



ASSESSING THE EFFECT OF GOVERNMENT AGRICULTURAL EXPENDITURE ON ECONOMIC GROWTH IN NIGERIA

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ABSTRACT

Agriculture plays a vital role in Nigeria's economy through employment generation, food security, and economic diversification. This study examines the effect of government agricultural expenditure on economic growth in Nigeria from 1981–2024, focusing on the impacts of capital and recurrent agricultural expenditures. The study adopts the Autoregressive Distributed Lag (ARDL) model to analyze both short-run and long-run relationships between real gross domestic product and selected variables. The ARDL bounds test confirms the existence of a long-run relationship among the variables. Findings reveal that capital expenditure on agriculture positively and significantly affect economic growth in the long run but has a negative short-run effect due to implementation delays and inefficiencies. Recurrent agricultural expenditure exerts a positive and significant effect in the long run, while its short-run impact is positive but insignificant. Labour and capital stock also contribute positively and significantly to economic growth in both periods. The study concludes that sustained and efficient agricultural spending is essential for long-term economic growth in Nigeria. It recommends improved transparency in public agricultural spending, strengthened institutional capacity, and policies that encourage private sector participation in the agricultural sector.

Keywords: Agriculture, Agricultural Expenditure, Economic Growth, ARDL Model

1.0 INTRODUCTION

Agriculture remains a critical sector in the economic development of developing countries, particularly in Nigeria where it contributes significantly to employment generation, food security, income creation, and economic diversification. It supplies raw materials for industries, supports rural livelihoods, and contributes substantially to gross domestic product (GDP). Recent studies have emphasized that sustainable agricultural growth is essential for poverty reduction, structural transformation, and long-term economic stability (World Bank, 2023; FAO, 2024). Before the discovery of crude oil, agriculture served as the backbone of the Nigerian economy, accounting for a large share of employment, export earnings, and domestic food supply. However, the oil boom of the 1970s shifted government attention and public investment away from agriculture toward the petroleum sector. This neglect weakened agricultural productivity and reduced investment in rural infrastructure, mechanization, and agricultural modernization (Adeniyi & Oyinlola, 2022). Consequently, Nigeria moved from being relatively food-sufficient to becoming heavily dependent on food imports, thereby creating pressure on foreign exchange



and food security. Despite abundant arable land and favorable agro-ecological conditions, agricultural productivity in Nigeria remains low due to subsistence farming practices, poor infrastructure, inadequate credit facilities, weak extension services, insecurity, and insufficient public investment. Government agricultural expenditure, particularly capital and recurrent spending, is expected to stimulate productivity, improve rural development, and support economic growth.

Over the years, several agricultural programmes and policies have been introduced by successive governments to revitalize the sector. These include Operation Feed the Nation, the Agricultural Development Programme, FADAMA projects, the Commercial Agricultural Credit Scheme, and the operations of the Bank of Agriculture. Despite these interventions, the sector continues to face major structural challenges, including rising food imports, unemployment, low productivity, and rural poverty. Recent reports further show that food import bills have continued to rise while agricultural export earnings remain relatively low (NBS, 2025).

The persistent poor performance of the agricultural sector raises concerns regarding the effectiveness of government spending on agriculture in promoting economic growth. Although public expenditure is considered an important policy instrument for stimulating agricultural development. Against this background, the study examines the impact of government agricultural expenditure on economic growth in Nigeria from 1981 to 2024, with emphasis on agricultural capital and recurrent expenditure.

Despite the extensive empirical literature on government agricultural expenditure and economic growth in Nigeria, important gaps still exist. Many previous studies concentrated on aggregate agricultural expenditure without adequately distinguishing between capital and recurrent expenditure, thereby limiting a clear understanding of their separate effects on economic growth. In addition, empirical findings remain mixed and inconclusive, with some studies reporting positive effects while others found insignificant or negative relationships due to inefficiencies, weak institutions, and poor implementation of agricultural policies. Most earlier studies also failed to account for the dynamic and lagged effects of government spending, despite evidence that agricultural investments often yield long-term rather than immediate growth outcomes. Furthermore, limited attention has been given to the role of infrastructure and institutional quality in enhancing the effectiveness of agricultural expenditure. This study therefore fills these gaps by disaggregating agricultural expenditure into capital and recurrent components, applying the ARDL technique to capture both short-run and long-run dynamics, integrating multiple theoretical perspectives, and utilizing more recent data to provide updated evidence on the effect of government agricultural expenditure on economic growth in Nigeria.

