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GOVERNMENT SECTORIAL EXPENDITURE ON POVERTY REDUCTION IN NIGERIA

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ABSTRACT

Nigeria is blessed tremendously and generously with huge economic resources such as crude oil, cocoa, rubber and gold, etc. Despite all these natural resources, it is really lamentable to see millions of Nigerians still living in absolute poverty in recent times. This paper examines the impact of government sectorial expenditure on poverty reduction in Nigeria using time series data over the period 1990-2021. Employing modern time series econometric techniques such as unit root tests, bound test co-integration approach and error correction techniques within an ARDL framework which yields more robust estimates. It is found that government spending on Agriculture and Education affect poverty rate negatively and significant. On the other hand Government spending on Community development also has a negative relationship with poverty. Findings emerge from this paper that government expenditure has significant short run and longrun impact on poverty reductions in its lag form in which it might be examined by the role of fiscal policy in alleviating poverty of current year in Nigeria. The paper recommend more funding in the Agriculture sector should be directed toward the provision of machinery, seedlings, and fertilizer, increased production, the government should create an enabling market where farmers may sell their produce at a fair price, The federal government should raise its education budget to provide educational materials, equipment, and a welcoming atmosphere for both staff and students, as well as improve skill acquisition equipment in technical schools to promote human capital development and self-employment, The federal government should raise its education budget to provide educational materials, equipment, and a welcoming atmosphere for both staff and students, as well as improve skill acquisition equipment in technical schools to promote human capital development and self-employment.

Keyword words: government expenditure, poverty, agriculture, education, community development

JEL Classification: H5, I32, Q19, H51, H5

INTRODUCTION

Government spending, according to the Keynesian viewpoint, can increase aggregate demand, hence increasing economic growth and employment. The amount of money spent by the federal government each year to achieve macroeconomic goals including poverty reduction, higher national productivity, and systemic macroeconomic stability is referred to as public spending. Since the late 1980s, boosting public spending has been a significant weapon in Nigeria's approach (GDP). On the other side, in the 1980s, the collapse of oil prices and widespread economic mismanagement necessitated the eradication of poverty in Nigeria. Other reasons in Nigeria, such as floods, terrorism, and other natural disasters, have reawakened the struggle against poverty. (Amakom, 2013).

All main socio-economic indices were trending downwards in 1986, resulting in a high rate of unemployment and a decline in purchasing power. Poverty was spreading among Nigerians, particularly among the poor, and economic development was sliding downward. Poverty in Nigeria did not become a major worry until the end of the oil boom, when the international oil price plummeted and the global economy slumped. Nigeria's poverty level has risen due to the worldwide market's continuing decreasing trend in oil prices. The government's revenue has plummeted due to an over-reliance on oil money and insufficient efforts to raise funds from non-oil sources. External reserves have deteriorated, resulting in massive trade arrears and hampering government efforts to provide basic amenities and social services. As a result, Nigeria's poverty rate has risen steadily over the last few decades (Ozoanaifeanyi, 2013).

According to the World Development Report (WDR) of 1991, Nigeria, Africa's most populous country, has a considerable proportion of its population classified as poor. In response to the negative effects of poverty in Nigeria, the federal government established the Structural Adjustment Program (SAP) to reduce Nigeria's reliance on oil by over ten percent and provide food to all Nigerians. Other policies, like national FADAMA programs, were introduced as a result of this. In addition, the federal government declared poverty reduction as one of its top priorities in its annual budget, and it implemented a variety of policies targeted at improving people's lives and reducing poverty in the economy. Poverty has taken on a global dimension, with countries attempting to alleviate or eliminate poverty in their economies. The phenomenon's intricacy and implications for national economies have drawn the attention of international organizations and agencies, with governments around the world implementing policies targeted at decreasing poverty.

