

RESEARCH ARTICLE

# The Politics of Government Budgeting and Its Implications for Development in Nigeria

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Received: 03 August 2024 Accepted: 19 August 2024 Published: 21 August 2024

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## Abstract

This study uses a political economy approach to examine the politics of government budgeting in Nigeria and its implications for development. The objectives are to explore the relationship between political dynamics, budgeting processes, and development outcomes, and to identify key factors influencing budgetary decisions. A mixed-methods research design was employed, combining qualitative analysis of interviews, focus groups, document analysis, and quantitative analysis of budgetary figures and statistical data. Theoretical frameworks from political economy provide insights into the role of institutions, power distribution, and vested interests in shaping budget decisions. The findings reveal patterns of budget allocation favoring certain regions and sectors, resulting in disparities in development outcomes. Political factors, including clientelism, elite capture, and corruption, significantly influence budget decisions, hindering effective resource allocation for development. Limited transparency and accountability in the budgeting process hamper public participation and contribute to the misallocation of resources. The study recommends enhancing transparency, accountability, and public participation, along with reforms to address political influences and promote equitable resource allocation for sustainable development in Nigeria.

**Keywords:** Government Budgeting, Politics, Socioeconomic Development, Corruption, Nigeria.

## 1. Introduction

Government budgeting is a crucial process that shapes the development trajectory of a country, as it determines the allocation and utilization of financial resources for various sectors and public initiatives (Besley & Persson, 2013; Jones & Tommasi, 1997; Shi, 2003). However, the politics surrounding budgeting decisions can significantly influence development outcomes. Understanding the political dynamics at play is essential for comprehending the implications of government budgeting on a nation's development prospects. This study aims to explore the intricate relationship between politics, government budgeting, and development in Nigeria. (Keefer & Khemani, 2003; Ogujiuba et al., 2014; Olowu, 1999).

Nigeria, like many other countries, faces unique political challenges in its budgeting process. Political factors exert a considerable influence on budgetary decisions, which can have far-reaching consequences for development. (Gboyega & Bamisaye, 2012; Olowu & Adebayo, 1999; Salisu et al., 2017). The allocation of resources, the presence of vested interests, and the level of transparency and accountability all contribute to shaping the outcomes of government budgeting (Keefer & Khemani, 2003; Ogujiuba et al., 2014; Olowu, 1999).

Scholars have highlighted the significance of political factors in shaping budget decisions and their subsequent impact on development outcomes. For instance, Alesina and Perotti (1996) argue that political

**Citation:** Tochukwu S. Ezeudu, Fadeyi, Taofiq James. The Politics of Government Budgeting and Its Implications for Development in Nigeria. *Journal of Public Administration*. 2024; 6(1): 20 -33.

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fragmentation and ideological differences among political actors can influence budget allocations. Corruption, another political factor, has been identified as a major challenge that distorts resource allocation and hampers development (Fagbemi & Oyinlola, 2019; Olukoju, 2008).

The political economy approach provides a valuable framework for understanding the politics of government budgeting in Nigeria. (Alesina & Perotti, 1996; Fagbemi & Oyinlola, 2019; Olukoju, 2008). This approach focuses on the interplay between political and economic factors and emphasizes the role of institutions, power distribution, and vested interests in shaping budgetary decisions and their impact on development (North et al., 2009). By applying this theoretical lens, we can gain a comprehensive understanding of the political dynamics underlying budgeting in Nigeria.

In light of these considerations, this study seeks to achieve the following

### 1.1 Objectives

1. To investigate the influence of political factors on the government budgeting process in Nigeria.
2. To evaluate how political dynamics affect the allocation and utilization of resources for development in Nigeria.

### 1.2 Research Questions

1. What are the key political factors that influence the government budgeting process in Nigeria?
2. How do political dynamics impact the allocation and utilization of resources for development in Nigeria?

Understanding the politics of government budgeting is crucial for comprehending its implications for development in Nigeria. By exploring the political factors influencing budget decisions and their subsequent impact on resource allocation and utilization, this study aims to contribute to the existing body of knowledge. The identification of strategies for enhancing the effectiveness and transparency of the budgeting process will provide valuable recommendations to promote sustainable development in Nigeria.

## 2. Literature Review

### 2.1 Definition and Conception of Politics

Politics refers to the process of making decisions, exercising power, and influencing policies within a

social or governing system (Heywood, 2013; Easton, 1965). It encompasses the activities, interactions, and structures through which individuals and groups seek to acquire and exercise authority, allocate resources, and shape the distribution of benefits and burdens in society (Heywood, 2013; Dahl, 1961).

At its core, politics involves the negotiation and contestation of competing interests, values, and ideologies, as well as the pursuit of collective goals and the resolution of conflicts (Heywood, 2013; Dahl, 1989). It encompasses a wide range of activities, including electoral campaigns, legislative processes, policy formulation, implementation, and evaluation, as well as interactions between citizens, interest groups, and government institutions (Heywood, 2013; Dahl, 1989).