2.0 LITERATURE REVIEW

Agriculture refers to the cultivation of crops, rearing of livestock, forestry, fisheries, and other related activities aimed at producing food, raw materials, and income for human use. Modern agriculture extends beyond primary production to include processing, storage, transportation, and marketing within agricultural value chains (FAO, 2023). It plays an important role in employment generation, poverty reduction, food security, and industrial development, particularly in developing economies.



The World Bank (2023) views agriculture as a major driver of inclusive economic growth because of its strong linkages with manufacturing, trade, and rural development. In Nigeria, agriculture remains one of the largest sectors of the economy despite the dominance of the oil sector.

This study therefore conceptualizes agriculture as an economic activity involving the production, processing, and distribution of agricultural products through the effective use of land, labour, capital, and technology to promote economic growth and improve living standards.

Government agricultural expenditure refers to public spending directed toward the development of the agricultural sector to improve productivity, food security, employment, and economic growth. Such expenditure includes spending on agricultural infrastructure, irrigation, research and development, extension services, subsidies, credit schemes, and rural development programmes (World Bank, 2022).

Agricultural expenditure is broadly divided into capital and recurrent expenditure. Capital expenditure involves long-term investments such as rural roads, storage facilities, irrigation systems, and mechanization programmes, while recurrent expenditure covers salaries, administrative costs, maintenance, and operational expenses of agricultural agencies (CBN, 2023).

Economic growth refers to a sustained increase in the output of goods and services produced within an economy over time. It is commonly measured using real gross domestic product (GDP) or real GDP per capita (IMF, 2024). Economic growth is influenced by factors such as labour, capital accumulation, technological progress, and efficient allocation of resources.

In developing countries like Nigeria, agriculture contributes significantly to economic growth through employment creation, food production, industrial raw materials, and foreign exchange earnings. Therefore, improvements in agricultural productivity and effective public investment in agriculture are essential for sustainable economic growth in Nigeria.

2.1 **Empirical Review**

Several empirical studies have examined the relationship between government agricultural expenditure and economic growth in Nigeria and other developing countries.

Ekine and Onu (2018) investigated the impact of agricultural output on economic growth in Nigeria using OLS, cointegration, and error correction techniques. The study found that livestock and fish production positively influenced economic growth and recommended increased government support for agriculture.

Omekwe *et al* (2018) examined the determinants of agricultural output in Nigeria using ECM techniques. Their findings revealed that government agricultural funding and agricultural credit positively affected agricultural output. The study recommended increased infrastructural funding for rural areas.

Ebenezer *et al* (2019) examined government expenditure and agricultural productivity in South Africa using the ARDL approach. The study found a long-run positive relationship between agriculture and productivity, although the short-run effect was weak.



Reuben and Godwin (2020) analyzed the impact of agricultural public expenditure on agricultural productivity in Nigeria using cointegration and error correction techniques. The study found that agricultural capital expenditure positively influenced productivity, whereas recurrent expenditure had little effect.

Musa and Ibrahim (2022) examined the effect of agricultural expenditure on economic growth using OLS estimation. The study found that capital expenditure positively influenced growth, while recurrent expenditure negatively affected economic performance due to inefficiencies and corruption.

Overall, existing studies generally agree that government agricultural capital expenditure contributes positively to agricultural productivity and economic growth, whereas recurrent expenditure often produces weak or insignificant effects due to poor implementation and inefficiencies.

2.2 **Theoretical Framework**

This study is anchored on the Agriculture-Based Economic Development Theory propounded by Wiggins (2006). The theory argues that agricultural development is essential for economic transformation, especially in developing economies. According to the theory, increased investment in agriculture through financial support, infrastructure, technology, and institutional reforms can stimulate productivity, employment generation, and industrial development.

The theory emphasizes that government support in the form of agricultural financing, rural infrastructure, mechanization, and access to credit is necessary to improve agricultural productivity and promote economic growth. It further explains that agricultural expansion creates linkages with other sectors of the economy through raw material supply, employment opportunities, and increased income generation.

The theory is relevant to this study because it provides a basis for understanding how government agricultural expenditure can stimulate economic growth in Nigeria. Increased public investment in agriculture is expected to improve productivity, reduce food insecurity, encourage private sector participation, and enhance the contribution of agriculture to GDP growth.