The World Poverty Institute revealed that more than 643 million people live in extreme poverty around the world, with Africa accounting for around two-thirds of the total (Adebayo, 2018). According to the World Poverty Clock's data from 2018, the top 10 African countries with the highest number of people living in extreme poverty are Zambia (9.5 million), South Sudan (11.4 million), South Africa (13.8 million), Uganda (14.2 million), Kenya (14.7 million), Mozambique (17.8 million), Tanzania (19.9 million), Ethiopia (23.9 million), DRC (60.9 million), and Nigeria (86.9 million) are among the countries with the highest poverty rates (Kazeem, 2018). With a population of around 180 million people,

Nigeria has about half of its population living in extreme poverty, making it the country with the highest poverty rate in the world. Half of the country's population, or around 87 million Nigerians, is thought to live on less than $1.90 per day, implying that Nigeria has surpassed India in terms of poverty, owing to the enormous number of people living in extreme poverty (Adebayo, 2018). To meet the new universal poverty reduction goal, however, growth must be accompanied with distributional changes that reduce poverty on their own (Anderson, D'Orey, Duvendack, & Esposito, 2018).

One of Nigeria's Millennium Development Goals (MDG) was to abolish or decrease poverty to the bare minimum by 2015, however the country's worrisome pace of poverty increase reveals that achieving this objective even in the near future is still a long way off. According to the United Nations Department of Economic and Social Affairs (UNDESA, 2015), about 1 billion people have been lifted out of poverty as a result of the MDGs' implementation. Efforts are being made in Nigeria to alleviate poverty in accordance with the MDG objective, however the country was named the world headquarters for extreme poverty in 2018. (Atiku, 2018).

Education has the potential to alleviate poverty because if the majority of the people in a country are educated, they are more likely to find work, earn a living, and be able to provide for their families' basic necessities. This is education's strength and distinctiveness in developing exceptional Human Capital for nation-building and economic success.
The paper evaluate the impact of public spending on poverty reduction in Nigeria by examining the relationship between government spending on agricultural and education sector and poverty reduction in Nigeria also by investigate the relationship between government community development and poverty reduction in Nigeria. The scope covers 30-year period from 1990 to 2021, the trends in government sectorial spending will be reviewed, relevant theories identified and the methodology to be adopted for the study, results and recommendations will be discussed.

LITERATURE REVIEW

Conceptual Review

Government Spending

Public sector spending refers to money spent by a country's government on things like pensions, provisions (which includes education, healthcare, and housing), security, and infrastructure. Until the nineteenth century, government spending was restricted because laissez-faire ideologies thought that money left in private hands would yield greater results. John Maynard Keynes claimed in the twentieth century that government spending has a role in shaping income and distribution patterns in the economy. Since then, government spending has been steadily growing. Taxes and non-tax revenues are two types of government revenue. Public spending was considered a waste of money throughout the 17th and 18th centuries. Government should stick to its historic tasks of spending on defense and upholding the law, according to thinkers. (Gaurav, 2012).
To carry out a wide range of operations, governments must spend money on products and services. This includes the federal, state, and municipal governments, as well as state-owned businesses. Most of that money is obtained through taxation and borrowing.

Government expenditure has a significant influence on the economy. Many enterprises benefit, hire workers, and use resources and inputs as a result of government purchases of goods and services.

Indeed, increased government expenditure tends to boost economic growth, at least in the short run. Lower expenditure, on the other hand, slows economic development. Transfer payments to people, such as unemployment benefits and pensions, are examples of other types of expenditure. Economists frequently advocate that government expenditure be confined to activities and tasks that fall within the government's basic mission.

