

Comparative Analysis of Budgetary Allocation to Education and the Gross Domestic Product Per Capita in Nigeria, 1980 – 2015.

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ABSTRACT

The study investigated the Comparative Analysis of Budgetary Allocation to Education and Gross Domestic Product Per- Capita (GDPc) in Nigerian from 1980-2015. The objective of the study was to comparatively analyze the relative impact of federal government actual budgetary allocation to education alongside UNESCO 26% recommended budgetary allocation to education. In respect to the above, relevant theoretical and empirical literature were reviewed. The researcher formulated the relevant objective, research question and hypotheses to guide the study. In the course of the study, relevant data relating to the variables needed by the researcher were extracted from various document analysis such as Central Bank of Nigeria (CBN) Statistical Bulletin and National Bureau of Statistics (NBS) Statistical Bulletin. The Classical Linear Regression Model was employed in modelling the relationship between per-capita income and the budgetary allocation variables. The Ordinary Least Square (OLS) equation technique was used in analyzing the data. The unit root analysis revealed that all the variables were not stationary at levels. But at first difference, all the variables became stationary. The Johansen cointegration analysis revealed that the variables were cointegrated and had a valid error correction mechanism. The analysis of the Error Correction Mechanism (ECM) showed that all

the models were significant and the estimates unbiased. The analysis further revealed that budgetary allocation to education in Nigeria has the correct signs and significantly impacted on income per-capita. It was therefore, recommended that the government at all levels should increase their budgetary allocation to education towards the UNESCO's 26% criteria as a strategy to fast-track national economic development in Nigeria. Also, the study further recommended that greater percentage of the budgetary allocation to education, should be spent on capital projects.

KEYWORDS: *Comparative Analysis, Budgetary Allocation, Education, UNESCO 26%, Gross Domestic Product Per-Capita (GDPc).*

Introduction

Human capital development is perceived as the main factor in attaining economic growth and development in any nation. Therefore, accessibility to high standard of education serves as a means to quality of manpower in such a nation. Education serves as an instrument through which any society can be transformed into a highly modernized society.

It plays a vital role in human capital development. Therefore, it serves as a tool for the achievement of rapid economic growth and development by increasing the productive capacity of members in the society.

The budget of the Nigerian state is a governmental tool used for the implementation of policies. Despite these importance of education, the budgetary allocation to education overtime has been characterized by undue politics. Aboribor in Omotor (2004) posited that, an increase in the national income and per-capita income is a function of education and that disparities among nations can better be explained by the difference in the endowments of human rather than physical capital. (Ifionu & Nteegah, 2013).

Statement of the Problem

Nigeria's economy over time has experienced a lot of political, social and economic issues. Despite the abundance huge resources (capital and human)the country is still battling with the problem of low income per-

capita. This has negatively affected the Nations educational sector interms of accessibility to qualitative education. Every nation according to UNESCO is expected to spend 26% of its budget to education annually. Despite this UNESCO'S recommendation, it is quite unfortunate that previous studies and data has shown that the government of Nigeria has not been able to meet-up with UNESCO 26% budgetary recommendation for example, from 1977-1998, the total education budgetary allocation represented an average of 9.7% of total government expenditures (Herbert, 2002). While the percentage share, of the GDP from 1991-2009 has maintained a value of 0.85% to its highest value of 5.11% in 1981 and its lowest was 0.85% in 1991. Judging from these statistics, it is, quite clear that budgetary allocation to education is low.

Aim and Objective of the Study

To determine the effect of government actual budgetary allocation and UNESCO 26% recommended budgetary allocation to education on the Gross Domestic Product Per-

capita (GDPc) of the Nigeria economy (1980-2015).

Research Question

What is the effect of government actual budgetary allocation and UNESCO 26% recommended budgetary allocation to education on the Gross Domestic Product Per-capita (GDPc) in the Nigeria economy (1980-2015)?

Research Hypothesis

There is no significant relationship between government actual budgetary allocation and UNESCO 26% recommended budgetary allocation to education and the Gross Domestic Product Per-capita (GDPc) in the Nigeria economy (1980-2015).