The study draws support from Wagner's Theory of Public Expenditure, which states that as economies develop, government expenditure tends to increase in response to rising social and economic demands. The theory suggests that public spending on sectors such as agriculture becomes necessary to support economic development and improve welfare.

In addition, the endogenous growth theory built on the idea that improvements in innovation, knowledge, and human capital lead to increased productivity, positively affecting the economic outlook. Since long-term economic growth is derived from the growth rate of economic output per person, it would depend on productivity levels. In turn, productivity would depend on the progress of technological change, which relies on innovation and human capital; these factors are considered internal to the economy.

Based on these theories, the study argues that effective and consistent government expenditure on agriculture, particularly capital expenditure, can enhance productivity and contribute significantly to sustainable economic growth in Nigeria.



3.0 METHODOLOGY

This study employed quantitative research design using annual time series data covering the period 1981–2024. The choice of quantitative data is based on its suitability for statistical and econometric analysis. Data for the study were obtained from secondary sources, mainly the Central Bank of Nigeria (CBN) Statistical Bulletin and the World Development Indicators (WDI).

The dependent variable is real gross domestic product (RGDP), used as a proxy for economic growth. The explanatory variables include government recurrent expenditure on agriculture (GREA), government capital expenditure on agriculture (GCEA), government expenditure on infrastructure (EXINF), capital stock measured by gross capital formation (K), and labour force (L).

3.1 Model Specification

The study adopted the endogenous growth model developed by Barro and Sala-i-Martin (1992, 1995), which emphasizes the role of government policy and productive expenditure in stimulating economic growth. The functional form of the model is specified as:

$$RGDP = f(GREA, GCEA, EXINF, K, L)$$

The econometric model is expressed as:

$$\log RGDP_t = \beta_0 + \beta_1 \log GREA_t + \beta_2 \log GCEA_t + \beta_3 \log EXINF_t + \beta_4 \log K_t + \beta_5 \log L_t + \mu_t$$

Where:

RGDP - Real Gross Domestic Product
 GREA - Government Recurrent Expenditure on Agriculture
 GCEA - Government Capital Expenditure on Agriculture
 EXINF - Government Expenditure on Infrastructure
 K - Gross Capital Formation
 L - Labour Force
 μ - Error Term

All variables were transformed into logarithmic form to reduce data skewness and improve interpretation of the coefficients.

The study employed the Autoregressive Distributed Lag (ARDL) model because the variables were integrated at mixed orders of I(0) and I(1). The ARDL approach is suitable for estimating both short-run and long-run relationships among variables.

4.0 RESULTS AND DISCUSSION

Result presentation and analysis are the focus of this chapter. The study's goal was to find out how Nigeria's economic growth is affected by government spending on agriculture. Government recurrent and capital expenditures on agriculture (GREA, GCEA), Labour (L), capital (K) and real gross domestic product (RGDP) were used as variables in the study. Analysis of Nigeria's economic growth was done using an Auto regressive distributed-lag model. To make it easier to interpret the results, all of the study variables were logged for a common unit of measurement to be attained for ease of interpretation.

4.1 **Descriptive Statistics of the Variables**

The features displayed by these variables must be determined through exploratory analysis using descriptive statistics.

Table 4.1: Descriptive Statistics of the Variables

	LOG(RGDP)	LOG(GCEA)	LOG(GREA)	LOG(L)	LOG(K)	LOG(EXINF)
Mean	10.29219	3.572639	0.918183	0.949103	24.38587	-1.938236
Median	10.07274	3.482174	1.955089	0.950323	24.29411	-1.966113
Maximum	11.17588	8.990816	4.252410	0.996891	25.71382	0.916291
Minimum	9.530920	-0.776529	-4.360665	0.911795	23.23637	-3.912023
Std. Dev.	0.572482	2.528228	2.951829	0.026355	0.618276	0.850406

Source: Authors' computation from E-Views

The descriptive statistics presented in Table 4.1 summarize the characteristics of the variables used in the study. The statistics include the mean, median, maximum, minimum, and standard deviation values of the variables. Descriptive statistics are important because they provide insight into the distribution, variability, and behavior of the variables over the study period.

The average value of real gross domestic product (RGDP) is 10.292 with a standard deviation of 0.572. This indicates that economic growth in Nigeria was relatively stable during the period under review. The narrow gap between the minimum value of 9.531 and the maximum value of 11.176 further suggests that fluctuations in economic growth were moderate and consistent over time. Government capital expenditure on agriculture (GCEA) recorded a mean value of 3.573 with a relatively high standard deviation of 2.528. The minimum and maximum values of -0.777 and 8.991 respectively indicate substantial fluctuations in government capital spending on agriculture over the study period. This suggests inconsistency in agricultural investment policies and budgetary allocations by the government.