Politics can take place at various levels, from local communities to national and international arenas, and it is influenced by factors such as culture, history, socioeconomic conditions, and power relations (Heywood, 2013; Easton, 1965). It involves the exercise of power, which can be understood as the ability to shape and control the behavior and decisions of others (Dahl, 1961).

In democratic societies, politics typically involves citizen participation, public deliberation, and the protection of individual rights and freedoms (Dahl, 1989; Diamond, 2008). It encompasses processes of representation, accountability, and the expression of diverse interests and viewpoints (Heywood, 2013; Dahl, 1989).

However, politics is not limited to formal institutions or government structures. It also encompasses informal power dynamics, social movements, and grassroots activism that seek to challenge existing power structures and advocate for social change (Tilly, 2004; McAdam, Tarrow, & Tilly, 2001).

Politics is a complex and multifaceted phenomenon that encompasses decision-making, power relations, and the pursuit of collective goals within a social or governing system. It involves the negotiation of interests, the resolution of conflicts, and the exercise of authority to shape policies and allocate resources. Understanding politics is crucial for comprehending the dynamics of governance, policy-making, and societal change.

### 2.2 Government Budgeting

Government budgeting refers to the process through which a government plans, formulates, and

implements its financial policies and decisions for a specified period (Shah, 2007; Rubin, 2001). It involves the estimation and allocation of financial resources to different sectors, programs, and projects, taking into account the government's revenue sources, expenditure priorities, and policy objectives (Shah, 2007; Rubin, 2001).

Government budgeting serves as a tool for fiscal management, as it allows governments to plan and control their spending, monitor revenues, and achieve economic stability (Shah, 2007; Rubin, 2001). It plays a crucial role in resource allocation, ensuring that public funds are used efficiently and effectively to address societal needs and promote development (Breton & Fraschini, 2014; Shah, 2007).

The process of government budgeting typically involves various stages, including the preparation of budget proposals, legislative approval, implementation, and evaluation (Rubin, 2001; Posner, 2017). It requires coordination among different government departments, policymakers, and stakeholders to ensure transparency, accountability, and the achievement of policy objectives (Posner, 2017; Shah, 2007).

Government budgeting is influenced by a range of factors, including political priorities, economic conditions, societal demands, and legal frameworks (Hallerberg, 2004; Diamond & Feldman, 1997). It reflects the values, preferences, and policy choices of the government in power, and can be shaped by political dynamics and power struggles (Hallerberg, 2004; Rubin, 2001).

Government budgeting is the process by which governments plan, allocate, and manage financial resources to achieve their policy objectives and address societal needs. It involves estimating revenues, setting expenditure priorities, and ensuring the efficient and effective use of public funds. Government budgeting is a crucial tool for fiscal management and plays a significant role in resource allocation and development planning.

Government budgeting plays a critical role in shaping development outcomes, as it determines the allocation and utilization of financial resources for various sectors and public initiatives. This section presents a comprehensive analysis of existing literature, theoretical frameworks, and empirical evidence to understand the politics of government budgeting and its implications for development in Nigeria.

### **2.3 Transparency and Accountability in Budgeting**

Transparency and accountability are crucial factors for effective budgeting and governance. Numerous studies

have emphasized the importance of transparency in the budgeting process to ensure public participation, scrutiny, and accountability (Alemu & Admassu, 2019; La Porta et al., 1999). Transparency facilitates the identification of misallocations, corruption, and inefficiencies in resource allocation (Sharma & Chand, 2017). Similarly, accountability mechanisms, such as independent audit institutions and public oversight, are essential for ensuring responsible and efficient budget implementation (Pring, 2018; Varma, 2007).

### **2.4 Corruption and Rent-Seeking**

Corruption poses a significant challenge to government budgeting and development in Nigeria. Studies have highlighted the detrimental effects of corruption on resource allocation, public service delivery, and infrastructure development (Adetiloye & Osabuohien, 2018; Ibrahim & Alhaji, 2017). Corruption diverts public funds away from development priorities and fosters rent-seeking behavior, where individuals and interest groups exploit budget processes for personal gain (Fjeldstad et al., 2008; Swamy et al., 2001). Addressing corruption requires institutional reforms, strengthening anti-corruption measures, and promoting a culture of transparency and integrity in budgeting (Olivera et al., 2018; Uche & Okoh, 2014).

### **2.5 Regional Disparities and Budget Allocation**

The budgeting process can significantly influence regional disparities in development outcomes. Studies have examined the unequal distribution of resources across regions and the impact on social and economic disparities (Anyawu, 2012; Salisu et al., 2020). Political factors, such as power dynamics and regional interests, can influence budget allocation decisions, leading to imbalances in infrastructure development, public services, and economic opportunities (Anyawu, 2012; Ezeabasili & Ogbuagu, 2019). Addressing regional disparities requires transparent and inclusive budgeting processes that consider the needs and priorities of different regions (Okodua & Ebeigbe, 2015; Salisu et al., 2020).

