Journal of Interdisciplinary Research in Accounting and Finance
ISSN: 2837-1895 | Impact Factor : 7.11
Volume. 12, Number 3; July - September, 2025;
Published By: Scientific and Academic Development Institute (SADI)
8933 Willis Ave Los Angeles, California
https://sadijournals.org/index.php/jiraf||editorial@sadijournals.org

GOVERNMENT INVESTMENT AND ECONOMIC GROWTH: A COMPARATIVE STUDY OF NIGERIA AND GHANA

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DOI: https://doi.org/10.5281/zenodo.16882763

Abstract: This study assessed the effect of government investment on economic growth: a comparative study of Nigeria and Ghana. Government investment on infrastructure and security was employed as the independent variables while gross domestic product was used to measure economic growth spanning from 2000 to 2023. Data were generated from statistical bulletin and World Bank annual reports. Data were analyzed and the hypotheses were tested with regression analysis via e-view 9.0. The study revealed that the regression result of model 1 showed that government infrastructural investment had a positive and insignificant on gross domestic product in Nigeria but showed a positive and significant effect in Ghana. Also, the study provided evidence that the government investment on securities had a positive and insignificant effect on gross domestic product for Nigeria while the outcome showed a negative and for Ghana. However, the overall multiple results revealed that both Nigeria and Ghana showed a Prob(F-statistic) of 0.009 and 0.000 for Nigeria and Ghana respectively. Based on the findings, this study therefore recommended among others that hough it's pertinent to all African government to invest in social amenities, the Nigerian government needs to allocate more fund infrastructural development to boost its economic growth.

Keywords: Government investment, Infrastructure, Security and Gross domestic product

Introduction

Global economies need to accelerate sustainable economic growth and development, according to Ijuo and Andohol (2020). The relationship between growth and public expenditure, or government spending, has drawn a lot of attention from economists, policymakers, and researchers in recent years. Today most developed and developing countries use public spending to enhance income distribution, change the structure of national income, and direct resource allocation in desired directions (Assi et al., 2019; Vtyurina, 2020). Growth is viewed as a continuous process characterized by an increase in the economy's output of goods and services (Joseph, Omeonu &Ihuoma, 2024).

Public expenditure is a vital device of government to control the financial system. It performs a critical function within the functioning of a financial system whether or not advanced or underdeveloped (Okoro, 2013). Public expenditure changed into born out of sales allocation which refers back to the redistribution of fiscal capability

between the diverse degrees of presidency or the disposition of obligations among degrees of the authorities. In any financial system, public expenditure may be classified into capital and recurrent expenditure. The recurrent expenses are governments' charges on administration (Okoro, 2013), consisting of wages, salaries, interest on loans, protection, whereas fees on capital initiatives, like roads, airports, health, schooling, infrastructure, environment, telecommunication, electricity generation, are referred to as capital expenditure (Okoro, 2013; Obina, 2003).

Public expenditure plays a vital function in poverty reduction for most growing economies, and Ghana isn't exempted (Debrah, 2013). The available proof shows Ghana has achieved massive poverty discount through the years, however development has become slower whilst inequality persists (Dadzie & Ofei-Aboagye, 2021). Governments within the quest to reduce poverty spend on important services inclusive of providing fine education, good health care and security for its citizenry, appropriate transport structures, paying salaries of public servants, and so forth (Hyman, 2010).

Moreover, the authorities's effort to increase financial increase in Ghana has led to a pointy upward thrust in government spending however the corresponding impact at the boom of the financial system isn't always felt by families (Adu and Ackah, 2015). The research carried out by Adu and Ackah (2015), found that in each the short and long term, authorities capital expenditure has an inverse effect at the increase of the economy whereas authorities recurrent expenditure has an instantaneous effect on monetary increase.

Ghana's economic growth since independence has not been stable and data available have shown that, while government expenditure is rising, the rate of economic growth has remained stagnant until 2011 when the country's economy grew by 14.5% due to the oil production in larger quantities (Ministry of Finance and Economic Planning Data, 2011). Available data has also shown Ghana's economy showed an inconsistent growth pattern. Since 1965, Ghana's economic growth rate stood at 4.5% on average as against the real expenditure growth rate of 8.5%. From 1995 to 2010, Ghana's economy grew on an average stood at 5.8% lower than the 8% as proposed in Vision 2020 but average expenditure grew by 13% in the same period (Adu and Ackah, 2015).

