



INTERNATIONAL JOURNAL OF ACCOUNTANCY, FINANCE AND TAXATION
DEPARTMENT OF ACCOUNTANCY, IMO STATE UNIVERSITY, OWERRI.

IJAFT

BUDGETING ALLOCATION AND UTILIZATION IN THE NIGERIA PUBLIC SECTOR: HOW WIDE IS THE DISPARITY

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KEYWORDS

Budget, Efficiency, Government, Comparative, Poverty

ABSTRACT

This study examines public budget allocation and utilization in Nigeria's health, education, and agriculture sectors using annual data from 2011 to 2023. These sectors play critical roles in ensuring human capital development, food security, and overall socio-economic advancement, yet concerns persist regarding persistent budget underutilization and inefficiencies in public spending. Using secondary data obtained from the Central Bank of Nigeria Statistical Bulletin, Budget Office reports, and sectoral expenditure summaries, the study employed descriptive statistical techniques, including measures of central tendency, dispersion, skewness, kurtosis, and the Jarque-Bera normality test. Findings reveal consistent patterns of underutilization across all three sectors, as actual spending remained significantly below budgeted allocations over the study period. Budget allocations increased substantially in nominal terms, particularly for education and health, but spending efficiency did not improve proportionally. The results show positive skewness and moderate leptokurtosis, indicating occasional years of unusually high allocations that contributed to volatility. Trend analysis further indicates widening gaps between budgeted and actual expenditures, suggesting systemic issues in fund releases, implementation bottlenecks, and weak fiscal discipline. These findings align with recent empirical evidence emphasizing inefficiencies in public sector spending in Nigeria and extend theoretical insights from public choice theory and fiscal federalism by illustrating how institutional and administrative constraints undermine optimal resource utilization. The study concludes that improving budget implementation mechanisms, strengthening monitoring frameworks, and enhancing fiscal accountability are critical for converting increased public allocations into meaningful development outcomes. Recommendations are offered to support more effective budget execution and sectoral performance.

Introduction

The public budgets of the Nigeria for the social sectors - especially health, education and agriculture - reveal a recurring tension between planned allocations and actual expenditure with significant effects on service delivery. Several empirical studies over the period indicate that nominal increases of sectoral allocations often fail to transform into commensurate improvements in health, education and agricultural outcomes due to weak budget execution, time delayed cash releases and low absorptive capacity at federal and sub-national levels (Awoyemi, 2023; Moore, 2024). In the health sector, time series and panel studies identify mixed and often muted effects of government health expenditure on key health outcomes such as infant mortality and life expectancy; authors attribute this to poor execution of their budgets, high expenditures on out-of-pocket payments and inefficiencies in the management of government finances (Awoyemi, 2023; Adebisi et al., 2020). Studies on education expenditure have similar findings regarding why capital and recurrent spending hasn't had satisfactory effects in providing better access and learning outcomes due to implementation shortcomings and delayed releases and/or ineffective monitoring (Ayaga, 2024; Moore, 2024). In agriculture, evidence shows that there has been episodic public expenditure based on Regional targets (e.g., CAADP/Maputo commitments) and moreover, funds disbursed have often been channelled into short-term subsidies and fragmented programmes with low long run productivity. In the agricultural sector, there is evidence that public expenditure has been episodic and generally below Regional targets eg: CAADP/Maputo commitments, and where resources have been released, they have often been channeled in short term subsidies and non-integrated programmes with limited long run productivity impact (Adeyemi, 2023; Cross-sector analyses emphasise on the role of macro-fiscal pressures (Deviation of the Revenue amount from the Budget; burden on debt servicing capacities) as well as Fiscal Management and Facilitation of public Procurements (prices and delays in procurement; failure to translate budgeted amounts into scheduled service delivery); thus limiting the ability of allocations to achieve desired outcomes on service delivery (Moore, 2024; Olomola, 2014). Taken together, the literature suggests that improving outcomes in health, education and agriculture depends less on headliner increases in allocations and more on strengthening budget execution, intra-year cash-flow management and sectoral absorptive capacity.

Despite the mounting set of sectoral studies, there still exists a gap that is well known for having done an integrated and multi-year (cross-sectoral) analysis that explicitly correlates budget allocations, intra-year cash release patterns and implementation rates and observable service delivery outcomes across health, education and agriculture for the entire 2011-2023 period in Nigeria. Most journal articles to date analyse one sector at a time (e.g. health or agriculture) or use relatively short periods of time and aggregate national figures (Awoyemi, 2023; Adeyemi, 2023; Alabi, 2020). Few Research Studies base on combined granular data on budget execution from the Budget Office and ministry cash release data, public expenditure tracking indicators (e.g. procurement lead times, project readiness and absorptive capacity) and outcome indicators (immunization coverage, learning achievement scores, crop yields) with a single longitudinal framework. In particular, there has been little peer reviewed work addressing the effects of intra-year variability of releases (timing, supplementals and re-alignments) on realised utilisation and outcomes and how this varies by federal and state levels. Furthermore, it was not enough paid attention to the literature to disentangle the supply-side PFM failures (procurement,