### **2.6 Short-Termism and Development Planning**

Short-termism in budgeting refers to the focus on immediate needs and political considerations at the expense of long-term development goals. Studies have highlighted the challenges of short-term thinking, such as inadequate investments in infrastructure, education, and health (Hameed et al., 2021; Hughes & Moora, 2017). Political cycles, electoral incentives, and pressure for quick results can lead to suboptimal resource allocation and hinder

sustainable development (Hameed et al., 2021; Hughes & Moora, 2017). Overcoming short-termism requires a long-term vision, evidence-based planning, and institutional mechanisms that align budgeting with sustainable development goals (Hameed et al., 2021; Leisinger & Sánchez, 2019).

## 2.7 Budgetary Process and Development Outcomes in Nigeria

Budgeting processes play a crucial role in shaping development outcomes in Nigeria. The country's budget serves as a key instrument for allocating resources and determining national priorities (Olowu & Adebayo, 1999). Understanding the intricate relationship between budgeting processes and development outcomes is essential for effective policy-making and sustainable development in Nigeria. This section will provide a comprehensive analysis of the budgeting processes and their implications for development outcomes in Nigeria.

The budgeting process in Nigeria involves several stages, including budget formulation, approval, implementation, and evaluation (Akpan, 2009). The process is influenced by a complex interplay of political, economic, and social factors (Jones & Tommasi, 1997). Political factors such as clientelism, elite capture, and corruption significantly impact budget decisions (World Bank, 2016). The influence of these factors can lead to suboptimal resource allocation, favoring politically connected individuals or regions at the expense of broader development objectives (North et al., 2009).

Budgetary decisions have far-reaching implications for development outcomes in Nigeria. The allocation of resources across sectors directly affects the provision of essential services, infrastructure development, and economic growth (Olukoju, 2008). Imbalanced sectoral allocations can hinder progress in critical areas such as education, healthcare, and infrastructure, perpetuating social and economic disparities (World Bank, 2018). Furthermore, inadequate budgetary provisions for social welfare programs can impede poverty alleviation efforts and exacerbate socio-economic inequalities (Adeola, 2012).

The consequences of flawed budgeting processes extend beyond sectoral allocations. Regional disparities in budgetary allocations can widen the development gap between different parts of the country (Oyekanmi & Arowolo, 2019). Neglecting certain regions in resource allocation can result in marginalized communities and hinder overall national development

(Nwokolo, 2015). Additionally, the misappropriation of budgetary funds through corruption and weak accountability mechanisms can undermine the effectiveness of budget implementation, limiting the desired development outcomes (Akpan, 2009).

Addressing the challenges in budgeting processes is essential for achieving sustainable development in Nigeria. Enhancing transparency, accountability, and citizen participation in the budgeting process can promote equitable resource allocation and improved development outcomes (World Bank, 2018). Strengthening institutional frameworks, improving governance practices, and implementing anti-corruption measures are critical steps toward more efficient and effective budgeting processes (Olowu & Adebayo, 1999).

The budgeting processes in Nigeria have profound implications for development outcomes. Political factors, sectoral allocations, regional disparities, and governance issues all influence the extent to which budgeting decisions align with development goals. By addressing the challenges in budgeting processes and enhancing transparency and accountability, Nigeria can promote equitable resource allocation and achieve sustainable development objectives.

## 2.8 Key Factors Influencing Budgetary Decisions in Nigeria

Budgetary decisions in Nigeria are influenced by a range of factors that shape resource allocation and determine national priorities. Understanding these key factors is essential for comprehending the dynamics of budgeting processes in the country. This section explores the main factors that influence budgetary decisions in Nigeria and provides a comprehensive analysis of their implications.

**Political Factors:** Politics plays a significant role in shaping budgetary decisions in Nigeria. Clientelism, elite capture, and corruption are key political factors that influence resource allocation (Olowu & Adebayo, 1999). Clientelism involves the exchange of political favors for budgetary allocations, while elite capture refers to the concentration of budget resources by influential individuals or groups (World Bank, 2018). Corruption, the misuse of public funds for personal gain, also affect budget decisions (Adeola, 2012). These political factors often result in the diversion of resources to politically connected individuals or regions, leading to suboptimal development outcomes (North et al., 2009).

**Economic Factors:** Economic considerations also shape budgetary decisions in Nigeria. Economic growth, revenue generation, and debt sustainability influence resource allocation (Akpan, 2009). Budget decisions are influenced by the need to stimulate economic growth, promote investment, and maintain fiscal stability (World Bank, 2018). Additionally, macroeconomic factors such as inflation, exchange rates, and oil price fluctuations impact budgetary decisions and resource allocation (Adeola, 2012).

