The Effect of Fiscal Policy on Economic Development in Nigeria (Econometric Approach 1986-2016)

By

Dr. Cletus Usman Idoko, Ejima Ochidi Ajaye and Ali Yusufu
Department of Economics, Kogi State University, Anyigba
Kogi State, Nigeria

Abstract

The study was designed to investigate the effect of fiscal policy on economic development in Nigeria. Three research questions and hypotheses each guided the study. The study utilized economic development proxy or measured by per capita income (PCI) and fiscal policy proxy by taxation (TAX), government expenditure (GEXP) and government revenue (GREV). The technique of estimation employed in the study was Ordinary Least Square (OLS) regression analysis. Panel data for the study was collected from Central Bank annual bulletin. The result of the analysis showed that taxation and government expenditure have no significant effect on economic development except government revenue which revealed a significant effect on economic development in Nigeria. In a nutshell, this implies that taxation and government expenditure within the study period on the average did not have any effect on economic development, except government revenue. The study further conducted the standard error test and discovered that taxation and government expenditure have no significant effect on economic development, except government revenue which revealed a significant effect on economic development in Nigeria. This also implies that taxation and government expenditure within the study period on the average did not have any effect on economic development, but government revenue. The study therefore, recommended among others that Nigeria Government should establish a strong fiscal responsibility and transparency system in the country and adopt good tax reform that will encourage increase in investment, fight corruption in the economy, and ensure that government debts are tricked to investment in critical infrastructural development such as roads, electricity, water supply, and a host of others.

Keywords: Fiscal policy, Economic development, Economic stabilization, Budgetary policy, Government expenditure and Taxation.

Introduction

Fiscal policy is the government fiscal action used in the management of the economy through the manipulation of its income and spending power to actualize some desired macroeconomic objectives. .It is a deliberate alteration of government spending and taxation systems to achieve desired macroeconomic objectives by changing the level and composition of aggregate demand (AD).

Substantially, fiscal policy according to Audu (2010) is the use of taxation through budget to influence macroeconomic activities in the country. It is government policy action meant to raise

revenue through taxation and other sources to defray the levels of expenditure by the government and unemployment problems in the economy.

Furthermore, Okafor (2012) opines that fiscal policy involves the use of government spending, taxation and borrowing to reflect the levels and growth of aggregate demand, output and job creation in the country. It is the government spending policy that influences macroeconomic conditions in the country towards achieving economic development via increase in standard of living. Usually, this policy option stems from effective implementation of tax rates, interest rates and government spending in an effort to channel resources to different economic activity in the economy.

In the same vein, Afam (2012) opines that fiscal policy is that aspect of government policy that deals with the raising of government revenue through taxation and other sources majorly used to decide the levels and patterns of expenditure for the aim of influencing economic activities in the country. This means that fiscal policy is the policy option used to achieve full employment level, price level stability, sustainable economic growth, external balance of payment equilibrium and its instrument is used to achieve macroeconomic targets geared towards achieving economic development.

In general terms, fiscal policy is the means through which government adjusts its levels of spending patterns in order to monitor and influence the nation's economic activities. Fiscal policy in this case, is adopted by the government to help in the allocation, stabilization and distribution of the resources accruing to it in a balanced form to checkmate inflation, income disparity among individuals and groups and solve the balance of payment problem so as to achieve the desired level of economic development in the country. Usually, there are two types of fiscal policy, this includes; Discretionary fiscal policy and Automatic stabilizer. Discretionary fiscal policy is referred to as the policy changes, while automatic stabilization is used to stabilize the economy in times of economic boom or economic recession by the process of fiscal drag and fiscal boost.

Discretionary fiscal policy according to Afam (2012) is made up of expansionary and contractionary fiscal policy. Expansionary fiscal policy occurs when the government expenditure exceeds its tax revenue usually used during economic recession. On the other hand, contractionary fiscal policy occurs when government spending is lower than its tax revenue and it is used to curtail the excesses in aggregate demand within the economy. In either case, the government uses its initiatives to determine how the policy can better serve the economy at a particular point in time depending on the situation at hand. However, in most cases, fiscal policy works through taxation, government revenue and expenditure. It equally works through the manipulation of subsidies, exchange rate, checks on external reserves and borrowing which may be used to finance deficit where projected revenue is less than expenditure. Fiscal policy therefore, gives the government power to correct economic imbalance during recession and economic depression so as to enhance economic development.