M&E, project design) from political economy drivers (legislative insertions, patronage projects, donor fragmentation) as different mechanisms of under-utilisation. Finally, comparative evidence of causal impacts linking changes in utilisation rates from year to year with changes in certain outcomes of the sectors-and reaching this by controlling for macro shocks (such as oil price dips, or the Covid-19 pandemic)-is scarce. Filling in these gaps would allow for more targeted PFM and sector reforms by demonstrating whether resources need to be reallocated, or whether tracing reforms to execution and governance of those resources are the priority to turn aspects of allocation into measurable gains- in terms of health, education and agricultural performance.

Literature Review

Conceptual Framework

Budget

A budget is the financial blueprint of an entity for anticipating revenues and spending over a certain period of time (usually a year). It stems from a government's concern and an economic concern, political in nature based on agenda and the compliance with government needs and financial responsibility (Musa & Oke, 2022). Budgeting in the public sector goes beyond exploring arithmetic and accounting of the public funds since it is focused on the explicit public policies by intertwining the national targets and the quantitative financial goals (Olaoye, 2020). In Nigeria, budgeting, as well as other policies and public economic acts, needs to achieve the Constitutional goals of the country, which also, along with the 2007 Fiscal Responsibility Act, provides for budgetary openness, accountability, and citizen engagement. Nonetheless, the legal impediments that asks for Ogbole's (2019) attention, contains, inter alia, the waiting periods legally set by the spending by the authorities and across layers of government, and poorly conservative revenue projections.

There are four basic stages in the public sector budgeting process: preparation, approval, execution and evaluation. However, in the preparation stage, ministries, departments and agencies (MDAs) prepare their expenditure proposals and transmit them within the framework of sectors established by the Budget Office of the Federation (BOF), as well as national economic and fiscal policies for the medium term (Nwosu & Ogu, 2021). For the approval phase, the legislature reviews the proposed allotments, compares the proposed allotments with national priorities, and either approves or disapproves the allotments. In execution, focus is on the disbursement of funds and monitoring of the disbursed funds where evaluation is carried out on how much the objectives of the budget are accomplished. The poor linkages between these stages are the commonest cause of inefficiencies and leakages within Nigeria (Audu & Mohammed 2023).

Budget Allocation

The term budget allocation pertains to apportioning and distributing of the financial resources to the competing sectors, programmes and projects. It is the process by which the public sector attempts to satisfy the varying and at times coinciding needs of the people. The distribution of resources in public administration is influenced and decided by political interests, fiscal policies, and the existing institutionalising system (Eze & Nwosu, 2022). The key goal of allocation is fairness in the process and efficiency and effectiveness of the resultant public expenditure. So, according to the classical theory of public finance, the

optimal allocation is the allocation that maximises social welfare of the population (Musgrave & Musgrave, 1989).

Sectoral considerations determine the Nigerian budgets particularly on recurrent expenditures (salaries, overheads, other expenditures) which are dominant on the top of the budget which are disproportionate on capital allocations which causes capital expenditures (Abdullahi, 2020). This bias budget weaken the possibilities of economic growth, infrastructural development. Reports by the Budget Office and Central Bank of Nigeria shows that from 2015 to 2022 recurrent spending remains higher than 70% of the federal budget. This pattern has manifested itself with regards to the prospects of the public sector in the sustainable delivery of services and public goods inefficiently and ineffectively.

Moreover, the allocation criteria in Nigeria appears to be political and not the outcome of an objective survey on the sectoral need (Ekundayo and Ahmed 2021). Inversely disproportionate funding flows to educations and health being the sectors of greatest human development, vis-a-vis defence and administration accruing the financing. Further, lack of a functional performance system affects the impact of allocation and spending as funds are being dissociated from the aim of the target results or performance of the relevant institutions (Okonkwo & Eze, 2022).

Budget Utilization

Budget utilisation involves the assessment of efficiency and effectiveness of financial resources spent for the attainment of desired objectives. It measures the relationship of the amount that has been budgeted and the amount that has actually been spent (Ibrahim & Adamu, 2021). Efficient use of budgets implies that resources lead to positive outcomes in development, whereas poor budget utilisation leads to underperformance, wastage and corruption.

Several factors have hampered budget implementation in the Nigerian public sector that include delays in release of funds, procurement problems, and lack of monitoring (Adegoke & Sulaiman, 2022). According the timelines allocated for budget implementation, public sector institutions receive funds late in the fiscal period which impacts on the completion of planned capital projects. Consequently, uncompleted and abandoned projects become a waste to the system and grossly compromises service delivery. Okwoli and Abubakar (2020) observes that, Nigeria has for a number of years been in a predicament whereby the capital budget utilisation rate falls below 60% which indicates the serious disconnection between planning and implementation phases.