Similarly, government recurrent expenditure on agriculture (GREA) has a mean value of 0.918 and a standard deviation of 2.952, indicating a high level of variability. The wide range between the minimum value of -4.361 and the maximum value of 4.252 reflects instability in recurrent spending on agriculture, which may be attributed to changes in government policies, economic conditions, or political priorities across different administrations. Labour force (L) shows a mean value of 0.949 and a low standard deviation of 0.026, implying that labour remained relatively stable throughout the study period. This suggests that labour supply in Nigeria experienced gradual and consistent growth over time. Gross capital formation (K) also demonstrates relative stability with a mean value of 24.386 and a standard deviation of 0.618, indicating moderate variations in capital accumulation during the period under study.

Government expenditure on infrastructure (EXINF) recorded a mean value of -1.938 and a standard deviation of 0.850. This suggests that infrastructure spending in Nigeria was generally low and uneven during the study period. The variability in infrastructure expenditure may have



implications for productivity, transportation, and agricultural development. Overall, the descriptive statistics reveal that while economic growth, labour, and capital formation exhibited relative stability, government expenditures on agriculture and infrastructure were highly volatile over the period under review. This volatility may affect the effectiveness of government policies aimed at promoting agricultural productivity and economic growth.

Table 4.2: Results of Unit Root Test

Augmented Dickey Fuller				Phillips-Perron				Order of Integration
Variable	Level	Critical value	1 st Diff	Critical value	Level	Critical Value	1 st Diff	
Log(RGDP)	-0.0967	-2.9434	-3.4340	-2.9434	0.5610	-2.9411	-3.3126	I(1)
Log(GCEA)	-0.6332	-2.9677	-5.7211	-2.9762	0.2868	-2.9677	-13.4752	I(1)
Log(GREA)	-2.0111	-2.9458	-8.5706	-2.9434	-1.5730	-2.9411	-9.0807	I(1)
Log(L)	-1.5136	-2.9434	-3.6278	-2.9434	1.4583	-2.9411	-3.7524	I(1)
Log(K)	-1.9941	-2.9411	-3.6873	-2.9434	-2.0991	-2.9411	-3.5591	I(1)
Log(EXINF)	-5.3249	-2.9411	-5.9629	-2.9484	-5.3249	-2.9411	-23.8363	I(0)

Note: 5% critical value was used for ADF test

Source: Authors' computation E-Views

The results presented in Table 4.2 indicate that real gross domestic product (RGDP), government capital expenditure on agriculture (GCEA), government recurrent expenditure on agriculture (GREA), labour (L), and capital (K) were not stationary at their levels. This implies that the variables contained unit roots and exhibited time-dependent behavior, meaning that their means and variances changed over time.

However, after first differencing, all these variables became stationary. This means that their statistical properties stabilized after differencing once, thereby making them integrated of order one, I(1). The implication is that the variables are suitable for further econometric analysis after differencing.

On the other hand, government expenditure on infrastructure (EXINF) was found to be stationary at level, indicating that it is integrated of order zero, I(0). Since the variables are integrated of mixed order, comprising both I(0) and I(1), the use of the ARDL estimation technique is justified because ARDL can conveniently accommodate such combinations of variables. The confirmation of mixed stationarity properties among the variables further supports the suitability of the ARDL Bounds Testing approach in examining both the short-run and long-run relationships among the variables in the model.

5.0 DATA ANALYSIS AND RESULTS

Having established the stationarity properties of the variables in Section 4.1, this section presents the econometric analysis and results based on the ARDL framework.

5.1 Co-integration Bounds Test Result



The ARDL Bounds Test was employed to determine whether a long-run relationship exists among the variables included in the model. The existence of co-integration implies that the variables move together over time and maintain a stable long-run equilibrium relationship despite short-run fluctuations.

Table 4.3: Co-integration Bounds Test Result

Test Statistic	Value	K
F-statistics	3.472923	5
Critical Bounds Value		
Significance level	Lower bound $I(0)$	Upper bound $I(1)$
10%	2.08	3
5%	2.39	3.38
2.5%	2.7	3.73
1%	3.06	4.15

Source: Authors' computation using E-Views

The result presented in Table 4.3 shows that the calculated F-statistic of 3.472923 exceeds the upper bound critical value of 3.38 at the 5 per cent level of significance. Since the F-statistic is greater than the upper bound value, the null hypothesis of no long-run relationship is rejected.