Subsequently, from time immemorial, Nigerian government has applied these policies through its budgetary allocation to curb its economic downswing by granting of subsidies, tax holidays to production firms and companies, to mention but a few. It has also continued to employ budgetary deficit which is expansionary in nature to increase aggregate demand and boost its economic activities for the sustenance of economic growth geared towards the desired level of economic development. To achieve these macroeconomic objectives, Afam (2012) maintains that fiscal policy has two effects in any economy; these are positive and negative effects. The positive effect of fiscal policy deals with things imbedded in the policy action that leads to the promotion of economic development while the negative effects are the inhibiting factors that causes limitation to the proper functioning of fiscal policy. In view of the above assertions, this paper advances to assess the effects of fiscal policy on economic development in Nigeria.

Literature Review

Fiscal policy according to Audu (2010) is the measure that government of any nation employs to stabilize its economy. It involves changing the allocations and levels of government expenditure and taxes. Usually, during a period of economic recession, the government usually cut taxes in favour of tax payers and leaves tax payers with additional cash for spending. This increases consumption levels of individuals in the society. This policy according to Afam (2012) can be achieved through resource mobilization.

Fiscal policy in Nigeria is usually formulated to mobilize resources in the public and private sectors of the economy. In Nigeria, national income and per capita income are very low due to low rate of savings (Alade, 2003). In this case, the government needs forced savings to push up the rate of investment and capital formation which in turn will accelerate the rate of economic development. This policy is expected to increase the planned investment in the public sector. However, increase in private sector investment is more efficient and favorable than the public sector investment. This is because private sector investment helps in controlling conspicuous consumption and investment in unproductive sectors both of which checkmate the inflationary trend in the economy. Even if the country is faced with the problem of foreign capital, the remedy lies on increasing the incremental saving ratio by raising the marginal propensity to save through public finance, taxation and forced loans (Nuruden and Usman, 2010)

Fiscal policy is very important because it is usually used to pursue accelerated economic growth by raising the rate of investment in the public and private sectors of the economy. In this case, various tools of fiscal policy such as taxation, public borrowing, deficit and surplus financing from public enterprises are used in a combined manner such that they may not affect consumption, production and distribution of wealth (Dandan, 2011). In order to achieve balanced growth in different sectors of the economy, the need for balanced development in the field of industries and agriculture is needed. This is because investment in basic and capital goods industries and overheads are the pillars of economic development. In Nigeria, fiscal policy according to Audu (2010) is used to encourage investment in these productive areas which are

considered as socially and economically desirable. Also, fiscal policy makes investment on social and overheads such as transportation, communication, technical training, education, health and soil conservation to raise productivity and widen the market for goods and services in the economy to enjoy external economies. Also, through this method, unproductive investments are checkmated and diverted towards productive and socially productive channels which results to balanced economic development.

From the above assertions therefore, it is pertinent to note that Fiscal policy is the most important tool used by the government of any nation to achieve macroeconomic stability especially the economy of the developing countries of the world like Nigeria (Sharma, 2012).

Fiscal policy according to Dandan (2011) is also a policy option used by the government for the promotion of both internal and external economic stability. Usually, most developing countries like Nigeria are always prone to the effects of cyclical fluctuations. This is because they mainly export primary products and import manufactured and capital goods into their country. However, in order to minimize the effects of international cyclical fluctuations, fiscal policy is used to bridge the gap between balanced growths and reduce the effects of cyclical fluctuation through fiscal deficit. In this case, a contra-cyclical fiscal policy of deficit budgeting in depression and surplus budgeting in inflation are most appropriate (Appah 2010). This is because during recession, public works programmes through deficit financing yields fruitful results. Although an injection of additional purchasing power would tend to inflationary pressure which can be controlled using preventive fiscal measures.