Significance of the Study

The study will be beneficial to the Nigerian society at large. It will bring to reality the need to invest in education (Human capital) and the illumined achievement the society is bound to gain as a result of well-

funded educational sector. Some of the achievements are quality in its human capital, advancement in science and technology, bridge the income gap in the society etc.

Delimitation of the Study

The study is on comparative analysis on actual and recommended budgetary allocation on education and development of Nigerian economy 1980-2015. The study will cover both government capital and recurrent budgetary allocation on education between 1980-2015. It will also cover UNESCO 26% recommended budgetary allocation on education between the years under review. Interims of context, the study covers the Gross Domestic Product Per-capita income (GDPc) in Nigeria within the period under review.

Thus, the model specifications are as follows.

$$\text{GDPc} = f(\text{GREE}, \text{GCEE}, \text{UNESCO } 26\%)$$

Review of Related Literature

Human Capital Theory

The Human Capital Theory (HCT) was developed by Gary S. Becker in 1962. Human capital looks at the investment people make in themselves which in turn enhances their productive capacity in the economy. The theory argues that, if a country has an educated population, such a population is otherwise a productive population. The main theme of human capital theory is that the process of

spending on health care, education, job search, information retrieval, migration etc. by individuals is a deliberate investment activity guided by anticipated future (Ebong, 2006). Hence human capital means the inclusion of human beings to stimulate and produce capital for their personal and the overall development of the country.



Fig 2.1: Human Capital Model: Adapted from Obasi, E. (2000). *The Economics of Education in Nigeria*. Mbaise: New Vision Publishers 61.

Conceptual Framework

Education and Gross Domestic Product (Proxy for GDPc)

The relationship that exist between education and economic growth have been a public debate from the days of Plato till date. It is quite obvious that education has a high economic value, therefore a huge part of the nation wealth should be invested in education. Thus, investing in education will eventually

lead to human capital formation and significantly contribute to economic growth, instead of investment in social and physical capital (Loaning, 2004, p.11)

Yogish (2006) went further to posit that investment in education will eventually lead to returns in skilled manpower that will be geared towards developmental needs which will accelerate economic development and also improve the quality of lives in the society. This



lend credence to why the theory of human capital lays emphasis on how education can increase the productive capacity, worker efficiency through an increase in the level of cognitive stock of man.

Education serves a dual purpose. It serves both as a public good and a private good. Education as private goods shows that the gains of education accrues to an individual can be ascertained through his/her future income inflows. In other words, if the public sector invest in education, such a level of investment will be equal to the growth and development of the whole society. And as such, when individuals in the society invest in education, their future income is enhanced, but the society benefits by proxy. With the aid of UNESCO Nigeria and so many other developing nations has attempted to develop their knowledge and human capacity through the development of their citizens by ensuring they are provided with abundance and equal educational opportunities. Therefore, the link between a nations skill required for

development to occur and the country's population is "Education".

Government needs to allocate more of its resources (budgetary Resources) to education in other for development to occur in the society. This is because a well-developed and sustained educational sector will bring about a long-term benefit to the citizens and society at large. With the present trend with on public sector investment in education, it is evident that the Nigerian educational sector is still underdeveloped. This underdevelopment can be noticed through the simple fact that the population of the country seeking for quality education far out-weighs the available schools, the schools are ill-equipped etc. therefore, the ability of the government to transfer or shift resources from sectors which are low productive; sector such as general administration to education, will go a long way to develop the educational sector in Nigeria (Oriakhi & Ameh, 2014).

Budget and Budgetary Allocation to Educational Sector in Nigeria



Ogungbenle and Edogiawerie (2016) posited that a budget is a financial statement which is prepared and approved prior to the period of time of the type of policies to be pursued during the period. A budget is a governmental tool used to execute its expenditure function in terms of savings and borrowing. The budget of any nation is usually stated in monetary terms. The budget of a country can either be balanced, surplus or deficit. When the expected revenue equals the proposed expenditure, such a budget is known as a balanced budget. On the other hand, if the expected revenue exceeds the government proposed expenditure, then the budget is a surplus budget. But if the revenue is less than the expenditure, such a budget is referred to as a deficit budget.

