

THE IMPACT OF AGRICULTURAL EXPENDITURE ON ECONOMIC GROWTH IN NIGERIA

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Mrs. Y.O Adegoke
SUPERVISOR

ABSTRACT

This study empirically examined the impact of agricultural expenditure on economic growth in Nigeria over the years to determine the impact of agricultural expenditure on economic growth in Nigeria from 1980-2013. This study used secondary source of data, which covers about 35 years. Co-integration estimating technique of data analysis was used in evaluating the secondary data. GDP was used as a proxy to economic growth, while agricultural output and government expenditure on agriculture were used as indicators of government expenditure on agriculture. From the findings; agricultural output and GDP are positively related, government expenditure on agriculture and GDP was negatively related. It was found that a negative relationship exist between agricultural expenditure and the economic growth in Nigeria. The findings also revealed that the sector still encounter some problems like inadequate finance, poor infrastructure, and others. Therefore, the study recommends that it is imperative for the country to develop its agricultural sector through sufficient government spending in order to set-up its economic growth. It emphasizes the need to enlighten farmers, improve and provide infrastructures, accord a priority to the sector in budget allocation, enthrone adequate and appropriate extension services, among other measures laid by the government.