The lack of transparency and the mismanagement of budgetary resources, especially in monitoring allocations and withdrawals of resource, contribute to distrust towards the budgets, and the accountability of the government spending. Poor accountability, which conflictes with the intents of the Public Procurement Act 2007, have been blamed on poor enforcement, and the invasive influence of politicians, (Ezeani and Nnadi,2023). The Act was intended to include protective measures to ensure that the government is getting value for money in terms of public spending.

Budget Allocation and Budget Utilisation Relationship

Trying to analyse public budgeting as a whole requires knowledge of the relationship between the allocation and the use of budgets. The former without the latter could lead to budget fiscal indiscipline and underdevelopment in public sector. On the other

hand, the latter without the former amounts to wastage of budgetary resources and disorganisation. In Nigeria, systemic governance challenges and difference between budget allocation and budget execution is expressive of poor institutional frameworks and planning, poor fiscal oversight and governance and Audu & Mohammed's (2023) 'poorly executed fiscal frameworks.

It is not the size of the budget and implement in Nigeria but the capacity to implement. This is the case within the public sector as well, where even increased capital budgets appears to get 'lost' as projects do not get finished, due to lack of oversight. Simply enhancing the level of budget allocation and resource budgets won't bring about progress in the public sector, as it will require extensively changing public sector financial management.

Public Financial Management-PFM

Public financial management (PFM) has been defined as the processes, rules and institutions that guide the use of public resources as the country seeks to attaining its developmental objectives. There are also the functions of budgeting, accounting, auditing, and reporting included in PFM (Andrews, 2021). Well-functioning PFM systems are evidence of fiscal discipline, allocative efficiency and operational effectiveness. Reforms in Nigeria such as Treasury Single Account (TSA) and Government Integrated Financial Management Information System (GIFMIS) are efforts made to improve transparency and efficiency (Olowu and Adebayo, 2022). The existence of budget variances, off-budget spending, and weak monitoring system indicate that set objectives in PFM reform are far from reaching set objectives.

Accountability and Fiscal Responsibility

Accountability and fiscal responsibility are cornerstones to every budget. Legal framework is set down in the Fiscal Responsibility Act in Nigeria (2007). The requirements of all government agencies is that they must control their budgets within defined legal limits, and that they must provide budget performance reports every quarter (Nnadi & Eze, 2022). However most MDAs are still failing to submit reports and manage budgets. The lack of oversight, either by legislation or via citizens, or both, is the most significant obstacle to budget compliance and performance.

Historical Context

The history of allocation of budgets in Nigeria has changed with so many eras, on the basis of dynamic political field and economic state of the country. Prior to the shift in leadership to civilian governance in 1999, budgetary processes were characterised by lack of transparency and responsibility, where there were huge variations in the budget estimates and actual expenditures. The advent of the democratic scheme of government resulted in several reforms to add to fiscal responsibility and budgetary efficiency.

The Nigerian's government came up with the Medium-Term Expenditure Framework (MTEF) in 2004 with the aim of bringing about a more strategic budgeting process. This framework was developed against the backdrop of aligning budgetary allocations vis-a-vis developmental objective in medium term perspective. Regardless, regardless of these advancements, there are still problems and the effectiveness of budget allocation still remains a major concern.

Theoretical Framework

Agency Theory

Jensen and Meckling (1976) postulated the agency theory which has become the fundamentals of the growing value of public funds management relation between principals (the citizens and the politicians) and the agents (public officers or bureaucrats). The agents are hired to do something for the principals but due to the asymmetrical nature of information and differing goals, the agents often pursue their own goals rather than their principals goals. In public budgeting, the Agency Theory deals with issues of public officers unsatisfactory performance to the stakeholders causing inefficiencies, corruptions, and the misuse of funds.

The budgeting process in Nigeria has a large number of different layers of agencies relationships: relationship between the executive and the legislature, between ministries and departments and between the government officials and the people (constituents). The lack of effective oversight, monitoring and accountability creates an environment ripe with manipulations in the secret budgets, application of government and public money, contract overpricing and other forms of corrupt diversions of funds (Audu & Mohammed, 2023). In such situations, agency theory suggests the design of suitable systems of transparency, alignment and control in order to ensure that the agents would act in the public interest. Moreover, the theory requires the institutionalisation of certain reforms such as performance budgeting and enactment of other fiscal accountability measures, to compensate for the actions of the civil servants to achieve the desired policy outcomes (Ibrahim & Adamu, 2021). The focus of the Office of the Auditor General and the Budget office of the federation should assist Nigeria with the reduction in the cost of agencies and the effective and efficient utilisation of budgeted resources. In this respect, Agency Theory goes a long way as to explaining the lack of alignment between the funding of public programmes and the execution of such programmes in Nigeria.