However, education belongs to social services in the Nigerian national budget. The Central Bank of Nigeria (CBN) statistical bulletin (2015) shows that between 2000 and 2015, less than 13% (thirteen percent) of funds was expended to the educational sector by the

government. In 2014 most especially, funds expended to the educational sector witnessed a declining rate of -20.31% (Ogungbenle and Edogiawerie, 2016). This is because there was a decrease in the funds allocated to education from N390.42billion to the sum of N311.12 billion in 2014.

In Nigeria, the trend in budgetary allocation to the educational sector has not been encouraging. Between 2005 and 2007, the budgetary allocation to education stood at 6.3%, 7.8% and 8.7% respectively. Thus, there high level of uncertainty on the future direction on the macroeconomic policy of investing in education as a capital project; locking at the development of the Nigerian economy, one will discover that the overalls development strategies and macroeconomic policies have failed to provide a conducive environment, that will foster production and consumption activities so as to diversity the economic base of the nation. The nation has continued to remain in its mono-cultural state, depending on crude-oil for its forging exchange earning

thereby limiting the nation's chances of diversifying its economic base.

Various governments have underscored the need to invest adequately in education. By the average, the country has spent less than 11% of its annual budget on the educational sector. This is an opposite investment on education compared to other developing Africa nations. For example, South Africa spends 25.8% of its annual budget on education, Kenya, 23%, Uganda 27%, Ghana 31%, Cote d'ivoire, 30% (Oriakhi and Ameh, 2014, p.154).

However, these government intervention programmes have not translated into remarkable educational development as a result of many factors including sector. The Nigerian states had so much to spend in the 1970s due to oil-boom. This partly accounted for the increment in the number of education institutions during that period. Unfortunately, the economic recession that took place in the 1980s and also the adoption of the SAP (Structural Adjustment Programme) policies

had an adverse effect on the availability of fund to the educational sector.

The educational sector has experienced a high level of ineffectiveness inefficiency and defects in its structural formation, which has adversely affected the development and utilization of the country's human capital formation. The Nigerian educational system, instead of producing job creators, has turned around to produce job seekers. In other words, the educational system tends to produce graduates who lack the required skills for gaining employment. This is because emphasis was more on expansion in the size of educational institutions and facilities without any consideration of the qualitative dimensions of the system (Ogungbenle & Edogiawerie, 2016). The result of such an educational system is as follows, high rate of unemployment, system configuration and imbalance in its structural formation, high poverty level, and fall in industrial capacity utilization etc (Borishade, 2001).

Empirical Review

Nurudeen and Usman (2010) discovered that government total capital and recurrent expenditure and government spending on education are negatively related to economic growth. While increasing government spending on sectors such as health, transport, communication have positive relationship with economic growth. Olaniyan & Okemakende (2008), embarked on a study on the implications of educational development on human capital. At the end of the study, it was discovered that Nigeria is faced with most of the problems that could limit the capacity of education expansion to stimulate economic growth and development such as brain drain regional imbalances, under employment, shortage of professionals etc.

Lawal and Waahah (2011), in another study, carried out a research on education and economic growth: The Nigeria experience. They concluded that the decision to invest in education in order to achieve economic growth rapidly is a decision made in the right direction provided that it would not reduce the quality of

education and also not affect the average cost of education. This, they argued that the economy of Nigeria would benefit uneasily from an increase in public investment in education even if there is a decrease in the investment in other sectors of the economy.

Ararat (2007), made an analysis on the role and impact of education on economic growth in two countries namely Ukraine and Russia. The study estimated the model of endogenous economic growth and the linear and log-linear equations that give an account for the different time lags of the impact of education (higher education) on economic growth. The findings from the study should that arise in access of population to higher educational level will positive impact on the GDP-per-capital income. This, he further explained that an increase in the number of higher educated persons will head to a sustainable economic growth.