Government Spending on Agriculture

Agriculture can simply be defined as the cultivation of the soil and rearing of animals for the purpose of feeding for survival (Ogboru, 2018). Agriculture is a way of life that involves production of animals, fishes, crops, forest resources for the consumption of man and supplying the agro-allied product required by our sectors. It is seen as the inherited and dominant occupation employing about 70% of Nigerians. Though, subsistence agriculture is practiced in this part of the world, it will not be an exaggeration to say that it is the life-wire of the economies of developing countries. Yusuf (2014) stated that the systems of agriculture prevalent in Nigeria comprising of crop production, peasant farming, plantation farming, and mechanized agriculture as its components cannot be overlooked. Government expenditure on agriculture is a mechanism which goes a long way to reduce poverty in every nation. This is obvious in the sense that agriculture helps in sufficient food supply at a very low cost as well as industrial raw materials and also reduce the level of unemployment by creating jobs. Countries that consider investment in agricultural sector as a priority, speedily drive away poverty from their economy because it is a sector that is capable of employing people in mass no matter the age differences and it is highly rewarding both to the government and individual households.

Government Spending on Education

Education can be referred to as change of bad orientation, development of good mindset, forming proper habits and acquiring skill that led to both human and national development. Educational methods include storytelling, discussion, teaching, training, and directed research. Education is the process of acquiring knowledge, skills, beliefs, values and habits which teach one to be a real human being (Rousseau, 2015). Education helps young people to be focused, independent and possess the ability to motivate themselves. Rousseau (2015) submitted that education is a guide to light in the path of our success. Therefore, where proper education is lacking, people tend to be wild and show no concern for the consequences of their actions. Education helps to reduce poverty in a nation through exposure to opportunities and ability to identify one's potentials. Education helps people to acquire relevant skills and discover their talents and other hidden potentials in them. What makes an individual poor is when he or she does not know what he/she is capable of doing to make a living.

Nigeria's education budget accounted for 7.12 percent of the total federal budget in 2019. The percentage of the federal budget spent on education changed between 2015 and 2019. Overall, the greatest percentage was obtained in 2015, when the education sector received

over 10 percent of the national budget (Varrella, 2021). This figures shows the epileptic funding of the education sector and how the Nigerian government puts little importance to the sector.

Community Development

As a result, the community development process is "multidisciplinary and draws from political science, sociology, social psychology, social work, and adult education." It also involves politics, leadership, power acquisition, group dynamics, learning, and social change (Hamilton, 1992). Community members participating in problem-solving and decision-making, a learning process geared toward behavior change and requiring learning by doing, participants who increase their competence and capacity to manage their own affairs, and a grassroots approach to social action are just a few of the characteristics of the community development process (Draper, 1971). The achievement of social, economic, cultural, and environmental aims, as well as the development and empowerment of groups, can be used to determine whether the community development process was successful.

Empirical Reviews

Anderson, Jallesd'Orey, Duvendack and Esposito (2018) using meta-regression studied the link between government expenditure and income poverty in low- and middle-income nations were presented, with an emphasis on low- and middle-income countries. We found a total of 19 cross-country econometric papers with 169 estimates of this association after a thorough search and screening procedure. We find that the size and direction of the estimated relationship are affected by a range of factors, most notably the composition of the sample used for estimation, the control variables included in the regression model, and the type of government spending. Overall, we find no clear evidence that higher government spending has played a significant role in reducing income poverty in low- and middle-income countries. This is in line with the belief that, in comparison to OECD nations, fiscal policy plays a significantly less role in redistribution in developing countries. Furthermore, we discover that, in comparison to other areas, the link between government expenditure and poverty is on average less negative for nations in Sub-Saharan Africa and more negative for countries in Eastern Europe and Central Asia. We also find that the link is less negative for government consumption spending, in compared with other sectors. Finally, we uncover some evidence supporting the likelihood of publication bias.