Public Choice Theory

Public choice theory is the first of its kind and was put forth by Buchanan and Tullock (1962). It is the first Theory to bring economic principles to politics. It perceives politicians, bureaucrats even voters as rational but self-interested and self-centred individuals. In the case of budgeting, this Theory states that the distribution of resources is to be determined by un-constructive political factors - such as electoral gains, patronage and rents. This is so even in the instances of deserving economic efficiency and the needs of the society (Mu'azu & Haruna, 2020).

Within Nigeria, the literature on the public choice theory illuminates on the basis for some budgetary choices that invariably favours politically optimal choices over developmentally optimal choices of education, health and agriculture. Political office holders capture budgetary priorities in order to buy and reward political associates contributing to divergence of budgetary allocations from the objectives of national development (Ekundayo & Ahmed, 2021). Bureaucrats may also be involved in the inefficiency and waste of public monies through overstating expenditure estimates. Also, the Public Choice Theory literature makes a contribution to explaining the 'common-pool resource' behaviour in public finance. Musgrave & Musgrave (1989) explains the way public policy practitioners see public money as a communal asset and feel entitled to abuse them for private and/or political ends. Such behaviours are part of the reasons Nigeria continues to face the problem of poor public service delivery, low implementation of capital budgets,

recurrent fiscal deficits and weak expenditure control. The Public Choice Theory literature in Nigeria underlines the need for institutional safeguards in the form of independent budget oversight, participatory budgeting and other forms of citizen engagement on public budgets to limit the influence of private interests on public budgets (Adu & Ofoegbu, 2021).

The Angstrom Budgeting Theory

The Incremental Budgeting Theory was explained by Lindblom (1959) and further developed by Wildavsky (1964). It states that, within the public sector, budgeting is very much incremental. Instead of beginning from zero and considering all programmes for each fiscal year, budgetary decision-makers only make small adjustments to the previous budgets. As per this theory, the decisions which are made during the allocation of budget is the result of previous spending patterns and institutional inertia, not a complete evaluation of the needs of the population and the value of the programmes (Wildavsky, 1964).

Nigeria uses the incrementalism style in all levels of government under ministry and agency of the government. With each budget cycle, agencies and ministries just ask for the previous year's number and make marginal adjustments in inflation and political factors. As a result of unresponsive and repetitive budgets layout, unresponsive budgets where are a priority emerging are inadequate can be addressed. For instance, budgets that merely seek to sustain procedures from the past year show the lack of innovation and development that may require a shift in the way resources are allocated. What has been referred to as the Incremental Budgeting Theory exposes publicly, the bureaucrat apathetic agencies and the management of budgets in under-performance. The lack of any performance criteria within the document, thus, there will be no justification for public administrators to under-utilise a budget in which the collection and spending of the budget document will be unspent. Also, the incrementalist approach has been cited for bureaucratic apathetic agencies which management of budgets in under-performance. The defender of the incrementalism, the consistency in the decisions and a lack of political disputes are sufficient justification for the approach to be applied. The shortage of the increment of a developing economy like Nigeria illustrates the failure of the strategy in allocating scarce resources. Integrating managerial control and collecting of performance data are the exposure management techniques. Performance and evidence budgets to control the allocation of resources to ensure the control of intrac and inter-fiscal control.

Empirical Review

Wright et al. (2025) Population-based empirical study on prevalence and factors associated with catastrophic out-of-pocket (OOP) health spending in households in Lagos, Nigeria (cross sectional study). The study finds high levels of catastrophic healthcare payments concentrated in low-income households and those with private sources of care and mention of inadequate public financing and inability to implement free/subsidized programmes as drivers on the supply side. Multivariate models show that the insurance coverage, nearby to public facilities and household consumption are significant protective factors. Policy implication: Finance from public funds and effective implementation of risk-pooling (NHIS expansion) as well as targeted subsidies would reduce OOP burdens. This paper provides micro-level evidence on one channel (OOP) through which budget under-utilisation in public health translated into poor financial protection.

Ogbu et al. (2025) analysed relationships between public health expenditure, indicators of government effectiveness, and labour productivity by using panel data of some

countries in West Africa including Nigeria. Using tools of panel fixed effects and instrumental variable analysis, the research results indicate that public health expenditure reaps greater productivity rewards in response to government effectiveness indicators (procurement quality, control of corruption, service delivery capacity). For Nigeria, the authors stress that spending more on health, without reforms to the quality of institutions, results in low productivity or health gains.

Nwuzor, S., Uzo Okinton, and PhilpromObafemi (2025) State government education spending and economic and schooling outcomes evaluation for Anambra State, 2015-2023: Panel regressions and checks for spuriousness. The authors find that increases in well-targeted capital spending (which includes school construction and learning materials) reliably raised indicators of enrollment and infrastructure, but increases in recurrent spending (salaries only) did not always result in any learning outcomes. They also document that there were stronger observed effects during years with more timely cash releases -- eliminating the possible frictional barrier also reported in national studies.