**Social Factors:** Social factors play a crucial role in determining budget priorities in Nigeria. Social needs, such as education, healthcare, and social welfare programs, influence resource allocation (Olowu & Adebayo, 1999). Public demand, social unrest, and demographic trends also influence budgetary decisions (Akpan, 2009). Meeting the social needs of the population is a key consideration in the budgeting process to ensure equitable development and social cohesion (World Bank, 2018).

**Institutional Factors:** Institutional factors, including governance structures and capacity, affect budgetary decisions in Nigeria. The effectiveness of budgetary institutions, budget formulation processes, and public financial management systems shape resource allocation (Adeola, 2012). Institutional frameworks that promote transparency, accountability, and citizen participation are crucial for effective budgeting processes (World Bank, 2018).

Understanding these key factors is essential for policymakers to make informed decisions and address challenges in budgetary processes. Enhancing transparency, accountability, and governance practices can mitigate the negative impact of political factors and ensure more efficient resource allocation (Akpan, 2009). Strengthening institutions, promoting citizen engagement, and implementing anti-corruption measures are key recommendations for improving budgetary decisions in Nigeria (Olowu & Adebayo, 1999).

budgetary decisions in Nigeria are influenced by a complex interplay of political, economic, social, and institutional factors. Understanding these factors is crucial for effective budgeting processes and equitable resource allocation. By addressing challenges related to political influence, enhancing economic considerations, and improving governance practices, Nigeria can achieve more efficient and effective budgetary decisions, leading to sustainable development outcomes.

## 2.9 Theoretical frameworks

### 2.9.1 *The Political Economy Approach*

The theoretical framework employed in this study is the political economy approach, which provides valuable insights into the politics of government budgeting in Nigeria. The proponents of the political economy approach include Douglass C. North, John Joseph Wallis, and Barry R. Weingast. Their influential work in this field, often associated with the book “Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History” by North, Wallis, and Weingast, was published in 2009. The political economy approach examines the intricate relationship between political and economic factors and emphasizes the role of institutions, power distribution, and vested interests in shaping budgetary decisions (North et al., 2009; Olowu & Adebayo, 1999).

According to North et al. (2009), institutions play a crucial role in determining how resources are allocated and distributed within society. In the context of government budgeting, institutions such as the executive, legislature, and judiciary, as well as bureaucratic structures and public financial management systems, influence the decision-making processes and outcomes (Khan, 2010). These institutions are not neutral; they are shaped by power dynamics and are subject to capture by influential actors who seek to advance their own interests (Keefer, 2004).

Elite capture and clientelism are key elements of the political economy approach when analyzing budgeting processes in Nigeria. Elite capture refers to the concentration of budget resources in the hands of a few influential individuals or groups who have the ability to shape policy decisions (Khan, 2010). These elites often leverage their positions of power to influence budgetary allocations in favor of their own interests, often at the expense of broader societal needs (Olukoju, 2008). Similarly, clientelism, which involves the exchange of political favors for budgetary allocations, perpetuates patronage networks and can result in resource misallocation (Jones & Tommasi, 1997).

The theoretical framework also considers the influence of historical and socio-political factors on budgeting processes. Nigeria’s history of colonialism, post-independence governance challenges, and socio-political dynamics have shaped the current budgeting landscape (Olowu & Adebayo, 1999). The legacies of colonial-era institutions, ethnic and regional divisions, and power struggles among political elites

have all impacted budgetary decisions and outcomes (Ikelegbe, 2005; Olukoju, 2008).

### 3. Methodology

#### 3.1 Research Design

The research design for this study is a mixed-methods approach, combining both quantitative and qualitative data collection and analysis techniques. This approach allows for a comprehensive exploration of the politics of government budgeting and its implications for development in Nigeria. The quantitative component involves analyzing budgetary data, financial reports, and statistical information, while the qualitative component entails gathering insights through interviews, focus groups, and document analysis.

#### 3.2 Study Area: Nigeria

Nigeria, located in West Africa, is Africa's most populous country and one of its largest economies. With a population of over 200 million people comprising diverse ethnic, linguistic, and religious groups, Nigeria's political landscape is characterized by complexity and diversity.

Politically, Nigeria operates a federal system of government, consisting of 36 states and the Federal Capital Territory of Abuja. The country's political history is marked by periods of military rule interspersed with civilian administrations since gaining independence from British colonial rule in 1960.

Economically, Nigeria is a major player in the African continent, boasting abundant natural resources, particularly oil and gas. However, the country faces significant development challenges, including poverty, unemployment, inadequate infrastructure, and widespread corruption. Despite its resource wealth, Nigeria grapples with economic inequality and regional disparities, with the oil-rich Niger Delta region experiencing stark contrasts to other parts of the country.

Corruption has been a persistent issue in Nigeria, affecting various sectors, including government institutions, public services, and resource allocation processes. This has contributed to a lack of transparency, accountability, and trust in governance structures.

Against this backdrop, the government budgeting process in Nigeria is of paramount importance as it shapes the allocation of resources, addresses development needs, and influences socio-economic outcomes. Understanding the political dynamics

surrounding budget formulation, approval, and implementation is essential for addressing governance challenges, promoting inclusive development, and fostering accountability and transparency in Nigeria's public finance management system.

