25.87211	0.1622
At most 5	0.177460	7.032880	12.51798	0.3411

Trace test indicates 3 cointegratingeqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Source: EViews Output

At the 0.05 level, the above co integration result (Trace) suggests three (3) cointegrating eqn (s), indicating rejection of the hypothesis. The second finding (highest Eigen value) indicates that there is one (1)Co integrating equations at the 0.05 level, indicating that the hypothesis is rejected at this level.

Table 4. Regression Analysis Results

Dependent Variable: D(UNEMP)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.987790	0.980565	-3.047009	0.0054
LOG(GCEXP)	-2.356387	1.030923	-2.285707	0.0310
LOG(GCEXP(-1))	-1.824426	1.180316	-1.545711	0.1347
LOG(GCEXP(-2))	1.736705	1.032348	1.682286	0.1050
LOG(GREXP)	1.422892	1.311736	1.084739	0.2884
LOG(GREXP(-1))	-4.358656	1.144613	-3.807975	0.0008
INFLR	0.036246	0.020768	1.745253	0.0932
INFLR(-2)	0.036296	0.023222	1.563019	0.1306
DUMPF	-0.000407	0.000206	-2.980007	0.0288
ECT(-1)	-0.576946	0.099143	-5.819366	0.0000

R-squared	0.835008	Mean dependent var	0.437778
Adjusted R-squared	0.769011	S.D. dependent var	3.335244
S.E. of regression	1.602963	Akaike info criterion	4.028053
Sum squared resid	64.23727	Schwarz criterion	4.511906
Log likelihood	-61.50495	Hannan-Quinn criter.	4.196930
F-statistic	12.65222	Durbin-Watson stat	1.421620
Prob(F-statistic)	0.000000		

Source: EView's Output

Table 4. shows the ECT term is correctly specified as the coefficient (-0.576) is less than one in absolute term, also the ECT is well quantified and the analytic statistics are good. Specifically, the ECT term also reports that approximately 57.6% speed of adjustment towards equilibrium. This implies that 57.6% of disequilibrium caused by short run fluctuations in the previous period was corrected in the current period.

The adjusted coefficient of determination (R^2) value of 0.769 shows that about 76.90% variation in unemployment is jointly explained by government capital expenditures, government recurrent expenditures, government budget performance and inflation rate, while 23.10% are explained by other factors that accounts for variation in unemployment captured by the error term.

If all other factors stay constant, and government budget performance increases at a rate of one unit per year, it will cause unemployment to decrease by 0.00407 unit. This suggests that the influence of government budget performance has a reducing effect on unemployment and this effect is statistically significant. This implies that budget under performance causes unemployment in Nigeria.

Government capital (SGCE) has a coefficient of -2.356 at its current period indicating that per unit increase capital expenditures by government will bring about 2.356 unit decrease in unemployment. While government recurrent expenditures has a significant impact on unemployment as a unit rise in recurrent expenditures will produce 4.358 unit increase in unemployment as shown by a t-stat value of 3.807 and probability value of 0.0008 which is less than 0.05 significant level.

Inflation rate has no significant influence on unemployment rate in Nigeria as shown by the none significant t-stat values and probability values.

Given the D-Watson Stat of 1.421, shows that there is a possibility of first order autocorrelation. However to further test the stability of the estimated model we conducted the Breusch-Pagan-Godfrey Test LM and Heteroskedasticity test

Table 5. Summary Result for Hypothesis Testing One

Dependent Variable:

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	-2.987790	0.980565	-3.047009	0.0054
DUMPF	-0.000407	0.000206	-2.980007	0.0288

R-squared 0.8350; Adjusted R-squared 0.7690; Durbin-Watson stat 1.4216;

Prob(F-statistic) 0.000000

Source: EView's Output

H1: Government budgetary efficiency has no significant effect on unemployment in Nigeria. The OLS regression found that Nigeria's budget performance has an decreasing effect on unemployment shown by the coefficient (-0.000407), t-statistics value (2.9800) greater than 2.00 and a probability value (0.0288) less than 0.05. As a result, we accept the null hypothesis and confirm that government budget performance has a significant effect on unemployment in Nigeria.