Bridget,Simeon and Joseph (2021) used yearly time series data from 1981 to 2019, researchers looked at the link between government agriculture spending and agricultural production in Nigeria. Descriptive statistics, the Augmented Dickey-Fuller test, the VEC Granger Causality/Block Exogeneity Wald test, the Johansen co-integration test, the vector error correction test, impulse response, and variance decomposition were all employed in this work. All variables were not stationary at the level of the research, but they became stationary at the first difference. The study also found that government agricultural expenditure had a favorable influence on agricultural output in Nigeria, however only in the long run. The analysis also found that, at a 10% level of significance, there is a bidirectional link between government agricultural expenditure and agricultural

production in Nigeria, and that agricultural output would respond favorably to shocks in government agricultural spending throughout the projection period. As a result, the study recommends that government expenditure on agriculture be increased, and funds allocated to the sector be made available to real farmers through the provision of fertilizers, improved seedlings, and grant aiding to farmers through farmers cooperatives, while farmers in Nigeria should form farmers' cooperatives to be able to easily access credit from banks as well as farm inputs provided by telecommunications companies.

Tubotamuno, 1daso, and Obayori (2021) from 1990 to 2020, researchers looked at government spending on education and poverty in Nigeria. The study's goals were to look at the impact of government capital and recurrent expenditure in the education sector on Nigeria's poverty rate. The CBN statistics bulletin and the World Development Index were used to compile annual data (WDI). The study was carried out using the Autoregressive Distributed Lag (ARDL) model, although the Augmented Dickey Fuller (ADF) unit root test was used to determine the order of integration of the variables before they were submitted to the ADF unit root test. The ARDL model is a simulation of the ARDL model. The dependent variable (poverty index) was stationary at level, whereas the independent variables (government capital and recurrent investment in the education sector) were stationary at first difference, according to the unit root test. According to the ARDL error correction model, government capital investment in education has a negative and significant influence on Nigeria's poverty rate. Government recurrent investment on education has a favorable but little influence on Nigeria's poverty rate. Based on the findings, the study indicated that capital expenditures in the education sector, as opposed to recurrent spending, helped to reduce poverty rates. According to the findings, government education expenditure should be tilted toward the capital component, since this would help to enable socioeconomic growth in terms of poverty reduction if it is targeted to infrastructural development.

Theoretical Review

This study is hinged on the Keynes theory of Fiscal Stimulus as discussed below

Keynes Theory of Fiscal Stimulus

One of the main components of Keynesian countercyclical fiscal policy is the multiplier effect, which was established by Keynes's student Richar Kahn. An injection of government expenditure, according to Keynes' theory of fiscal stimulus, eventually leads to more corporate activity and even more spending. According to this hypothesis, spending increases aggregate output and generates greater money. If workers are willing to spend their extra money, GDP growth could be much higher than the initial stimulus amount. The magnitude of the Keynesian multiplier is related to marginal inclination to consume. It works on a simple principle. Consumer spending generates revenue, which is then invested in equipment, worker wages, and energy, materials, bought services, taxes, and investment returns. A citizen's earnings can then be spent, and the cycle repeats. Keynes and his allies contended that in order to attain full employment and economic growth, people should save less and spend more, increasing their marginal propensity to consume (Barnier 2020)

METHODOLOGY

For this study, an expose-facto research design was used. Because it describes the statistical link between two or more variables, an expost-facto research strategy is ideal for this study. This methodology enables for the testing of hypothesized asymmetric links between government spending on agriculture and education and their impact on poverty.

Secondary data will be used to analyze the influence of government spending on poverty reduction in Nigeria. CBN statistics bulletin, Ministry of Budget and National Planning, Nigeria Bureau of Statistics, World Development Indicators, and Economic Journals are used to compile the data. This is due to the fact that these data are freely available. Annual time series data from 1990 to 2021 will be used in the study.

The study will employ the ordinary least square multiple regression (OLS), Time series analysis provides evidence of a real-life process, changes in pattern and/or effects of a planned or unplanned intervention. It is a statistical methodology used for longitudinal research design which involves time series data (Velicer& Fava, 2003)

To investigate the existing relationship between the dependent and explanatory variable the study will adopt the following procedures. First, the time series characteristics of the variables will be investigated. The purpose is to determine the order of integration. The study will then conduct a unit root test on the variables by employing the Augmented Dickey Fuller unit root test. This will help determine the underlying properties of the process that will generate results and discussion of the analysis. These tests will be used to test for consistency and the existence of conflicts (Hamilton 1994).