#### 3.3 Sampling Technique

The study employed a purposive sampling technique to select key informants and relevant documents for analysis. Given that Nigeria is divided into six geopolitical zones (North-Central, North-East, North-West, South-East, South-South, and South-West), it is important to ensure representation from each zone to capture the diversity of perspectives and experiences related to government budgeting and development.

To determine the sample size, a balanced approach was adopted, aiming to include an adequate number of participants from each geopolitical zone. Considering the logistics and resources available for the study, a total sample size of 200 participants was selected.

The sampling process involved several steps. Firstly, a list of potential participants was compiled based on their roles and expertise in government budgeting and development. This list included government officials responsible for budgeting at the federal and state levels, policymakers, representatives from civil society organizations, and experts in public finance.

Next, a systematic approach was applied to ensure proportional representation from each geopolitical zone. The sample was divided into six strata, one for each geopolitical zone. Within each stratum, participants were selected through purposive sampling, considering factors such as their knowledge, experience, and relevance to the research objectives.

The sample selection was prioritized by diversity, ensuring the inclusion of participants from various sectors, such as finance, planning, education, healthcare, and infrastructure. Efforts were made to include participants with different perspectives, including those from marginalized or underrepresented groups, to capture a comprehensive understanding of the politics of government budgeting in Nigeria.

In addition to selecting key informants, purposive sampling was applied to select relevant documents for analysis. Budgetary documents, financial reports, policy papers, and academic publications related to government budgeting and development in Nigeria were identified and included in the sample based on their relevance to the research objectives.

By employing a purposive sampling technique and ensuring representation from each geopolitical zone, the study aims to gather insights from a diverse range of participants and documents. This approach will enhance the validity and reliability of the findings and provide a comprehensive understanding of the politics of government budgeting and its implications for development in Nigeria.

### 3.4 Method of Data Collection

The study utilized a combination of primary and secondary data collection methods. Primary data will be collected through semi-structured interviews and focus group discussions with key informants. These qualitative data collection techniques provided an insight into the political dynamics, decision-making processes, and challenges surrounding government budgeting in Nigeria. Secondary data were gathered from official budget documents, financial reports, academic articles, policy papers, and relevant publications to complement the primary data and provide a comprehensive analysis.

### 3.5 Method of Data Analysis

The collected data was analyzed using a thematic analysis approach. The qualitative data from interviews, focus groups, and document analysis were transcribed, coded, and organized into themes and categories. These were analyzed to identify patterns, relationships, and recurring issues related to the politics of government budgeting and its implications for development. Quantitative data, such as budgetary figures and statistical information, were analyzed using descriptive statistics and comparative analysis to provide quantitative insights into budget allocation patterns, regional disparities, and other relevant factors.

The integration of both qualitative and quantitative data analysis techniques will facilitate a comprehensive understanding of the research objectives and provide valuable insights into the politics of government

budgeting and its implications for development in Nigeria.

### 3.6 Ethical Considerations

During the study, participant confidentiality was ensured by securely storing and anonymizing all collected data to prevent the identification of individual participants. Access to the data was restricted to authorized personnel only, and any identifiable information was kept confidential.

Informed consent was obtained from all participants before their participation in the study. They were provided with clear and comprehensive information about the study’s purpose, procedures, risks, and benefits. Written informed consent forms were provided, and participants voluntarily agreed to participate.

To mitigate potential biases, rigorous research methodologies were employed, including triangulating data from multiple sources and using diverse data collection methods. Researchers remained vigilant for any biases that may have arisen during data collection, analysis, and reporting and took steps to address them transparently in the study findings.

Throughout the research process, participants were treated with respect, dignity, and sensitivity. Their voices were heard and accurately represented in the study findings, and measures were taken to protect their welfare and well-being.

By adhering to these ethical considerations, the study upheld the highest standards of research integrity, protected the rights and confidentiality of participants, and ensured that the study findings were credible, trustworthy, and respectful of participants’ rights and autonomy.

## 4. Findings and Discussions

### 4.1 Findings

The results of the thematic analysis

**Table 1.** Patterns of Budgetary Allocation by geo-political Zones

| Regions       | Budget Allocation in % | Disparities |
|---------------|------------------------|-------------|
| North-Central | 28%                    | High        |
| North-East    | 15%                    | Moderate    |
| North-West    | 25%                    | High        |
| South-East    | 10%                    | Low         |
| South-South   | 20%                    | Moderate    |
| South-West    | 10%                    | Low         |

**Source:** field survey 2023 (authors computation from data sourced from OAGF 2022)

The table presents the budget allocation in millions of dollars for different regions in Nigeria and provides an assessment of the disparities in budget allocation between regions. The interpretations are as follows:

*North-Central:* The budget allocation for the North-Central region is represented by 28%. The region exhibits a high disparity in budget allocation, indicating a potentially unequal distribution of resources compared to other regions.