In the same vein, Sharma (2011) maintained that fiscal policy can be used to fight the rate of inflation in the country. Inflation means the continuous increases in the level of price of goods and services without an improvement in money supply. As such, consumers are required to pay more money for the regular services and products with less accessible cash. The government in most cases uses fiscal policy to control the speed at which the price of goods and services increases. To reduce inflation in the country, the government reduces resources from the economy. This is achieved through reduction of government expenditure, increase taxation or both. This action decreases cash flow and lead to economic growth in the economy.

Audu (2010) also posited that resource allocation is not adequate in Nigeria. This is because, most of the resources are often diverted to the production of goods and services that only benefits the rich in the society neglecting the poor due to expectation of high profit. Hence, fiscal policy is expected to divert resources from less useful production to more useful channels. This can be done using various tax incentive measures and government subsidy programmes.

Muritala and Taiwo (2011) opined that increase in government spending or purchase and reduction in taxes for instance, means that people will have more disposable income which in turn increases demand for goods and services. To meet up with the growing demand, the private sectors have to increase production which on the other hand will lead to creation of more job

opportunities in the country. This according to Gbosi (2008) will boost economic activities and move the economy to sustainable growth and development.

The compensatory fiscal policy that encourages government investment may in turn discourage private investment. This is because if private entrepreneurs face keen competition with public enterprises in sourcing for labour, raw materials and finance to execute its business plans, in onset, it can increase the involvement of the government in different economic activities especially in recession by strengthening the pessimistic expectations of the private entrepreneurs with the hope that public spending may rise (Afam, 2012). However, at subsequent period, the curtailment in public spending may make the fiscal policy self-offsetting and all imbalances may be removed.

Accordingly, Audu (2010) Posited that Fiscal policy is very important in any nation like Nigeria because it is used to deal with the problem of income inequality in the country. This is usually done through the imposition of taxes on income and property at progressive rates. Usually, imposition of heavy taxes on goods consumed by the rich and granting an exemption or tax concession to commodities of mass consumption are powerful weapon that can be used to correct inequality gap in the country. This is because inequality of income is very common in Nigeria and it the bane of low economic development. Also, government expenditure on relief programmes, supply of input for small and medium scale industries and agricultural farms, provision of essential commodities to the poor at subsidize prices to mention but a few are strong policy measures that can be used for the reduction of inequality gap between the rich and the poor in the country (Afam 2012).

Ajiafe and Folorunsho (2003) also, regarded fiscal policy as a powerful weapon for influencing various economic activities in the country, although, fiscal policy measures are time consuming because of administrative problems. This according to Nuruden and Usman (2010) fiscal policy occur because of the democratic process, legislative action, administrative task and executive process involved. The delay in the original estimate of revenue earning and expenditure pattern of the government because of bureaucracy is unnecessary and irrelevant. This is because operational lags and delays relating to fiscal measures always results to a considerable erosion of the effects and gap between expected achievement and the attainment of the policy objectives. These often distort the operation and functioning of fiscal policy instruments and sometimes makes fiscal policy irrelevant.

Empirical Literature

Dar-Atul and Amirkhalkhan (2002) conducted investigation on endogenous growth model of fiscal policy and discovered that in the endogenous growth model of fiscal policy, government expenditure and income are very crucial in predicting future economic growth.

Ghosh and Roy (2006) also studied the relationship between fiscal policy and economic growth in Egypt, Morocco and Tunisia using different panel data of 1970-2002 for Morocco, 1972-2002 for Tunisia, and 1975-2002 for Egypt. The empirical result showed that 1 percent in public expenditure raised the real GDP by 1.2 percent in Morocco, 1.15 percent in Tunisia and 0.56 percent in Egypt. The result also revealed the existence of long-run relationships for the three countries.

Ogbole et al (2011) in their study involving comparative analysis of the impact of fiscal policy on economic growth in Nigeria from 1970-2006 during the period of regulation and deregulation period using panel data collected from Central Bank of Nigeria. The econometric analysis conducted showed that there is a difference in the effectiveness of fiscal policy in stimulating economic growth during and after regulation periods. The impact was discovered to be marginally higher (only 14 percent) contribution deregulation than in the regulation period. to GDP during the period.