Ayaga (2024) conducts an empirical study using the data from Nigeria over the years with Autoregressive Distributed Lag (ARDL) framework to investigate the short and long run effect of disaggregated government education expenditure (capital vs. recurrent) on the economic variables and education indicators respectively. The study finds that while capital spending has some positive long run association with economic growth and proxy for school infrastructure, recurrent spending (wage, operation) lacks stronger/statistically significant association with learning/outcomes - apparently because of irregular execution of budget and leakage. The author points out timings and implementation (delayed cash release) as major constraints that limit the potential impact of increases in nominal spending.

Efanga (2024) employs state-level panel data for 2011-2022 and the standard panel econometric tools to analyse the impact of government agricultural funding on the output in the sector (an extended discussion into 2023 is in the paper). The empirical results indicate small short-term responses of crop output to focused capital investments (irrigation, extension) although a small impact from recurrent subsidy-type programs that prevail in most years of expenditures. Heterogeneity across states is important - States with better PFM systems and implementation capacity convert funds to output better. The paper concludes that increasing the readiness of projects, reducing fragmentation of programmes, and shifting resources to productivity-enhancing capital projects would increase returns to public agricultural spending.

Audu and Mohammed (2023) have analysed public sector budgeting and fiscal performance in Nigeria based on the annual report quantitative data of the Central Bank of Nigeria. Their regression results demonstrated that there is a significant negative relationship on budget deviation (difference between allocated funds and utilised funds) and public sector performance indicators. They, in part, concluded that the high political dimension of the supplementary budget combined with the broad net of corruption have an impact on fiscal credibility. Greater legislative scrutiny was proposed in conjunction with the passage of fiscal responsibility legislation to get more results on the budget.

Musa and Oke in their longitudinal work performed a budgetary performance comparison of Nigeria with other Sub-Saharan Africa countries, Nigeria budget utilisation rate was 63% relative to a lower regional 78% - utilisation deficits across the region . Nigeria's performance on the budgetary aspects was attributed to weakness as regards the

nominal value in the polity, instability, and inconsecutivity of the public policies. As means of improving efficiency in budget utilisation, the study recommended the adoption of digital management systems in public finance and punishment to fund misappropriation.

Using descriptive and regression analysis of the information from the federal government between 2010 and 2020, Aregbeyen and Akpan (2022) availed of the oversight on fiscal discipline and budget performance. The authors observed that one of the primary reasons for the chronic nature of the fiscal deficits was the mismatch expenditures; the budgetary allotments and the expenditures made. They referred to disparity cases as political patronage and corruption and recommended that in order to improve budgets, budgeting oversight and institutional credibility of budgets could be improved. The authors implicitly hinted at the concept of corruption in patronage by proposing custodianship of budgeting oversight as well as institutional oversight.

The correlation of the budgeting resource allocation efficiency with performance and the various ministries in Nigeria was the concern of Okonkwo and Eze (2022), The empirical analysis indicated that the ministries (ministries) that implemented the policy of performance-based accounting indicated higher budget utilisation and improved service delivery. The role of performance indicators, continuous assessments and the need for people to take part in budgeting processes as the means of solving of the problem between allocation and realisation of budgets were emphasised in the study.

Olaoye and Adebayo (2021) using secondary data of the period between 2000-2019 examined the concept of budgetary allocation and fiscal performance in the public sector of Nigeria. They found a huge gap between approved budgets and real spending on federal ministries, particularly on education and health. They attributed the deficit to a lack of fiscal discipline and poor monitoring systems and political meddling during the phase of budget implementation. The authors concluded that the Nigerian public sector is still inefficiently using resources in spite of budget reform efforts and lacks accountability as evidenced by the lack of reform and dissipation of resources.

Ibrahim and Adamu (2021) used an econometric model to measure the impact of fiscal discipline on the efficiency of the budget utilisation in the federal ministries of Nigeria from 2008 to 2019. They found federal ministries had a more significant efficiency in budget utilisation if they had been rated higher for transparency. The authors underlined the importance of audit reports and public expenditure tracking in minimization of leakage and protection of resources. To promote fiscal discipline, the authors recommended the adoption of open budgeting systems and the strengthening of the independence of the auditing bodies, which will lead to higher accountability.

Akinola (2021) in his analysis involving 240 senior public servants from the ministries and parastatals of government on the relationship between the implementation of the budget and the issue of public accountability in Nigeria revealed that. The research results showed accountability frameworks had a positive correlation with competent use of budget. Nevertheless, it was said that political meddling and the presence of weak internal control mechanisms and bureaucratic systems reduce the effectiveness of control and accountability systems. To improve public accountability, Akinola suggested use of modernised systems of budget tracking and other digitalized capacity building efforts.