*North-East:* The budget allocation for the North-East region is represented by 15%. The region shows a moderate level of disparity in budget allocation, suggesting a relatively more balanced allocation compared to the North-Central and North-West regions.

*North-West:* The budget allocation for the North-West region is represented by 25%. Similar to the North-Central region, the North-West region displays a high disparity in budget allocation, indicating a potentially uneven distribution of resources.

*South-East:* The budget allocation for the South-East region is represented by 10%. The region demonstrates

a low disparity in budget allocation, suggesting a more equitable distribution of resources compared to the North-Central and North-West regions.

*South-South:* The budget allocation for the South-South region is represented by 20%. The region shows a moderate level of disparity in budget allocation, implying a relatively balanced allocation compared to the North-Central and North-West regions.

*South-West:* The budget allocation for the South-West region is represented by 10%. Similar to the South-East region, the South-West region exhibits a low disparity in budget allocation, suggesting a more equal distribution of resources compared to the North-Central and North-West regions.

These disparities in budget allocation between regions can have significant implications for development outcomes, including economic growth, poverty alleviation, and infrastructure development. Further analysis and examination of these disparities are necessary to understand the underlying factors and formulate appropriate policies to address regional inequalities in budget allocation.

**Table 2.** Influence of Political Factors

| Political Factors | Description  |
|-------------------|--|
| Clientelism       | Exchange of political favors for budgetary allocations           |
| Elite Capture     | The concentration of budget resources by influential individuals |
| Corruption        | Misuse of public funds for personal gains                        |

Source: field survey 2023

The table presents the different political factors that influence government budgeting in Nigeria. The interpretations of each political factor are as follows:

*Clientelism:* Clientelism refers to the exchange of political favors for budgetary allocations. This implies that political actors, such as politicians or government officials, may allocate resources based on personal or political relationships rather than objective criteria or the needs of the population. This can lead to the misallocation of resources and a lack of fairness in the budgeting process.

*Elite Capture:* Elite capture occurs when influential individuals or groups concentrate budget resources to serve their own interests. This can result in the exclusion of marginalized or disadvantaged populations from benefiting equitably from public funds. Elite capture may perpetuate inequalities and hinder the development of underprivileged regions or sectors.

*Corruption:* Corruption involves the misuse of public funds for personal gains. It implies that individuals in positions of power may engage in illegal or unethical activities, such as embezzlement or bribery, to divert budgetary allocations for their own enrichment. Corruption in budgeting undermines transparency, accountability, and the effective utilization of resources, thereby hindering development outcomes.

These political factors have significant implications for the budgeting process and, consequently, for development in Nigeria. The presence of clientelism, elite capture, and corruption can distort resource allocation, hinder equitable development, and undermine public trust in governance. It is crucial to address these factors through appropriate governance reforms, transparency measures, and anti-corruption strategies to ensure that budgeting decisions align with development objectives and benefit the entire population.



**Table 3.** *Transparency and Accountability*

| Aspects              | Findings   |
|----------------------|--|
| Openness             | Limited transparency in budget decision-making         |
| Public Participation | Insufficient involvement of citizens in the process    |
| Accountability       | Lack of mechanisms to hold decision-makers accountable |

Source: *field survey 2023*

The table presents the findings regarding transparency and accountability in the government budgeting process in Nigeria. The interpretations of each aspect are as follows

*Openness:* The findings indicate limited transparency in budget decision-making. This suggests that the processes and criteria used to determine budget allocations may not be sufficiently transparent and accessible to the public. The lack of openness can hinder public understanding, scrutiny, and effective engagement in the budgeting process.

*Public Participation:* The findings reveal insufficient involvement of citizens in the budgeting process. Public participation refers to the engagement of citizens in influencing budget decisions and priorities. The lack of adequate public participation limits opportunities for citizens to voice their needs, preferences, and concerns, resulting in a democratic deficit in the budgeting process.

*Accountability:* The findings highlight a lack of mechanisms to hold decision-makers accountable

for their budgetary choices. This suggests a gap in oversight and enforcement mechanisms to ensure that budget decisions align with public interests, development goals, and legal frameworks. The absence of accountability mechanisms can lead to mismanagement of funds, corruption, and a lack of responsibility in the budgeting process.

These findings underscore the importance of enhancing transparency and accountability in the government budgeting process. Strengthening transparency can promote public trust, enable informed decision-making, and mitigate corruption risks. Increasing public participation can ensure that budget decisions reflect the diverse needs and priorities of citizens. Establishing robust accountability mechanisms is essential to hold decision-makers accountable for their actions and promote effective utilization of public resources for sustainable development. Addressing these shortcomings is crucial for promoting good governance and achieving better development outcomes in Nigeria.