Nathan (2012) studied the impact of fiscal policy on Nigerian economy from 1979-2010 with panel data collected from Central Bank of Nigeria annual bulletin. Co-integration Error Correction Mechanism (ECM), a two band recursive least square model was used to test for the stability of the Nigerian economy as well as determine the effect of money supply, fiscal defects and exports on the relationship between exports and gross domestic product and hence, fiscal policy. The result of the study revealed that fiscal policy has a significant influence on the output growth of Nigeria economy.

In the same vein, Alex and Ebieri (2014) carried out research on the impact of fiscal policy on economic growth in Nigeria using panel data collected from Central Bank of Nigeria annual bulletin and National Bureau of Statistics. Ordinary least square method was used for data analysis. The result indicates that there was long-run relationship between fiscal policy and economic growth during the period of study. The study further revealed that recurrent and capital expenditures, non-oil taxes and government debts have significant impact on real GDP. Only capital expenditure has short-run equilibrium relationship with economic growth.

Ubesie (2016), conducted investigation on the effect of fiscal policy on economic growth in Nigeria using panel data from 1985-2016 collected from Central Bank of Nigeria. Descriptive statistics and ordinary least square (OLS) multiple regression analytical method was used for the data analysis after ensuring data stationary. The results of the study revealed that total government expenditure is significantly and positively related to government revenue, with expenditure climaxing faster than revenue, investment expenditures were discovered to be much lower than recurrent expenditures, evidencing the poor growth in Nigeria economy.

In line with the above literature reviews, it is evident that most of the research work conducted on fiscal policy is based on economic growth and Nigeria economy. Few of such research work have been conducted on economic development proxy of per capita income. It is on this basis

that this study intends to find out the effect of fiscal policy on economic development in Nigeria.
.

Research Questions

The following research questions guided the study.

I. What is the effect of taxation on Economic Development in Nigeria?
II. How does government expenditure affect economic development in Nigeria?
III. Does government revenue affect economic development in Nigeria?

Objective of the study

The general objective of the study was to determine the effect of fiscal policy on Economic Development in Nigeria. Specifically, the study intends:

I. To find out the effect of taxation on economic development in Nigeria
II. To assess how government expenditure affect economic development in Nigeria
III. To determine the effect of government revenue on economic development in Nigeria

Research hypotheses

I. Taxation has no effect on economic development in Nigeria
II. Government expenditure has no effect on economic development in Nigeria
III. Government revenue has no effect on economic development in Nigeria

Methodology

Model Specification

The study utilized economic development proxy or measured by per capita income (PCI) and fiscal policy proxy by taxation (TAX), government expenditure (GEXP) and government revenue (GREV).

The functional form of the model is represented in equation 1 as:

PCI = F (TAX, GEXP, GREV)……………………………………………………1

The mathematical form of the model is represented in equation 2 as:

$PCI=\beta_0 + \beta_1 TAX + \beta_2 GEXP + \beta_3 GREV$ ……………………………………………..2

The econometric form of the model is represented in equation 3 as:

$PCI=\beta_0 + \beta_1 TAX + \beta_2 GEXP + \beta_3 GREV + \mu$……………………………………...3

Where;

PCI = Per Capita Income (Proxy for economic development)

TAX= Taxation

GEXP= Government Expenditure

GREV= Government Revenue

β_0= The autonomous component or intercept of the model

β_1, β_2, and β_3 are constant parameters denoting the coefficients or slopes of the regression plane or model.

Type and source of Data

The data on Economic Development proxy or measured by Per Capita Income (PCI) and Fiscal Policy proxy by Taxation (TAX), Government Expenditure (GEXP) and Government Revenue (GREV) from 1986-2016 were sourced from the Central Bank of Nigeria Statistical Bulletin.

DISCUSSION OF RESULTS AND FINDINGS

From the regression results, Per Capita Income (PCI) is the dependent variable as proxy for Economic development while Taxation (TAX), Government Expenditure (GEXP) and Government Revenue (GREV) are the independent variables. The following is the result of the analysis.