Chude and Chude (2013), also researched on the effects of public expenditure in education on the growth of the Nigerian economy between the period of 1977 to 2012

with reference to disaggregated and sectoral expenditure analysis. The research made use of the Ex-post factor research design and as the correction model econometric technique. The result showed that total public expenditure on education is highly and statistically positively related to economic growth in the long run. Njong (2010), researched on the role of education as a major weapon to combat poverty using data from the 2001 cameraman household survey obtainable poverty using data from the of statistics. The model used for data analysis was a sample selectivity corrected logistic regression model for estimation based on the cross sectional data. In the study the probability of an individual being poor was used as the dependent variable while the explanatory variable was a set of experience and educational levels. At the end of the study, it was revealed that educational attainment and improvement in experience reduces the probability of an employed individual being poor.

METHODOLOGY

Research Design

The research design for this study is the correlational research design. Correlational research designs were chosen for this study because government budgetary allocation to education and UNESCO 26% recommended budgetary allocation to education would be treated to observe its effect on the Gross Domestic Product Per-capita (GDPc) in the Nigerian economy.

Instrument for data collection

The instrument that was used for the study were various document analysis such as Central Bank of Nigeria (CBN) Statistical Bulletin (2016 Edition) and National Bureau of Statistics (NBS) Statistical Bulletin (2016 Edition).

Method of Data Collection (Nature and Sources of Data)

The data required for this study are secondary in nature and consist of annual time series of the following variables:

- i. Gross Domestic Product Per-capita (GDPc)

- ii. Government Recurrent Expenditure on Education
 - iii. Government Capital Expenditure on Education
 - iv. UNESCO 26% Recommended Budgetary Allocation to Education.
- All data were collected from 1980-2015. The main sources of our research data are

TABLE 3.1: Source of Data

Variable	Source
Gross domestic product per capital income (GDPc)	Central Bank of Nigeria (CBN) Statistical Bulletin (2016 Edition)
Government Recurrent Expenditure on Education (GREE)	Central Bank of Nigeria (CBN) Statistical Bulletin (2016 Edition)
Government Capital Expenditure on Education (GCEE)	Central Bank of Nigeria (CBN) Statistical Bulletin (2016 Edition)
UNESCO 26% Recommended Budgetary Allocation to Education	Constructed: $\frac{26}{100} \times \text{Annual Budget}$

Model Specification

$$GDPc = f(GREE, GCEE, UNESCO\ 26\%) \quad (1)$$

They implicit model above were transformed into log linear explicit model as follows:

$$\log GDPc = \log \alpha_0 + \alpha_1 \log GREE + \alpha_2 \log GCEE + \alpha_3 \log UNESCO\ 26\% + \mu_1 \quad (2)$$

Where:

GREE is government recurrent expenditure on education

GCEE is government capital expenditure on education

GDPc is gross domestic product per-capita and

UNESCO 26% recommended budgetary allocation.

α_0 , is the intercept terms.

α_1 to α_3 are model parameters while the μ is the error term.

Method of Data Analysis

The model specified in equation 3.3 above was analyzed with the use of computer aided statistical software-E-view. Specifically, we used the Classical Linear Regression approach, using the Ordinary Least Square (OLS) method. The OLS method was chosen because of the statistical properties of its estimates. The parameter estimates will be examined for significance at 0.05 level and the model explanatory power and significance will be evaluated using the R^2 and f-statistic respectively

DATA PRESENTATION AND ANALYSIS

Table 4.1 Unit Root Test Result

Variable	Level	1 st difference	5% critical	Remark
GDPc	-0.7946	-5.9984*	-3.5485	1(1)
GREE	-3.4268	-4.5568*	-3.5629	1(1)
GCEE	-2.3219	-5.5158*	3.5485	1(1)
UNESCO	-1.5426	-6.2627	3.5578	1(1)

Source: E-view output printout

*Stationary at 1st difference

** Stationary at 2nd difference

The unit root test results presented in table 4.2 above showed that all the variables, apart from life expectancy, were not stationary at level. Life expectancy is stationary at level, meaning that its trend is deterministic; its trend can be predicted and if disturbed from its equilibrium path, it will rebound back to the equilibrium level. After 1st differencing GDPc, GREE GCEE and UNESCO became stationary.