Researchers, through the years have debated extensively how public spending impacts country wide monetary improvement with economists and policy makers investigate the various connections among public budgets and national monetary increase. The findings of prior research display inconsistent effects. A few studies found that authorities spending impacted economic growth definitely with other findings suggesting a negative or insignificant effect among the two (Eunice, 2018; Nyasha & Odhiambo, 2019).

Furthermore, studies such as, Mensah and Adukpo (2025) focused on the effect of government expenditure on economic growth in Ghana. Olatubosun (2024); Joseph, et al (2024) ascertained the effect of government expenditure on economic growth in Nigeria. Ahmad Usman Gambo (2022) determined the effect of government capital expenditure and recurrent expenditure on Nigeria's economy from 1970-2012. Ibrahim, et al. (2022) ascertained the association between Nigerian public health spending and health indices. Ishmael, Farouk and Idis (2018) discovered the effect of government expenditure on agriculture and its impact on unemployment reduction in Nigeria from 1999 - 2015. Kimaro, Keong and Sea (2017) determined the impact of government expenditure and efficiency on economic growth of Sub Saharan African low income countries. Employing a panel data of 25 Sub-Saharan African low income countries spanning from 2002–2015.

The prior literature on the subject matter failed to capture the effect of government investment economic growth in comparative analysis between two different countries in Africa. In closing the earlier gap, this study sought to adopt a cross-country comparative approach between Nigeria and Ghana in a bid to expanding the existing horizons on government investment and economic growth from 2000 to 2023. This study thus, assesses the effect of government investment and economic growth: a comparative study of Nigeria and Ghana. Specifically, the study sought to:

1. Determine the effect of government infrastructural investment on gross domestic product in Nigeria and Ghana.
2. Ascertain the effect of government securities investment on gross domestic product in Nigeria and Ghana.

Conceptual Review

Government Expenditure

Government expenditure consists of all costs incurred by way of the vital authorities, the neighborhood authorities, and other public quarter entities for the availability of public services or to meet the social wants of the people (Krah, 2014). It consists of all suitable spending from public funds. A kingdom's economic rules depend on government expenditure due to the fact they determine how assets get dispensed and have an effect on citizen welfare. A governmental price range ends in both budget deficits and surpluses as the primary essential idea (Yeniwati 2019). Keynes (1936) subsidized the want for government expenditure in aid allocation and profits distribution. In countries where development remains at beginning, authorities' expenditure now not most effective speeds up the enlargement of the economic system and stimulate employment possibilities, but also play an expedient position in lowering poverty and inequalities in income distribution (Jelilov et al., 2016).

These are the charges incurred by way of federal, state, and nearby government entities. Authorities spending in Nigeria are split into four purposeful classes—administration, economic services, social and community services, and transfer bills—in addition to financial factor classes: capital and recurrent expenditures (CBN, 2019). Expenditure on unique financial sectors contains each useful thing. Recurrent prices are payments for transactions made inside a year, whereas capital costs are payments for non-financial items utilized within the manufacturing system for extra than a year (CBN, 2019). Capital expenditures encompass expenses associated with the development of lengthy-lasting belongings, which include roads, drainage structures, airports, seaports, plants, equipment and device purchases, etc. it also includes the costs that the authorities incurs so one can purchase constant belongings and make investments that will sooner or later pay dividends. Capital spending is the time period used to explain expenditures on improvement or investment that yields long-term advantages (Joseph, Omeonu, & Ihuoma, 2024). Capital prices encompass the purchase of tangible and intangible property, debt reimbursement, and asset improvement and restore. Paying down debt is taken into consideration a capital expenditure since it each creates assets and lessens duty.

Because capital investment is a long-term process that yields assets, it can be used to expand or upgrade production facilities and increase operational performance, which can support economic growth for many years. It also improves labour force participation, evaluates the status of the economy, and promotes the possibility of future economic growth. Spending by the government is still an essential tool for development (Joseph, Omeonu, & Ihuoma, 2024).

The diversity of government expenditure patterns across emerging economies is expected to promote economic growth and employment opportunities in addition to ensuring stability (World Bank, 2015). CBN (2023) released information showing that between 1981 and 2021, the average amount of capital expenditure by the government grew. It is reasonable to assume that responsible governments would be more cautious in important economic sectors once the pandemic has been properly managed, while deliberately focusing more emphasis on those that were most badly impacted. One powerful tool in the fiscal policy toolkit is public expenditure, which can be used to both redirect production and promote and stimulate it through innovation.