Table 6. Summary Result for Hypothesis Testing Two

Dependent Variable:

D(UNEMP)

Variable	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
C	-2.987790	0.980565	-3.047009	0.0054
LOG(GCEXP)	2.356387	1.030923	2.285707	0.0310

R-squared 0.8350; Adjusted R-squared 0.7690; Durbin-Watson stat 1.4216;

Prob(F-statistic) 0.000000

Source: EView's Output

H_2: Government capital expenditure has no significant effect on unemployment in Nigeria.. According to the OLS regression, Nigeria's government capital expenditures had a negative and significant influence on unemployment rate because its t-statistics value is greater than 2.00 and its probability value (0.0310) is less than 0.05. As a result, we reject the null hypothesis and confirm that the government capital expenditure has a negative significant effect on unemployment in Nigeria

Table 7 Summary Result for Hypothesis Testing Three

Dependent Variable: D(UNEMP)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.987790	0.980565	-3.047009	0.0054
LOG(GREXP(-1))	-4.358656	1.144613	-3.807975	0.0008

R-squared 0.8350; Adjusted R-squared 0.7690; Durbin-Watson stat 1.4216;

Prob(F-statistic) 0.000000

Source: EView's Output

H_3: Government recurrent expenditure has no significant effect on unemployment in Nigeria. According to the OLS regression, Nigeria's government recurrent expenditures has a negative substantial influence on unemployment rate in Nigeria because its t-statistics value is more than 2.00 and its probability value (0.00008) is less than 0.05. As a result, we reject the null hypothesis and confirm that the government recurrent expenditures has no effect on unemployment in Nigeria.

Recommendations

In connection to the findings of this research, the following recommendations are suggested:

i. The Government should formulate monitor her fiscal policy to check the channel of increase government spending to find out why the huge spending has not transmitted into a viable economic performance in terms of price stability and growth that guarantees employment creation.

ii. The existing loopholes and leakages in all public revenue sources should be blocked, and all revenues mobilized should be promptly collected and remitted to appropriate federal

treasury bank accounts. The policy on crude oil bench mark used in Federal Government Revenue should be reviewed and operation of excess crude account streamlined so as to channel the revenue to productive sector in order to create job

iii. Government should compel its public enterprises to establish budget accounting and performance reporting units without delays. This recommendation is strongly supported by the findings obtained from study.

iv. Government should ensure that all the budget planning processes, negotiations, approval and assent or adoption should be completed before the end of the month of November that proceeds the new fiscal year in which the annual appropriation act would be implemented.

Contribution to Knowledge

v. The findings also show that budget performance is increases the possibilities of creating jobs and underperformance of the Nigerian budget affects unemployment negatively. By implication, this shows that input–output projects/programs monitoring approach in the appraisal of capital projects including the financial control methods should be adopted in the federal public sector. The implication of this is that of this is that, any successful economic plan to reduce unemployment in any country must necessarily be preceded by a budget that is well-designed, effectively and efficiently implemented, adequately monitored, and its performance well evaluated.

Conclusion

This research has been able to estimate the impact of budget performance on unemployment in Nigeria ranging from 1981-2022. Our scenario analysis clearly shows that Under Keynes' psychological law of consumption, to stimulate growth and consequently reduce unemployment, it is necessary that consumption increases as revenue or income increases, but the increment in consumption should be less than the increase in revenue or income. Looking at Nigeria, the hitherto given statistics evidenced that Nigeria's growth in expenditure always outweighs her growth in revenue which clearly negates Keynes' psychological law of consumption, and because since 2015, issues on poverty, inequality, inflation and unemployment have heightened simultaneously with persistent under-performance in terms of budget revenue and over-performance in terms of budget expenditure. We conclude that the level of budget performance may have a significant effect on unemployment in Nigeria.

Suggestion for Further Study

Therefore, in terms of the future direction of the research, it is necessary to estimate the disaggregated government expenditure on poverty reduction in Nigeria. Also the impact of budget performance be examine as it affect poverty and economic development in Nigeria.

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