Co-integration Analysis: GDPc

Table 4.2 :Unrestricted Cointegration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.936744	198.8249	47.85613	0.0000
At most 1 *	0.881649	104.9655	29.79707	0.0000
At most 2 *	0.613661	32.40615	15.49471	0.0001
At most 3	0.002079	0.070768	3.841466	0.7902

Trace test indicates 3 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

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

From the From cointegration result above, the gross domestic product per capita model (GDPc), the Trace statistics value indicate that there is at least three (3) co-integrating equations. Thus, the variables in the equation have a long run equilibrium relationship: this means that the variables move together about a mean value.

Error Correction Model Analysis for GDPc Model

Table 4.3: PARSIMONIOUS ECM FOR GDPc MODEL

Dependent Variable: D(GDPC)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(GDPC(-1))	0.675106	0.123610	5.461581	0.0000
D(GDPC(-2))	0.531609	0.110860	4.795298	0.0001
D(GREE)	0.445079	0.190395	2.337661	0.0289
D(GREE(-1))	-1.704352	0.217503	-7.836006	0.0000
D(GCEE)	-0.176258	0.353613	-0.498448	0.6231
D(GCEE(-1))	1.244213	0.646327	1.925053	0.0672
D(UNESCO)	-0.288845	0.172303	-1.676376	0.1078
D(UNESCO(-1))	-0.181968	0.087024	-2.091018	0.0483
D(UNESCO(-2))	0.083507	0.153204	0.545070	0.5912
ECM(-1)	-1.599028	0.131788	-12.13333	0.0000
C	13635.86	5501.637	2.478509	0.0213

R-squared 0.916003

F-statistic 23.99132

Prob(F-statistic) 0.000000

Table 4.4: Diagnostic Analysis of GDPc Model

Test/Hypothesis	Test Type	Test statistics	Prob	Remark
Residual normality	Jacque-Bera (JB)	0....	...	Accepted
Serial correlation	Brusch-Godfrey(BG)	5.6386	0.0596	Rejected
Heterosedasticity	Brcusch-Pagan	8.7655	0.5545	Rejected

Stability test for GDPc Model

The test statistics for this parameter is the commutative residual sum. Commonly called the cusum test

figure 4.1 shows the plot of the residual sum.