**Table 4.** *Impacts on Development Outcomes*

| Development Outcomes       | Implications   |
|----------------------------|--|
| Economic Growth            | Hindered by skewed resource allocation                 |
| Poverty Alleviation        | Hindered by the neglect of certain sectors and regions |
| Service Delivery           | Compromised due to misallocation of resources          |
| Infrastructure Development | Hindered by inadequate investment                      |

Source: *fieldwork 2023*

The table presents the implications of the politics of government budgeting on various development outcomes in Nigeria. The interpretations of each development outcome are as follows:

*Economic Growth:* The findings suggest that economic growth is hindered by skewed resource allocation. When budget resources are unevenly distributed among regions and sectors, it can lead to disparities in economic opportunities and hinder overall economic growth. Neglected regions or sectors may experience limited investment and development, leading to slower economic progress at the national level.

*Poverty Alleviation:* The neglect of certain sectors and regions in budget allocations hinders effective

poverty alleviation efforts. If budgetary resources are not adequately allocated to sectors that have a direct impact on poverty reduction, such as education, healthcare, and social welfare programs, it can impede efforts to uplift disadvantaged populations and alleviate poverty.

*Service Delivery:* The misallocation of resources compromises service delivery. When resources are not allocated based on the needs and priorities of the population, it can lead to inadequate provision of public services, including healthcare, education, and infrastructure. This can negatively affect the quality of life and well-being of citizens and undermine social development.

*Infrastructure Development:* Inadequate investment in infrastructure development is observed as a result of the politics of budgeting. Insufficient allocation of resources to infrastructure projects can hinder the construction and maintenance of critical infrastructure, such as roads, bridges, water supply, and electricity. This limitation in infrastructure development can hamper economic activities, limit access to basic services, and impede overall development progress.

These implications highlight the need for improved budgeting practices that prioritize equitable resource allocation, targeted investments in sectors crucial for poverty reduction and economic growth, and adequate provision of public services and infrastructure. By addressing these issues, Nigeria can foster inclusive and sustainable development that benefits all its citizens and regions.

**Table 5.** Budget Allocation Patterns to 3 priority sectors

| Sectors   | Budget Allocation in % |
|---|------------------------|
| Defense   | 13%                    |
| Education   | 10%                    |
| Social development and poverty reduction programs | 4%                     |

**Source:** fieldwork 2023 (authors computation from data sourced from OAGF 2022)

*The Results of Quantitative Data:* The budget allocation patterns for different sectors in Nigeria are presented in Table 5. Here is the interpretation of the results:

*Defense sector:* This sector received a budget allocation of 13%. It signifies a significant allocation of funds towards the Defense sector, indicating its perceived importance in budgetary decisions. This allocation suggests that the Defense sector is a priority area for investment and resource allocation in Nigeria.

*Education sector:* The budget allocation for the education sector is 10%. This indicates a relatively lower allocation compared to the defense sector. It suggests that the education sector may not receive as much funding as the defense sector, potentially indicating a lower priority or a smaller share of resources allocated to this sector.

*social development and poverty reduction programs:* The budget allocation for this sector is 4%. It represents another level of allocation in comparison to the defense and education sectors. The amount allocated to social development and poverty reduction programs may suggest a relatively lower priority or a smaller portion of the overall budget dedicated to this sector.

## 4.2 Summary of Findings

The study on the politics of government budgeting and its implications for development in Nigeria has produced several significant findings. Here is a summary of the key findings:

*Budget Allocation Patterns:* The analysis of budgetary allocations revealed distinct patterns across sectors and regions. There were disparities in resource

allocation, with certain sectors and regions receiving higher budget allocations than others. This highlighted potential inequalities and imbalances in development outcomes.

*Influence of Political Factors:* The study found strong evidence of political factors influencing budget decisions. Clientelism, elite capture, and corruption were identified as key drivers shaping budgeting processes in Nigeria. These factors often resulted in the misallocation of funds based on political considerations, rather than focusing on development priorities.

*Transparency and Accountability:* The analysis highlighted deficiencies in transparency and accountability within the budgeting process. Budget decisions lacked openness, public participation, and effective mechanisms to hold decision-makers accountable. This hindered the efficient utilization of resources and compromised the effectiveness of budgetary allocations for development purposes.

*Impacts on Development Outcomes:* The flawed budgeting practices had significant implications for development outcomes in Nigeria. Skewed resource allocation led to hindered economic growth, limited poverty alleviation efforts, compromised service delivery, and inadequate investment in infrastructure development. These factors contributed to regional disparities and hindered overall development progress.

## 4.3 Discussion

The findings of this study shed light on the politics of government budgeting and its implications for development in Nigeria. The analysis of budget allocation patterns revealed disparities across

sectors and regions, indicating potential inequalities in resource distribution. Such disparities can have significant consequences for development outcomes, as certain sectors and regions may be disadvantaged in terms of economic growth, poverty alleviation, and infrastructure development (Smith, 2019; Johnson & Williams, 2020).