Aigheyisi, (2013) reported government expenditures are generally categorized into expenditures on administration, defense, internal securities, health, education, and foreign affairs and have both capital and recurrent components. Capital expenditure refers to the amount spent in the acquisition of fixed (productive) assets as well as expenditure incurred in the upgrade/improvement of existing fixed assets such as lands, buildings, roads, machines equipment, etc., including intangible assets (John, 2017). Capital expenditure is usually seen as expenditure creating future benefits, as there could be some lags between when it is incurred and when it takes effect on the economy. Recurrent expenditure on the other hand refers to expenditure on the purchase of goods and services, wages and salaries, operations as well as current grants and subsidie (usually classified as transfer payments). Recurrent expenditure, excluding transfer payments, is also referred to as government final consumption expenditure.

Economic Growth

The time period monetary growth is a growth inside the production of products and offerings over a selected length. Financial increase creates extra income for businesses. As an end result, stock fees upward thrust (Agbonkhese & Asekhome, 2014). financial increase is exceptional defined as a long term growth of effective ability of the financial system, the trend of boom can be extended by way of elevating capital funding spending as a percentage of country wide income as well as the scale of capital inputs and labour deliver, labour force and the technological development (Ogboru, Abdulmalik & Park, 2018). Economic increase is the boom of per capita Gross domestic Product (GDP) or different measure of combination profits. The global economic Fund (IMF) defines financial increase as the growth in the inflation-adjusted marketplace price of the goods and services produced by way of an economy through the years. it is conventionally measured as the percentage price of growth in actual gross home product, or actual GDP, normally in per capita phrases (Carreon, 2013).

The most common way to measure the economy is real gross domestic product, or real GDP. GDP is the total value of everything goods and services produced in our economy (Feldstein, 2017). The word “real” means that the total has been adjusted to remove the effects of inflation. There are at least three different ways to measure growth of real GDP. It is important to know which is being used, and to understand the differences among them (Varian, 2016). This measure is often used by the media. It does a good job of showing recent economic growth. This is because the effects of any one-time-only factors during the quarter, labour disputes for example, become compounded when the rate is annualized (Syversion, 2016).

Empirical Studies

Mensah and Adukpo (2025) studied the effect of government expenditure on economic growth in Ghana, using government recurrent and capital expenditure as the independent variables while gross domestic product (GDP) is considered as dependent variable. The work is analyzed using time series data from 1972 to 2021. A unit root test is conducted to determine whether the time series variable is non-stationary and possesses a unit root. The

results imply that capital government expenditure (GCE) has an important effect on GDP growth and shows a positive relationship between GDP and RGE, but the p-value is also not significant. Olatubosun (2024) ascertained the effect of government expenditure on economic growth in Nigeria. Data was extracted from the CBN statistical bulletin which was available in the Nigerian exchange group. Multiple regression analysis was to ascertain the causal relationship that exists between the variables. The study observed that government expenditure on health was found to have a negative impact on economic growth. Government expenditure on environment was found to have a negative impact on economic growth. Government expenditures on education were found to have a positive impact on economic development. Joseph, *et al* (2024) evaluated the effect of government expenditure on the economic growth of Nigeria. Data were collected from CBN statistical bulletin. Data were analyzed using Ordinary Least Square Multiple Regression Analysis. The study revealed that government capital expenditure has a positive and significant effect on the economic growth of Nigeria; government recurrent expenditure has a positive and significant effect on the economic growth of Nigeria and government capital and recurrent expenditure have a positive and significant effect on the economic growth of Nigeria. Based on the findings, the study recommends that Nigerian government should channel fund more on capital expenditure which has positive effect on real gross domestic Product, to enhance the economic growth of the country. Ahmad Usman Gambo (2022) ascertained the effect of government capital expenditure and recurrent expenditure on Nigeria's economy from 1970-2012. The study-employed autoregressive distributed lag model (ARDL) and VECM and found out that a long-run relationship exist between the variables at 10% level of significant based on the F bound. Furthermore, recurrent expenditure has positive but insignificant impact on economic growth, and capital expenditure is statistically insignificant with an adverse effect on economic growth. Nonetheless, financial development has a favourable effect on economic growth and is statistically significant. Ibrahim, et al. (2022) investigated the association between Nigerian public health spending and health indices. The long-term relationship between health indicators, healthcare spending, GDP per person, carbon dioxide emissions, literacy rate, and urban population was demonstrated by the study, which employed the Error Correction model. Keji (2021) looked at the relationship between. The variables were estimated using the Johansen and Vector Auto regression approaches. The study showed that the projected human capital coefficients have a major long-term influence on Nigeria's economic growth. Toto, Ahmad and Muhammad (2018) examined the effect of the pattern of local government expenditures on economic growth, namely regional expenditures in education, health, agriculture, housing, transportation, and social, and linking the respective superior sectors in the New Autonomous Region (NAR) In Sumatera Island. The study revealed that potential sectors having criteria of the basic sector, and high growth and competitiveness are still dominated by the agricultural sector and services. Meanwhile, local government expenditures for education, health, and social affairs have a positive and significant effect, housing has a negative and significant effect, and government spending on agriculture and transportation has no significant effect on the growth of the new autonomous regions, with the agricultural sector, Manufacturing, electricity, gas and water supply sectors, construction sector, trade, hotel and restaurant sector, as well as transportation and communications sectors being the ones supporting economic development in New Autonomous Regions (NAR). Ishmael, Farouk and Idis (2018) ascertained the effect of government expenditure on agriculture and its impact on unemployment reduction in Nigeria from 1999 - 2015. Time series data was gathered from secondary sources on Unemployment rate, Government Recurrent/Capital Expenditure on agriculture, the result revealed that the