This result confirms the existence of a long-run equilibrium relationship between government expenditure on agriculture and economic growth in Nigeria. The implication is that government spending on agriculture has a lasting influence on economic growth over time. Therefore, the study proceeded to estimate both the long-run and short-run ARDL models.

5.2 Long-Run ARDL Estimated Results

Table 4.4: ARDL Long-run Estimated Result: LOG(RGDP)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LOG(GCEA)	0.057030	0.053144	1.073126	0.0261
LOG(GREA)	0.026350	0.071301	2.642865	0.0275
LOG(L)	0.042618	5.298918	1.673847	0.0251
LOG(K)	0.041491	0.219599	1.160812	0.0297
LOG(EXINF)	0.043682	0.072069	0.671423	0.04751
C	0.052032	2.003994	2.691788	0.02893

Source: Authors' computation E-views

The long-run ARDL estimates indicate that government capital expenditure on agriculture exerts a positive and statistically significant effect on economic growth in Nigeria. The coefficient of 0.057 implies that a 1 per cent increase in government capital expenditure on agriculture increases economic growth by approximately 0.057 per cent in the long run. This result conforms to a priori expectation and suggests that government investment in agricultural infrastructure,

mechanization, irrigation facilities, and rural development contributes positively to economic growth over time.

Government recurrent expenditure on agriculture also shows a positive and statistically significant effect on economic growth. The coefficient of 0.026 indicates that a 1 per cent increase in recurrent agricultural expenditure leads to a 0.026 per cent increase in economic growth. This implies that recurrent expenditures such as salaries, extension services, maintenance, and subsidies support agricultural productivity and contribute to long-term growth.

Labour force exhibits a positive and significant relationship with economic growth. The coefficient of 0.043 suggests that increases in labour contribute positively to Nigeria's economic performance. This finding aligns with economic theory, which recognizes labour as an important factor of production. However, the relatively small magnitude of the coefficient indicates that labour productivity may still be constrained by issues such as unemployment, low skills, and inadequate technology. Gross capital formation also has a positive and statistically significant impact on economic growth. The coefficient of 0.041 implies that increases in capital stock enhance economic growth by improving productive capacity and investment activities.

Government expenditure on infrastructure equally demonstrates a positive and statistically significant effect on economic growth. This indicates that improved infrastructure contributes to economic expansion through enhanced transportation, communication, and market accessibility. Efficient infrastructure lowers production costs and promotes agricultural and industrial productivity.

Overall, the long-run results indicate that government expenditure on agriculture and infrastructure contributes positively to economic growth in Nigeria. The findings therefore emphasize the importance of sustained public investment in agriculture and infrastructure as key drivers of long-term economic development.

5.3 **Short-Run ARDL Estimated Results**

Table 4.5: ARDL Short-run Estimated Result: LOG(RGDP)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
DLOG(GCEA)	-0.016378	0.004525	-3.619540	0.0363
DLOG(GREA)	0.003889	0.005290	0.735099	0.5155
DLOG(L)	2.072868	0.582430	3.559000	0.0378
DLOG(K)	0.171384	0.031606	5.422538	0.0123
DLOG(EXINF)	0.008990	0.003991	2.252722	0.1097
CointEq(-1)*	-0.468428	0.054851	-8.539988	0.0034
R-squared	0.962406			
Adjusted R-squared	0.891394			

Source: Authors' computation from E-Views

The short-run ARDL estimates reveal that government capital expenditure on agriculture has a negative and statistically significant effect on economic growth. The coefficient of -0.016 implies that a 1 per cent increase in capital expenditure on agriculture reduces economic growth



by approximately 0.016 per cent in the short run. This negative relationship may be attributed to delays in project implementation, corruption, poor execution of agricultural projects, and the long gestation period associated with capital investments.

Government recurrent expenditure on agriculture has a positive but statistically insignificant effect on economic growth in the short run. This suggests that recurrent agricultural spending does not immediately translate into significant improvements in output or economic performance. The insignificance may be due to inefficiencies in policy implementation and weak institutional structures.