The study also highlighted the influential role of political factors in shaping budget decisions. Clientelism, elite capture, and corruption were found to be prevalent, leading to the misallocation of funds based on political considerations rather than development priorities (Brown, 2018; Thompson et al., 2021). This finding underscores the need for greater transparency, accountability, and integrity in the budgeting process to ensure fair and equitable resource allocation (Garcia, 2017; Davis & Lee, 2019).

Transparency and accountability emerged as significant areas of concern within the budgeting process. The lack of openness and public participation in decision-making hindered effective resource utilization and compromised the effectiveness of budgetary allocations for development purposes. (Peterson, 2016; Mitchell & Evans, 2020). Addressing these deficiencies and establishing mechanisms to hold decision-makers accountable is crucial for improving budgetary outcomes and fostering development in Nigeria (Wilson, 2018; Thompson et al., 2021).

The study further revealed the detrimental impacts of flawed budgeting practices on development outcomes. Skewed resource allocation hindered economic growth by neglecting certain sectors and regions. Poverty alleviation efforts were also hampered, as resources were not allocated efficiently to address the needs of the most vulnerable populations. (Adams, 2019; Martinez & Davis, 2020). Inadequate investment in infrastructure development further impeded overall progress in the country (Thomas, 2017; Johnson & Williams, 2020).

To address these challenges, it is essential to prioritize transparency, accountability, and inclusive decision-making processes in budget formulation and implementation. Stakeholder engagement and public participation should be encouraged to ensure that the budget reflects the development needs and aspirations of the Nigerian population (Brown, 2018; Wilson, 2018). Strengthening institutions, enhancing anti-corruption measures, and promoting good governance practices will contribute to more effective and equitable budgeting processes (Garcia, 2017; Davis & Lee, 2019).

In conclusion, the findings of this study highlight the critical role of politics in government budgeting and its implications for development in Nigeria. The identified disparities in resource allocation, the influence of political factors, and the deficiencies in transparency and accountability underscore the need for reform and improvement in the budgeting process. By addressing these issues, Nigeria can enhance its development outcomes, promote equitable growth, and meet the needs of its diverse population.

## 5. Conclusion and Recommendations

### 5.1 Conclusion

In conclusion, the study highlights the significant role of politics in government budgeting and its implications for development in Nigeria. The findings reveal patterns of budget allocation that favor certain regions and sectors, resulting in regional disparities and potential inequalities in development outcomes. Political factors such as clientelism, elite capture, and corruption exert a substantial influence on budget decisions, leading to the misallocation of resources and hindering development efforts. Transparency and accountability within the budgeting process are crucial areas for improvement, with limited public participation and mechanisms to hold decision-makers accountable. The study underscores the adverse impacts of flawed budgeting practices on economic growth, poverty alleviation, service delivery, and infrastructure development. Recommendations include enhancing transparency, strengthening anti-corruption measures, promoting equitable resource allocation, and fostering long-term planning. Collaboration among the government, civil society, and stakeholders is vital to implementing these recommendations and improving the effectiveness and inclusiveness of budgeting practices. By adopting these measures, Nigeria can advance towards achieving equitable and sustainable development, ensuring the efficient utilization of budgetary resources for the benefit of all its citizens.

### 5.2 Recommendations

Based on the findings of this study, the following recommendations are proposed to improve the politics of government budgeting and foster development in Nigeria.

1. *Enhance Transparency and Accountability:* Establish mechanisms to ensure transparency and accountability in the budgeting process. This includes making budget decisions more open and accessible

to the public, promoting citizen participation, and strengthening oversight and auditing mechanisms.

2. *Strengthen Anti-Corruption Measures: Implement and enforce robust anti-corruption measures to prevent clientelism, elite capture, and corruption in budgetary decisions. This involves enhancing anti-corruption institutions, promoting integrity and ethics, and prosecuting individuals engaged in corrupt practices.*

3. *Promote Equitable Resource Allocation: Address regional disparities in budget allocation by adopting a more equitable approach. This requires conducting thorough needs assessments and considering the developmental requirements of different regions and sectors. Efforts should be made to ensure that resources are distributed fairly to foster balanced development across the country.*

4. *Foster Long-Term Planning: Shift focus from short-term considerations to long-term planning in budgeting processes. Encourage the adoption of strategic development plans that outline clear objectives, priorities, and timelines. This will enable effective resource allocation and contribute to sustainable development.*

5. *Strengthen Institutional Capacity: Invest in capacity-building initiatives to enhance budgeting officials' technical expertise and skills. This includes providing training on budgeting principles, data analysis, and evidence-based decision-making. Strengthening institutional capacity will improve the quality and efficiency of budgeting processes.*

By implementing the recommended measures, Nigeria can create a more transparent, inclusive, and accountable budgeting system that aligns with the country's development goals. It is crucial for the government, civil society organizations, and other stakeholders to collaborate and work toward strengthening the budgeting process. This will ensure that resources are allocated efficiently, poverty alleviation efforts are effective, and infrastructure development is adequately supported.

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