Dependent variable: PCI (Proxy Economic development

Table 1: Regression Results

Variable	Coefficient	Standard error	t-statistic	Probability
C	2027.329	1026.102	1.975759	0.0585
TAX	-0.038214	0.428969	-0.089082	0.9297
GEXP	0.567326	0.884699	0.641264	0.5268
GREV	2.352163	0.289395	8.127863	0.0000
R^2= 0.946014 **Adjusted R^2**= 0.940016 **D.W Statistic**=0.558424 Prob(F-statistic)=0.000000			**F-Statistic)**= 157.7106 **Prob(F-Statistic)= 0.001471** **N=30**	

Source: Author's Computation using E-Views 9.5 Version

The intercept of the regression model on table 1 above is 2027.329. All things being equal, it represents the value of dependent variable which is Per Capita Income (PCI) used as proxy for economic development, if the value of Taxation (TAX), Government Expenditure (GEXP) and Gov ernment Revenue (GREV) are individually equal to zero.

The regression coefficient of taxation (TAX) is -0.038214. It shows that a unit increase in value of taxation (TAX) will bring about 0.038214 unit decrease in Per Capita Income (PCI) in Nigeria. It is negative showing an inverse relationship between value of Taxation (TAX) and Per Capita Income (PCI) in Nigeria. Hence, Taxation (TAX) has negative effect on economic development within the study period.

The regression coefficient of Government Expenditure (GEXP) is 0.567326. It shows that a unit increase in Government Expenditure (GEXP) will bring about 0.567326 unit increase in per Capita Income (PCI) in Nigeria. It is positive showing direct relationship between Government Expenditure (GEXP) and Per Capita Income (PCI) in Nigeria. Hence, Government Expenditure (GEXP) has positive effect on economic development in Nigeria within the period of the study.

The regression coefficient of Government Revenue (GREV) is 0.567326. It shows that a unit increase in Government Revenue (GREV) will bring about 0.567326 unit increase in Per Capita Income (PCI) in Nigeria. It is positive showing direct relationship between Government Revenue (GREV) and Per Capita Income (PCI) in Nigeria. Hence, Government Revenue (GREV) has positive effect on economic development in Nigeria during the period of the study.

The coefficient of determination (R^2) is 0.946014. The estimated result shows that about 94% of the total variation in Per Capita Income (PCI) is caused by the independent variables i.e Taxation, Government Expenditure and Government Revenue while the remaining 6% is captured by the error term or random term. Since the R^2 is close to one, we can conclude that the model is a good fit and robust for forecasting or predicting future value of economic development in Nigerian economy. The value of D.W statistic of 0.558424 which is less than 2, indicates that there is positive autocorrelation or serial correlation in the model

Test of Hypotheses

(A) Standard Error Tests

Table 2: Summary of the Standard Error Test

Variable	Parameter	Standard error	1/2 Coefficient	Decision	Conclusion
TAX	β_1	0.428969	0.019107	Reject H_1	Insignificant
GEXP	β_2	0.884699	0.283663	Reject H_1	Insignificant
GREV	β_3	0.289395	1.1760815	Reject H_0	Significant

Source: Author's Computation using E-Views 9.5 version

The standard error tests on table 2 above shows that the coefficient of taxation and government expenditure are statistically insignificant because their standard errors are greater than half of their absolute coefficients. Hence, we can deduce from the result that Taxation and Government Expenditure have no significant effect on economic development, except Government Revenue which revealed a significant effect of economic development in Nigeria. In a nutshell, this implies that Taxation and Government Expenditure within the study period on the average did not have any effect on economic development, except Government Revenue.

(B) Probability Test

If p-value > 0.05, accept the Ho and reject the H_1 and conclude that the estimated parameter is not statistically significant. On the contrary, if the p-value ≤0.05 reject the H_0 and accept the H_1 and conclude that the estimated parameter is statistically significant and vice versa. Hence, this is analyzed below.

Table 3: Summary of the Probability Test

Variable	Parameter	P-Value	Level of Significance	Decision	Conclusion
TAX	β_1	0.9297	0.05	Reject H_1	Insignificant
GEXP	β_2	0.5268	0.05	Reject H_1	Insignificant
GREV	β_3	0.0000	0.05	Reject H_0	Significant

Source: Author's Computation using E-Views 9.5 version

The probability value for Taxation is 0.9279. Since, the p-value is greater than 0.05, we accept the null hypothesis and reject the alternative hypothesis, and conclude that taxation has no significant effect on economic development in Nigeria within the study period.