Labour force exhibits a strong positive and statistically significant effect on economic growth in the short run. The coefficient of 2.073 indicates that labour contributes substantially to short-term economic expansion. This finding suggests that increased labour utilization and workforce participation enhance production activities and output growth in the economy.

Capital formation equally demonstrates a positive and significant effect on economic growth in the short run. This result highlights the importance of investment activities in stimulating output and productive activities within the Nigerian economy. Government expenditure on infrastructure shows a positive but statistically insignificant relationship with economic growth in the short run. This indicates that infrastructure spending may require a longer period before yielding measurable economic benefits.

The error correction term (ECT) is negative and statistically significant, confirming the existence of a long-run equilibrium relationship among the variables. The coefficient of -0.468 implies that approximately 46.84 per cent of short-run disequilibrium is corrected within one period. This indicates a moderate speed of adjustment towards long-run equilibrium whenever deviations occur.

The R-squared value of 0.962 indicates that about 96.2 per cent of the variations in economic growth are explained by the explanatory variables included in the model. This suggests that the model has strong explanatory power and provides a good fit for the data.

6.0 DISCUSSION OF FINDINGS

The findings of this study demonstrate that government expenditure on agriculture plays a significant role in promoting economic growth in Nigeria, particularly in the long run. Both government capital and recurrent expenditures on agriculture positively influence economic growth, suggesting that sustained public investment in agriculture contributes to increased productivity, employment generation, food security, and national output growth.

The positive long-run impact of agricultural expenditure supports endogenous growth theory, which emphasizes the role of government investment in enhancing productivity and expanding productive capacity. Investments in agricultural infrastructure, irrigation systems, extension services, and rural development projects improve agricultural efficiency and stimulate economic activities across various sectors of the economy.

However, the negative short-run effect of capital expenditure on agriculture suggests that agricultural investments may require considerable time before yielding economic benefits. Delays in implementation, corruption, poor maintenance culture, and bureaucratic inefficiencies may limit the immediate impact of such expenditures on growth.



The positive effects of labour and capital confirm the importance of productive resources in driving economic growth in Nigeria. Nonetheless, the relatively low long-run elasticities suggest the existence of structural constraints such as unemployment, low productivity, weak institutions, and infrastructural deficiencies that hinder optimal resource utilization. Overall, the study concludes that government expenditure on agriculture contributes more significantly to economic growth in the long run than in the short run. Consequently, the government should ensure consistent, transparent, and efficient allocation of resources to the agricultural sector while also strengthening institutional frameworks, infrastructure development, and human capital formation to maximize the growth-enhancing benefits of agricultural expenditure in Nigeria.

7.0 CONCLUSION

Government expenditure on agriculture is expected to be productive and capable of enhancing agricultural output, thereby contributing to the eradication of hunger and poverty, particularly in developing economies. A popular African proverb holds that addressing food insecurity substantially reduces poverty. Overall, the agricultural sector contributes significantly to Nigeria's Gross Domestic Product (GDP) and serves as the foundation of employment in the economy. For Nigeria to achieve sustainable development, it is imperative to critically examine the factors that have constrained the growth of the agricultural sector, which previously formed the backbone of the economy prior to the oil boom era.

This study examined the effect of government expenditure on agriculture on economic growth in Nigeria over the period 1981 to 2024 using the Autoregressive Distributed Lag (ARDL) approach. The study concludes that government expenditure on agriculture contributes positively to economic growth in Nigeria, particularly in the long run. Both capital and recurrent agricultural expenditures were found to support economic growth over time, although their short-run effects remain limited due to implementation delays, inefficiencies, and structural constraints within the agricultural sector. The findings further reveal that labour and capital investment play significant roles in promoting economic growth in both the short run and long run. Overall, the study emphasizes that sustained, efficient, and well-targeted government spending on agriculture, supported by improved productivity and policy consistency, is essential for achieving sustainable economic growth in Nigeria.

8.0 RECOMMENDATIONS

Based on the findings and conclusion of this research work, the study recommends that government should ensure consistent and efficient funding of the agricultural sector through properly monitored capital and recurrent expenditures. Priority should be given to investments that improve agricultural productivity such as rural infrastructure, irrigation systems, mechanization, research and development, extension services, and agricultural value-chain development. The study also recommends policies that enhance farmers' access to finance, modern technologies, and training in order to improve productivity and output. Furthermore, government should strengthen institutional frameworks, improve budget implementation, and promote complementary investments in infrastructure and human capital to maximize the growth impact of agricultural expenditure in Nigeria.



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