Obinna and Alabi (2020) by using a time series analysis technique determined the relationship between public service delivery and recurrent and capital budgetary allocations in Nigeria. Their results suggested that recurrent expenditures with wages and

overheads consumed mostly circa 70% of all budgetary allocations. Such an outcome left the capital projects with little to no funding. As a result, the study results indicated that the infrastructure deficit and stagnation of growth in the economy were results of the said expenditures. Thus, the study recommended that the attention should be increased in the regard of enhancing productive capital expenditures as a way of achieving the sustainable development goals.

Okwoli and Abubakar (2020) approached the study of budget performance and capital project implementation in Nigeria in between 2009 to 2018 using Mixed method approach. The same study pointed out that on average about 60% of capital budgets approved were spent every year. To the late budgets passing and inefficiency in projects, this was attributed. Those states that saw improvement in budget results showed strong financial autonomy and monitoring systems. For the proposal, they aimed on the prompt passage of Budgets and reforms in legislation on budgeting, and spending control Predictability and within control.

Eze (2020) studied the issue of budgetary allocation and management of public spending in 12 federal ministries from 2005-2018 in Nigeria with the help of panel data method employed. As the work of Eze showed capital budget increased over the years; however budget performance on year to year basis showed that less than 65% of that year's budget was spent. Eze's work also had established the fact that the most significant constrains to the performance of budgets were bureaucratic processes, delayed fund releases and procurement irregularities. As we said on the introduction of performance-oriented budgets which may rationalise public spending in Nigeria will make a lot of difference to the public sector fiscal outcomes in this country.

Methodology

For the study, ex post facto research design was used as it is appropriate to study the historical budgetary outcomes by not manipulating some of the variables. This design allowed the researcher to examine existing records of public budget allocations and actual expenditures of the Nigerian Government in the health, education and agriculture sectors between 2011 and 2023. The approach is widely adopted in the field of public finance research due to the fact that the approach makes use of documented fiscal data to know the patterns and relationship between provisions in the budgets and efficiency of spending (Agu & Iregbu, 2024). The population for the study was all annual budget allocations and actual expenditures for the three sectors during the thirteen year period. A census sampling method was used as the yearly values from the entire population were used. This approach was selected because the census sampling method is chosen when the size of the data set is small and easily accessible and to reinforce the reliability of findings (Uzonwanne, 2023).

The research was solely based on secondary data from Central Bank of Nigeria (CBN) Statistical Bulletin, Federal Ministry of Finance Budget Office Publication and Sectoral Expenditure Summary from the Ministries of Health, Education and Agriculture. The use of secondary data made possible reliability and validity, considering that these data are official government documents and known to be consistent and methodologically accurate (Olaoye & Adegbite, 2025). The variables in the study were health budget, education budget and agriculture budget and actual expenditure on these sectors. All the variables were expressed in billions of Nigerian naira because it enables comparability and coherence of analysis.

Some of the descriptive statistical tools, such as mean, median, minimum, maximum, standard deviation, skewness, kurtosis, and Jarque-Bera normality test, was performed for data analysis. These statistics gave insights on the central tendencies, dispersion, and characteristics in the distribution of public budgeting and expenditure over time. Trend and comparative analyses were also used to analyse budget allocations fluctuations with respect to actual spending over the years, which was in line with the studies done earlier on evaluating the efficiency of spending on different sectors (Mohammed & Idris, 2024; Chukwu & Eze, 2025). Although the study was largely descriptive in nature, a basic model of utilisation gaps was used in interpretation, where the gap between planned (budgeted) and actual spending represented underutilization or overspending.

Reliability and validity were improved by triangulation of data from various government sources, careful cross verification of numeric task. Ethical considerations were minimal in that there were no human subjects involved in the research, yet the researcher ensured accurate reporting, transparency on analysis, and proper citation of all sources of data. The methodology was therefore planned to produce credible information about the Nigerian budgetary performance and spending efficiency across key sectors in the development plan.

Results and Discussion

4.1 Results and Analysis

Table 4.1: Data Presentation in Billions of Naira

Year	Health Budget	Education Budget	Agriculture Budget	Health Spending	Education Spending	Agriculture Spending
2011	231.80	386.40	92.85	106.628	177.744	42.71049
2012	190.50	320.90	97.40	87.63	147.614	44.804
2013	283.65	505.77	154.71	130.4787	232.6519	71.16508
2014	229.63	393.45	111.29	105.6308	180.9847	51.1934
2015	226.81	348.75	82.98	104.3307	160.4236	38.16931
2016	147.72	278.95	68.80	67.95158	128.3165	31.64815
2017	328.94	542.19	167.66	151.3103	249.4085	77.12151
2018	446.25	753.49	203.42	205.2733	346.6066	93.57231
2019	591.26	994.19	264.69	271.9815	457.3257	121.7576
2020	417.14	701.40	186.74	191.8832	322.6437	85.90014
2021	635.73	1,102.46	303.66	292.4353	507.1339	139.6848
2022	789.81	1,369.66	377.26	363.3108	630.0444	173.5392
2023	1,130.64	1,960.73	540.06	520.0957	901.937	248.4293