Secondly, to further test for the long-run (co-integration) relationship between the variables using bound co-integration test and the Autoregressive distributed lag-error correction model ARDL-Error correction model, tools of analysis in the investigation of the impact and relationship among the economic variables.

Model Specification

This study adapts the theoretical background on Keynes Theory of Fiscal Stimulus. Using the dependent variable of poverty rate and independent variables of Government spending on Agriculture, Education and Health in respect to reduction in poverty rate.

As proxy, the implicit function is

$$PR = f(GSA, GSE, CDV) \quad \text{——————————} \quad (1)$$

Where:

PR = Poverty Rate (%)
GSA = Government Spending on Agriculture
GSE = Government spending on Education
CDV = Community Development

It is expressed explicitly as

$$PR_t = \alpha + \beta_1 GSA_t + \beta_2 GSE_t + \beta_3 CDV_t + u_{1t} \quad \text{——————————} \quad (2)$$

α = intercept
$\beta_1 - \beta_3$ = parameter estimates of the regressors
u_1 = stochastic error terms.

By all implications, all coefficients are expected to be negative. i.e., $\beta_1, \beta_2 < 0$.
The ARDL program estimates the model using Stata's regress tool. As a result, specification tests for linear (time series) regressions may be performed using normal post estimation commands, and dynamic predictions can be obtained using the forecast command suite (Kripfganz and Schneider 2018)
Specifying the equation in ARDL will be as follows;

$$\Delta PR_t = \alpha + \sum_{i=1}^{q} \beta_1 PR_t + \sum_{i=1}^{q} \beta_2 GSA_{t-1} + \sum_{i=1}^{q} \beta_3 GSE_{t-1} + \sum_{i=1}^{q} \beta_4 CDV_{t-1} + \beta_5 \Delta PR_{t-1} + \beta_6 \Delta GSA_{t-1} + \beta_7 \Delta GSE_{t-1} + \beta_8 \Delta CDV_{t-1} + \mu t \quad (3)$$

$$\Delta PR_t = \alpha + \sum_{i=1}^{q} \beta_1 PR_t + \sum_{i=1}^{q} \beta_2 GSA_{t-1} + \sum_{i=1}^{q} \beta_3 GSE_{t-1} + \sum_{i=1}^{q} \beta_4 CDV_{t-1} + \beta_5 ECT_{t-1} + \mu t \quad (4)$$

Where:
Δ = First difference operator
α = Constant parameter
$\beta_1, \beta_2 and\ \beta_4$ = Parameter Co-efficient
μ_t = Error term
ECT = Error correction term

RESULTS AND DISCUSSIONS

Descriptive Statistics

The descriptive statistics test provide brief descriptive coefficients that summarize the data set used in the study. It is the representation of the entire population of the study. The Descriptive statistics is broken down into measures of central tendency and measures of variation or speed.

The standard deviation reflects the data's divergence from the mean, while the mean describes the average value of the series. The GSA kurtosis figure of 3.057506 indicates that the data on Government spending on education has a normal distribution, whereas the PR and CDV kurtosis figures of 2.047417 and 2.095765, respectively, indicate that the distribution is platykurtic relative to the distribution, and finally the CDV figure of 10.29901 indicates that the data is leptokurtic relative to the normal. The Jarque-Bera test is a statistical test that determines whether or not the variables are regularly distributed. The probability values of PR, GSA, and CDV are all above 0.05 in the table below, indicating that we are going with the null hypothesis that the variables are normally distributed, however the probability value of GSE is 0.000000 below 0.05, indicating that the data is not normally distributed.