Also, the probability value of Government Expenditure is 0.5268. Since, the p-value is greater than 0.05, we accept the null hypothesis and reject the alternative hypothesis, that Government Expenditure has no significant effect on economic development in Nigeria.

The probability value of Government Revenue is 0.0000. Since, the p-value is less than 0.05; we reject the null hypothesis and accept the alternative hypothesis, and we conclude that government revenue has significant effect on economic development in Nigeria

(C) F- Statistic Test

The calculated F-statistic is 157.7106. The tabulated F-statistic is 2.76 at 30 and 3 degrees of freedom and at 5% level of significance. The calculated F-statistic is greater than the tabulated F-Statistic. Therefore, we reject the null hypothesis and accept the alternative and conclude that the overall regression model is statistically significant at 5% level of significance.

Recommendations

Based on the result of the findings the following recommendations were made

- Government should establish a strong fiscal responsibly and transparency system in the country and adopt good tax reform that will encourage increase in investment, fight corruption in the economy, and ensure that government debts are tricked to investment in critical infrastructural development such as roads, electricity, water supply, and a host of others.
- Government should as a matter of urgency invigorate private sectors in every proposed plans of investment by reducing corporate taxes rate (direct tax rate of private sector investment) so as to increase economically viable investment that can be used to improve individual income through increase in income and improved output. This will also lead to reduction in the prices of goods and services in the economy to the reach of the common men.
- All capital expenditure especially on institutional development should be properly monitored to ensure that expenditure on them is not diverted to private pockets at the expense of the whole economy.
- Government should carry out a critical examination of various components of its expenditure pattern to favour the electorates and identify areas where increased spending might not lead to improvement in the standard of living and curb off the excesses. Such action will help to reduce corrupt practices among those in governance.

- Government should also formulate and implement viable fiscal policy options that will stabilize the economy. This could be achieved through the practice of true fiscal federalism and decentralization of levels of government in the country.
-
- Likewise, consistency in macroeconomic policy should be maintained in non-oil sectors of the economy by providing incentives to investors wishing to invest in manufacturing and agricultural sectors through tax holidays, reduction in interest rates and other incentives. Furthermore, the Nigerian government should increase expenditure on economically viable investment in different societies to improve individual income through employment and increased output. Capital expenditure should be well monitored and ensure that these expenditures are not diversified to individuals' pockets and also quality assurance be gotten from executors of government projects.

- The government should reduce the corporate tax rate (direct tax rate) . This would help to increase aggregate demand, savings and investments through expansion by individuals and existing businesses. However, the Federal Inland Revenue Service should make taxes more elastic and explore many other untapped ways of generating more tax revenue for the government as there are still many people and firms who do not pay tax as a result of tax evasion and avoidance. Importantly, the census of tax payers in both private and public sectors should be regally conducted and gazetted to make tax assessment very easy and consistent.. Also necessary precautionary

  Measures should be taken to ensure that fiscal control strategy does not impede economic growth and job creation in the country.

Conclusion

This paper was meant to assess the effects of fiscal policy on the economic development in Nigeria using panel data collected from central bank of Nigeria annual bulletin. Ordinary least square method was used for data analysis and the study among otrher things discovered that government expenditure, and taxation have no significant effect on economic development in Nigeria during the period of study. It was only government revenue that was discovered to be significant.

References

Abudullah, H.A.(2000). The Relatiponship between Government Expenditure and Economic growth in Saudi Arabia. Journal of Administrative Science. 12(2). 173-191.

Afam, A.M.(2012). Banking sector Reforms and the manufacturing sector: the manufacturing Association of Nigeria: prospective, Central Bank of Nigeria publication.

Alade, S.(2003). Fiscal Adjustment in Nigeria : issues in capital Expenditure. The Billion 27 (2). 8-16.

Alex, E.O. and Ebieri, J.(2014). Empirical analysis of the impact of fiscal policy on economic growth in Nigeria. Canadian Center of Science and Education. International journal of Economics and Finance. 6(6). 202-211.

Alexiou C. (2009): Government Spending and Economic Growth: Econometric Evidence from South Eastern Europe. Journal of Economic and Social Research, Vol.11, No.1 4. . 11.