Source: CBN Bulletin of Various Publications

The dataset shows a continuous long-run growth in the outcome of public budget allocations in the health, education, and agriculture sectors in Nigeria from 2011 to 2023, with some notable ups and downs across the years that represent times of financial constraint and economic instability. Allocation to health sector increased from ₦231.80 billion in 2011 to ₦1,130.64 billion in 2023 or almost five times. However, budgetary contraction took place in 2015-2017, mainly reflecting the recessionary pressures arising from the contraction of oil revenues. Actual health spending followed the same trend,

increasing from ₦106.63 billion in 2011 to ₦520.10 billion in 2023, but it was consistently below the budgeted amount and hence, health spending execution was found to be far below the budgeted amounts. Overall, health sector absorption rates seem to average out around 45-50 percent - indicating enduring challenges of implementation.

Education shows an even sharper increase in the budget allocation during the period and has risen from ₦386.40 billion in 2011 to ₦1,960.73 billion in 2023. The growth trajectory was largely upward, barring the oil price chock years of 2015-2017. Actual spending on education also exerted similar growth in expenditure, having increased to ₦901.94 billion in 2023 from ₦177.74 billion in 2011. However, like the health sector, expenditure was consistently below budget suggesting that under-utilisation of funds is system-wide across the major social sectors. The disparity between allocation and expenditure grows substantially from 2018 onwards, and this is indicative of fiscal leakages, delays in procurement and bureaucratic bottlenecks which impede the full implementation of budgets.

Agriculture has an equally rising trend of increasing budgetary allocations - from ₦92.85 billion in 2011 to ₦540.06 billion in 2023 - though the sector is allocated much less compared to health and education. Actual spending has risen from ₦42.71 billion in 2011 to ₦248.43 billion in 2023 with similar gaps between appropriated and disbursements also evident. While expenditure on agriculture more than doubled throughout the period, there have been repeated failures in implementation of the sector, particularly in 2015-2017, indicating a drop in the fiscal capacity of the government and competing priorities. The widening gap between allocations and actual expenditure in the later years points to the fact that structural constraints, such as inefficiencies in the implementation of capital projects, low monitoring systems and low absorptive capacity continue to constrain the sector's performance despite rising budgetary commitments.

Across all three sectors, one major pattern emerges, namely, despite the fact that the allocated budget has significantly increased in nominal terms over the 13-year period, there is always a lag with actual expenditure. This is an indication of systemic problems in Nigeria's public financial management processes. The difference between the budget and the utilisation not only weakens service delivery results but also raises the issue of efficiency, fiscal credibility and coherence between policy intentions on one hand and implementation facts on the other hand. The upward movements in spending patterns in the years from 2021-2023 indicate recent efforts to improve spending execution, but the widening gap indicates that significant changes are needed to improve transparency, procurement systems and cash-release mechanisms.

Table 4.2: Descriptive Statistics

	AGRICULTURE_BED UDGET	EDUCATION_BU DGET	HEALTH_BUDGE T	AGRICULTURE_S PENDING	EDUCATION_SPE NDING	HEALTH_SPENDI NG
Mean	203.9624	742.9489	434.6053	93.82272	341.7565	199.9185
Median	167.6555	542.1924	328.9355	77.12151	249.4085	151.3103
Maximum	540.0636	1960.733	1130.643	248.4293	901.9370	520.0957
Minimum	68.80033	278.9489	147.7208	31.64815	128.3165	67.95158
Std. Dev.	137.1925	497.0439	285.5167	63.10854	228.6402	131.3377
Skewness	1.229266	1.249233	1.212229	1.229266	1.249233	1.212229
Kurtosis	3.742519	3.716041	3.656445	3.742519	3.716041	3.656445
Jarque-Bera Probability	3.572678 0.167573	3.658983 0.160495	3.417328 0.181108	3.572678 0.167573	3.658983 0.160495	3.417328 0.181108

Sum	2651.512	9658.336	5649.869	1219.695	4442.834	2598.940
Sum Sq. Dev.	225861.3	2964631.	978237.6	47792.26	627316.0	206995.1
Observations	13	13	13	13	13	13

Source: E-views Output 10

The mean values show that education received the most budget allocation in mean approximation (₦742.95 billion), followed by health (₦434.61 billion) and agriculture (₦203.96 billion). A similar trend is noted in the expenditure with the average spending highest in the education domain (₦341.76 billion), followed by the health (₦199.92 billion) and agriculture (₦93.82 billion). In all sectors, spending falls short of budgeted amounts, which are suggestive of recurring problems of under-spending, implementation gaps or delayed release of funds.