Table 1: Summary Descriptive Statistics

	PR	GSA	GSE	CDV
Mean	**60.81094**	**191.8495**	**29.94720**	**122.3957**
Std. Dev.	13.57619	206.8015	35.94773	146.2980
Kurtosis	2.047417	3.057506	10.29901	2.095765
Jarque-Bera	1.246887	5.657760	100.8444	4.235903
Probability	0.536095	0.059079	0.000000	0.120278
Observations	32	32	32	32

Source: Authors Computation, 2022 (Eviews-10)

Unit Root Test

The unit root test was used to determine the stationary status of the variables in the model, ensuring that the data for the variables did not change needlessly. The following are the results of the unit root tests:

Table 2: Summary of Unit Root Test Results

VARIABLES	ADF TEST STATISTICS	CRITICAL VALUES	ORDER OF INTEGRATION
Poverty Rate (PR)	-5.526412	-2.963972	I(1)
Government spending on Agriculture(GSA)	-5.688729	-2.963972	I(1)
Government Spending on Education (GSE)	-5.294543	-3.568379	I(1)
Community Development (CDV)	-5.638919	-3.568379	I(1)

Note: The test include both Trend and Intercepts and all at 5% level of significance.

Source: Authors Computation, 2022 (Eviews-10)

According to the ADF test, all four variables were determined to be stationary at levels and at the 5% level of significance. As a result, the unit roots ADF test for all variables of interest was refused at all levels. All of the variables, however, were determined to be stationary at the first difference, as well as at the 1, 5, and 10% levels of significance.

Cointegration Test Result

Following the stationarity test, it's crucial to check if the time series has a long-run relationship. This test, also known as the cointegration test, can help with error correction calculations. Only confirmed cointegrated variables are considered eligible for inclusion in the Error Correction Model because they increase the reconciliation of short run variation in order to achieve convergence. The type of cointegration test to use is determined by the order of cointegration of the unit root test of the variables.

The F-statistic value of 10.26669 is larger than the upper and lower bounds of 5.17 and 6.36 at 1%, according to the bound test shown in Table 2. This suggests that the variables have a long-term connection. As a result, the hypothesis of no co-integration among the variables was rejected. As a result, the long term (or equilibrium) connection between government expenditure factors and poverty rate in Nigeria is asymmetric.

Table 3 Summary of Cointegration Test

F-Bounds Test		Null Hypothesis: No levels relationship		
Test Statistic	Value	Significant.	I(0)	I(1)
			Asymptotic: n=1000	
F-statistic	10.26669	10%	3.47	4.45
K	3	5%	4.01	5.07
		2.5%	4.52	5.62
		1%	5.17	6.36

Source: Authors Computation, 2022 (Eviews-10)

Table 4: Summary of ARDL - ECM

ARDL-ECM Regression				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	67.33484	9.056104	7.435299	0
@TREND	0.821322	0.220813	3.719529	0.0029
D(GSA)	-0.161652	0.05798	2.788076	0.0164
D(GSA(-1))	-1.35401	0.212439	-6.373637	0
D(GSA(-2))	-0.954644	0.182538	-5.22984	0.0002
D(GSA(-3))	-0.379732	0.107867	-3.520377	0.0042
D(GSE)	-0.108623	0.038385	-2.829804	0.0152
D(GSE(-1))	0.192045	0.043877	4.376878	0.0009
D(GSE(-2))	0.138288	0.034912	3.961078	0.0019
D(CDV)	-0.042879	0.03016	-1.421727	0.1806
D(CDV(-1))	-0.16542	0.038601	-4.285377	0.0011
D(CDV(-2))	-0.16498	0.041157	-4.008581	0.0017
CointEq(-1)*	-0.160778	0.02244	-7.164737	0
R-squared	0.815072			
Adjusted R-squared	0.66713			
F-statistic	5.509397			
Prob(F-statistic)	0.001333			
Durbin-Watson stat	1.573178			

Source: Authors Computation, 2022 (Eviews-10)