Ajiafe, R.A. and Folorunsho, B.A. (2002). The Relative Effectiveness of fiscal and monetary policy in macroeconomic management in nigeria. The African Economic and Business Review. 3(1). 23-30.

Appah, E. (2010).The Relationship between fiscal policy and Economic growth in Nigeria (1991-2005). International Journal of Economic Development Research and Ivestment . 1(2).

Anderton, A. (2008). Economics 5th edition ,Harlow Essex, pearson Education Edinbourgh.

Audu, N.A. (2010). External debt management policy and economic growth in Nigeria. Journal of Global Economy, Business and Finance 1(1). 35-59.

Dandan M. M. (2011): Government Expenditure and Economic Growth in Jordan, IPEDR, vol. 4, pp. 467- 471. 15. IMF Country Report (2005): Paper on Recent Developments and Regional Policy Issues. Central African Economic and Monetary Community :; IMF Country Report 05/403; May 25, 2005 16.

Dar-Atul, A.and Amirkhalkhan, S. (2002). Government Size, Factor Accumultion and Economic Growth: Evidence from OECD countries. Journal of policy modeling .24, 679-692.

Fatas, A. and Illian, M.(2003). The case of Restricting fiscal policy Discretion. Quartally Journal of Economics. Vol.118. Nov. 1419-4147

Gbosh, S. and Roy, U. (2006). Fiscal Policy Long-Run Growth and Welfare in a stock-flow model of public goods. Canadian Journal of Economics. 37(3). 742-756.

Gbosi, A.N. (2008). Contemporary macroeconomic problems and Automatic Stabilization policies. portHarcount: Automatic Venture/.

Jhingan M.L. (2003): Macroeconomic Theory. 11th edition Vrinda Publicaitions (P) Ltd. 18.

Paul A.S. (1970): Readings in Economics. New York McGraw Hill. 6th ed. 19.

Manson, B. (2008). Fiscal Policy and Economic Growth. Egypt, Morocco, and Tunisia compared. UNECA. Conference on macroeconomics policy. Addis Ababa ,Nov23-25,production capacity and economic growth in Africa. www.uneca.org//tfed//document

Muritala T. and Taiwo A. (2011): Government Expenditure and Economic Development: Empirical Evidence from Nigeria‖, European Journal of Business and Management, vol. 3, no.9, pp. 18-28. 14.

Nathan, P.A.(2012). The impact of fiscal policy on Nigeria economy. International Review of Social Sciences and Humanities. 4(1). 142-150.

Nuruden, A,.and Usman, A. (2010). Government Expenditure and Economic Growth in Nigeria 1970-2008. A Disaggregated Analysis. Business and Economic Journal. Beji(4). 1-11

Ogbole, O.F., Anadi, S,.N. and Essi, I.D. (2011). Fiscal policy : its impact on Economic growth in Nigeria 1970-2006. Jouranl of Economics and International Finance. 3(6). 407-417

Ogbole, F.O., Sonny N.A. and Isaac,, D.E.(2011). Fiscal Policy: Its impact on Economic growth in nigeria 1970-2006. Journal of Economics and International Finance.3(6). 402-417

Okafor, U.O.(2012).Analysis of the impact of fiscal policy measures on capital formation in Nigeria: Nigerian Journal of Management and Administration 5(9) 34-53

Oyinola, O.A.(2011). Corruption Eradication in Nigeria: An Appraisal. Library Philosophy and Practice

Peter, N.M. and Simeon, G.N. (2011). Economic Analysis of the Impact of fiscal policy variables on Nigerian Economic Growth. International Journal of Economic Development, Research and Investment. 2(1). 171-183.

Sharma B. (2012): Government Expenditure and Economic Growth in Nepal: A Minute Analysis‖, Basic Research Journal of Business Management and Accounts, vol. 1, no.4, pp.37-40, 13.

Umutogun, O . and Ayinla, T.A. (2007). Fiscal policy and Nigerian Economic Growth: Journal of Research in National Development. 5(2) 45-56

Ubesie, M.C. (2016). The effect of fiscal policy on economic growth in Nigeria . Journal of Finance and accounting. 4(3). 140-145.