Figure 4.1: Cusum Stability Test for GDPc Model

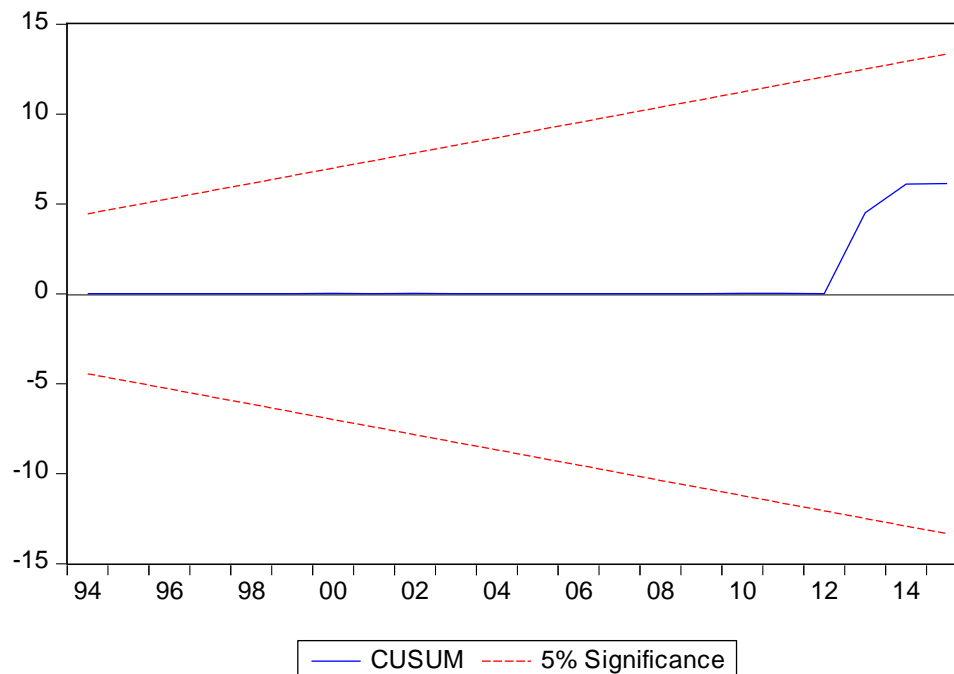


Table 4.5: Test of Hypothesis

S/No	Hypothesis	Empirical t- statistics GCEE	Empirical statistics UNESCO	5% critical value	Prob	Decision
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There is no statistically significant relationship between government actual budgetary allocation and UNESCO 26% recommended allocation and income per capita in Nigeria economy

2.3777* 0.5450 2.0420 Reject

Based on these criteria, it is evident that government budgetary allocation on education and UNESCO recommended 26% has significant impact on income per capita. This is in conformity with the findings of Bello and Roslan (2010). In a nutshell, the analysis of our empirical data has revealed that if Nigeria had used the UNESCO's recommended budgetary allocation to education we would have been impacting more on the evils of

underdevelopment than Nigeria is currently doing. Again the analysis showed that government budgetary allocation on education has significant impact on income per capita.

Comparative Result

This section compares the impact of the various independent variables on the dependent variable. Specifically, we compare the impact of UNESCO variables GCEE and GREE on the various development indicators.

Table 4.6: Comparative impact of GREE, GCEE and UNESCO criteria on Gross Domestic Product per- capita (GDPc)

Development indicator Variable	Gdpc
GREE	0.445
GCEE	1.244
UNESCO	0.084

The table above shows the impact of GREE, GCEE and UNESCO on GDPc. The result shows that apart from impact on GDPc, the UNESCO criteria variable impact more on GDPc. If we have been using the UNESCO criteria, we would have been impacting more

on the chief evils of underdevelopment. So, by comparison, the UNESCO criteria would have developed Nigeria more than we are developing currently

Discussion of Findings (Empirical Result)

The effect of government actual budgetary allocation and UNESCO 26% recommended budgetary allocation to education and the Gross Domestic Product per- capita (GDPc) in the Nigerian economy (1980-2015).

This model (equation 2) in chapter three, examined the impact of government recurrent expenditure (GREE), government capital expenditure on education (GCEE) and the UNESCO 26% recommended on the GDP per capital growth rate in Nigerian economy. The results of the empirical analysis in table 4.2 showed that there is a positive relationship among GDP per capita, GCEE, GREE and the UNESCO 26% recommendation. Specially, change in government expenditure on education will lead to change in per capital income growth rate in the same direction. During the period under review, increase in government recurrent expenditure on education by 1% led to increase in economic growth (GDP per capital growth) by 0.45% within one year. The impact is significant at 0.05 level.

The impact of government capital expenditure on education on per capita income growth is positive. Thus, change in government capital expenditure on education will lead to change in per capita income in the same direction. In this case, increase in capital expenditure on education by 1% led to increase in per capita income by 1.24% after one year lag, or what is the same one fiscal year lag. The effect was not significant at 0.05 level.

If budgetary allocation had followed the UNESCO's 26% recommendation, the effect would be also positive on economic. Specially, if the UNESCO's approach had been used, the impact on GDPc growth would have been 0.08% after two(2) years lag. The variable was not significant. The model R^2 value was 0.91600. This means that the three variables (GCEE, GREE, and UNESCO) accounted for about 92% variable in the level of GDP per capita growth rate during the period under review.

The model F-statistic value of 23.9913 with probably value of 0.0000 means that the

model employed for the empirical analysis was significant and actually captured the relationship among the variables in Nigerian economy.