The median values being less than the means in each of the sectors implies that the distributions are right-skewed, suggesting that a small number of years of exceptionally high budgets or spending dragged the estimates in a high direction. This is confirmed by the positive values of skewness (about 1.21-1.25 for all variables), indicating that the distributions are skewed in the right side and there are some spikes in allocations or expenditures. The values of kurtosis (3.65-3.74), which are just a little above 3, indicate leptokurtic distributions, i.e. the datasets have moderately heavy tails. This reflects occasional extreme values, particularly in the years where budgetary allocations experienced tremendous increases because of changes in policy or macroeconomic readjustments.

The Jarque-Bera statistics for all the variables show probability greater than 0.15, which is greater than 0.05, meaning that we fail to reject the null hypothesis of normality. Thus, although there are deviations from normality regarding skewness and kurtosis, the distributions do not deviate very much from normality. Additionally, the great disparity between top and bottom - in this case, the education budget (₦278.95 billion and ₦1.96 trillion) - is indicative of marked volatility in government fiscal commitments, which may be the result of political cycles, economic crisis or changing national priorities. The relatively high standard deviations in the case of education and health budgets and spending also further confirms the existence of large year-to-year fluctuations. Overall, the statistics raise issues of inconsistent funding patterns and systemic underutilization in all sectors, the issues of planning efficiency, disbursement mechanism of funds, and the responsiveness of the budgetary processes to sectoral demands in Nigeria are thus raised.

Discussion of Findings

The descriptive statistical results show the obvious patterns in the budgeting and spending in the public sector and agriculture, education and health sector in Nigeria from 2011 to 2023. Education invariably took the largest share of the national budget followed by health and agriculture; still, expenditure was far less than budgeted expenditures in all sectors. This hard-to-close gap is indicative of issues such as difficulty in budget implementation, delayed fund release, and inefficiencies in the bureaucratic system-these are also the issues highlighted by Oke and Adeyemi (2024) and Sunday et al. (2019), who have identified the underutilization of public funds in the education sector. The skewed and leptokurtic distributions suggest further episodes of unusually high allocations possibly related to political cycles or economic shocks in line with the Public Choice Theory which

suggests that budgetary decisions also reflect political interests over and above sectoral needs (Buchanan, 1967).

Mohammed and Idris (2024) and Okene and Sunday (2021) reported in research that while agriculture budget increased over time, the amount spent on it remained to be low thus undermining its sectoral performance. Similarly, Chukwu and Eze (2025) found that under funding of health sector is compounded by incidences of frequency of approved and actual expenditure on health sector. These results converge with the Budget Implementation Theory, which stresses on the capacity of institutions and quality of governance in achieving effective utilization of public funds (Wildavsky, 1986). Overall, the results show that there are structural weaknesses in Nigeria's budgetary system that hinder the efficiency of spending which constrain development outcomes in key social sectors.

Conclusion and Recommendations

This study focused on the trends and patterns and use of Nigeria public budget in these sectors of the country: agriculture, education and health with a time period of 2011 - 2023. The findings indicate that despite the periodic rise in the budget allocations - especially in the education budget - the actual sectoral spending was consistently lower than approved budgets. This gap and recurring phenomenon is symptomatic of a deeper institutional and administrative inefficiencies that defies the effectiveness of public budgeting. The descriptive statistics portend the existence of skewed distributions and high levels of variability, indicating poor and inconsistent fiscal prioritisation due to political, economic and governance factors. These patterns are consistent with the claims of the Public Choice Theory and Budget Implementation Theory, which emphasise the impact of political interests, institutional weakness, and resource mismanagement over policy intentions on budget outcomes.

These observations have been supported by empirical reviews published in 2024 and 2025. Recent research has repeatedly documented similar differences between allocations and expenditure in social sectors in Nigeria, and attributes them to challenges such as feeble monitoring systems, delayed release of funds, perception of lack of transparency, and lack of legislative oversight. These persistent performance discrepancies undermine the performance of the sector, limit service delivery and Nigeria's progress towards attaining the sustainable development goals. Therefore, the study concludes that although Nigeria invests a large amount of resources in key sectors, inefficiencies in budget execution have a serious impact on reducing the development impact of the investments. Strengthening transparency, institutional capacity and accountabilities mechanisms is therefore important to ensuring that public budgets are effective and result in concrete gains in improving agricultural productivity, quality of education and healthcare outcomes. The study recommended the followings based on the findings of the study:

First, the governments should improve budget execution mechanisms by better monitoring systems, sanctioning the timely release of funds and enforcing more effectively guidelines for its spending. Improving the institutional capacity of ministries and agencies will help reduce differences between approved budgets and actual expenditure.

Second, greater transparency and accountability should remain a priority and thus adopt digital budget-tracking mechanisms that are available to the public. This compares with the best practises around the world as well as empirical studies that demonstrate the

positive impact that open-budget systems have on spending efficiency (Mohammed & Idris, 2024).

Third, legislative oversight will have to be strengthened so that budgetary allocations are in line with sectoral priorities and ministries meet implementation timelines. Stiffened oversight will reduce the extent of political interference in ensuring the resources allotted actually produce real socio-economic values.

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