The lagged error correction term (ECT) is, as predicted, negative, smaller than unity, and statistically significant at 5%. The ECT coefficient of -0.160778 shows that once the system is out of balance, it requires an average (annual) speed of 16.07 percent to restore a long-run asymmetry relationship between government expenditure variables and poverty rate. As a result, once the system is out of equilibrium, it takes an average speed of 16.07 percent to bring it back to long-run equilibrium, as shown in Table 3. The adjusted R-squared, which was used to assess the estimated model's goodness of fit, suggests that the model is reasonably fit in terms of prediction. It found that government expenditure on agriculture, government spending on education, and community development money supply accounted for 66.71 percent of changes in poverty rate (PR), whereas the error term caught 23.29 percent of unexplained fluctuations. Furthermore, the F-statistics, which analyze the overall significance of the regression model, confirmed that the overall result is statistically significant. This was demonstrated by the F-statistic value of 5.509397, which had a p-value of 0.001333, which was less than 0.05.

Post Estimation Tests

The serial correlation test below indicates that there is no problem with serial correlation; however, a test for variance in the mean of the residuals of the model reveals no white noise, indicating heteroskedasticity, because the F-statistics p-value for the Heteroskedasticity Test and Breusch-Godfrey Serial Correlation test is greater than 5% level of significance. As a result, the model's residuals remain constant, that is there is no Heteroskedasticity and serial correlation.

Table 5. Post Estimation Tests

Test type	F-Statistic	Prob
Heteroskedasticity Test	0.422411	0.9413
Breusch-Godfrey Serial Correlation LM	0.352564	0.5647

Source: Author's computation using EVIEWS 10.0, 2022.

DISCUSSION OF FINDINGS

The study's findings found that government spending on agriculture (GSA) had a statistically significant negative influence on Nigeria's poverty rate (PR). The findings show that a decrease in government spending on agriculture (GSA) has a long-run detrimental impact on poverty rates. This explains why the poverty rate rises when government spending (GSA) declines. However, the beneficial impact was determined to be statistically significant (p-value 0.0164 <0.05). According to the coefficient, every 1 billion naira spent by the government on agriculture results in a 16.16 percent rise in poverty.

Furthermore, the negative long-run impact of government education expenditure (GSE) on Nigeria's poverty rate (PR) is statistically significant. The findings also show that a decrease in government expenditure on education (GSE) has a long-run negative impact on poverty rates, and vice versa. This explains why the poverty rate falls when government spending on education (GSE) rises. However, with a p-value of 0.0152< 0.05, this negative impact was determined to be statistically significant. According to the coefficient, every one billion dollars spent on education by the government reduces poverty by 10.86 percent. The long-run negative impact of community development (CDV) on poverty rate (PR) in Nigeria is statistically significant in the third variable. The findings also suggest that a negative shift in community development (CDV) has a long-term negative impact on poverty rates, and vice versa. This explains why the poverty rate lowers when community development (CDV) grows. However, with a p-value of 0.1806>0.05, this negative effect was judged to be statistically insignificant.

CONCLUSION AND RECOMMENDATIONS

In Nigeria, politics is a power struggle about how to allocate resources for various causes and objectives. The purpose of the study is to see if government spending on education, agriculture, and community development has actually helped to alleviate poverty in

Nigeria. Increased government investment on agriculture, education, and community development all led to a fall in the country's poverty rate, according to the findings.
Based on the findings, recommendations were made:

i. To allow larger-scale farming, more funding in the Agriculture sector should be directed toward the provision of machinery, seedlings, and fertilizer.
ii. The federal government should raise its education budget to provide educational materials, equipment, and a welcoming atmosphere for both staff and students, as well as improve skill acquisition equipment in technical schools to promote human capital development and self-employment.
iii. The government should cooperate with stakeholders who are committed to defining and solving community concerns as well as exploring possibilities through social development initiatives, provision of infrastructure and welfare programs

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