The model diagnostic result presented in **table 4.4** showed that there was no evidence of serial correlation, there was no evidence of heteroscedasticity, and the residuals were normally distributed. Hence, the data fulfilled the basic assumptions for the use of the method employed for the empirical analysis, and the estimates parameter dependable as policy variables.

The model stability test result presented as plot of cumulative sum (CUMSUM) of residual in **figure 4.1** revealed that the relationship among the variables was stable during the period of the study. This, again, reinforce the values of the empirical estimates as policy variables. The residual plot remained within the 5% critical level throughout the period of the analysis.

Summary of Findings

The main objective of the study was to analyze the effect of federal government

budgetary allocation to education and the UNESCO'S recommended 26% budgetary allocation on GDPc in the Nigerian economy. The study was actually a comparative analysis to examined the relative impact of the current trend of government budgetary allocation to education and the UNESCO recommended 26% budgetary allocation to education. Relevant theoretical and empirical relative were reviewed and important conceptual framework explained in chapter two.

In chapter three, the method employed in the collection and analysis of the research data was explained. In addition the functional model of the relationship between government budgetary allocation to education and UNESCO'S 26% recommended budgetary allocation to education and per-capita income were equally, specified and explained. In chapter four, the data available for analysis were presented and empirically analyzed, the result presented and interpreted. The discussion of the findings is presented in the subsequent section.

Discussion of Findings

The results of the data analysis revealed that all the variables were not stationary at levels. However, GDPc, GREE, GCEE and UNESCO became stationary after 1st differencing. The results of the Johansen (1998) cointegration test revealed that there were at least two cointegrating equation among variables. Thus, there was a stable long run relationship among the variables of the models in each equation.

The estimate of the parsimonious error correction model (ECM) of the equation revealed that all the model were statistically significant. The model diagnostic analysis showed that all the model fulfilled the assumptions of the ordinary least square (OLS) regression techniques, and that there was no incidence of serial correlation, Heteroseedasticity, and the residual were normally distributed. Following the Gauss Markov theorem, the estimates are Best Liner Unbiased Efficient (BLUE) estimators and

therefore dependable for forecasting and as policy variables.

Specifically, the result revealed that there is a positive relationship between GREE, GCEE and the UNESCO's recommended budgetary allocation to education and economic growth. Increase in GREE, and GCEE led to increase in per capita income by 0.45% and 1.24% respectively. While that of GREE was within the same fiscal period, that of GCEE was after one period lag. The impact of the UNESCO's recommended expenditure criteria was 0.08% after two period. While GCEE and the UNESCO's recommended criteria were insignificant. GREE was significant. The GDPc model has f-statistic of 23.99% and R² value of 0.9160. Thus, the model was statistically significant and accounted for about 92% variation of change in GDPC.

Conclusions

The study compared the relative impact of federal government budgetary allocation to education and UNESCO recommended 26%

budgetary allocation to the education sector. In order to achieve the research objectives, the researcher employed econometrics method to analyze the data. The results of the data analysis showed that government expenditure on education and the UNESCO recommended criteria have positive impact on income per capita.

Increase in budgetary allocation to education, especially, the use of the UNESCO recommended budgetary allocation to education will accelerate the pace of economic growth in Nigeria economy. The impact coefficient of the UNESCO 26% recommended budgetary allocation was always higher than the impact coefficient of the government recurrent and capital expenditure on education. The impact of the UNESCO 26% recommended budgetary allocation on income per capita is small but positive if Nigerian government will take the issue of education seriously and acknowledge the fact that development and economic growth issues have gone beyond mere acquisition of capital to the

issues of human development and technology, and put appropriate infrastructure in place, especially, education infrastructure, Nigerian economy will experience quantum leap in increase in the level of per capita income.

Recommendations

Based on the findings of the study the following recommendations for policy action and for further studies were made:

Recommendations for Policy Action

1. Government at all level should implement the UNESCO 26% recommended budgetary allocation to education for investment in the education sector.
 - i. Budgetary allocation to education sector should always be monitored to ensure that the budgetary allocation are released as at when due, effectively and efficiently utilized.
 - ii. Greater percentage of the budgetary allocation to education should be spent

on capital project in the education sector.

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