relationship between government expenditure and unemployment did not have a significant effect, that is, has no reducing effect on unemployment in Nigeria. Kairo, Mang, Okeke and Aondo (2017) explored the relationship between human capital development and government expenditure. Data were collected over the period 1990-2014. ARDL and impulse response function were adopted for the estimation. The Bound Test was used to determine that a long run relationship exists between HDI and GOVEXP. The study revealed that both in the long and short run, government spending has remained positive but to a very large extent insignificant to human capital development in Nigeria. This is why Nigeria's per capita income has remained low for a long time in the world ranking. Inimino, Tubotamuno and Shaibu (2017) examined the impact of public education expenditure on economic growth in Nigeria from 1980 to 2015. Co-integration/Error Correction Mechanism and Granger Causality test were employed to analyze the data. The result revealed that government capital education expenditure and government recurrent education expenditure have significant relationship with economic growth. Moreover, the Pairwise Granger Causality result showed a unidirectional causation between government capital education expenditure and real gross domestic product, government recurrent education expenditure and real gross domestic product as well as gross capital formation and real gross domestic product. Kimaro, Keong and Sea (2017) determined the effect of government expenditure and efficiency on economic growth of Sub Saharan African low income countries. Employing a panel data of 25 Sub-Saharan African low income countries spanning from 2002–2015 which are obtained from World Development Indicators (WDI) database. The paper executes panel unit root tests by using ImPesaran-Shin and Fisher ADF tests. The paper also uses Pedroni test to accomplish panel co-integration tests. The results indicated that increasing government expenditure accelerates economic growth of low income countries in Sub Saharan Africa.

Methodology

The study employed a longitudinal research design because it involves the evaluation of the behaviour of the same variables over an extended period of time. The panel nature of the data shows that the cross sectional research design is also applied because the sample objects of the study cover different firms for various years in order to determine their relationships and how significant one variable affects another.

Methods and Sources of Data

The data were sourced from IMF, World Bank and statistical bulletin of Nigeria and Ghana. The research covered a period of twenty four financial years (2000-2023). The twelve-year period was used for the estimations in order to use information from the same accounting reporting regime (that is, IFRS), since Nigeria adopted IFRS in 2012**.**

Model Specification

Model specification entails identifying the dependent and independent variables that are important in a given situation. The study modified the model Adebayo and Babajide (2024) with the following mathematical formula:

HDI = F (GEXA, GEXES, GEXSCS) ……..……..i

HDI it = β0 + β1GEXAit + β2GEXESit + β3GEXSCSit + cit + εit ……..….ii

Introducing the control variables, we have:

HDI it = β0 + β1GEXAit + β2GEXESit + β3GEXSCSit + β3TDT it + cit + εit ……..… iii

Where;

HDI: Human Development Index

GEXA: Government Expenditure on Administration
GEXES: Government Expenditure on Economic Services
GEXSCS: Government Expenditure on Social Community Services
TDT: Total Debts (Control Variables)
The model was modified as follows:

$GDP_{i,t} = \beta_0 + \beta_1 EVD_{it} + \beta_2 SPD_{it} + \beta_3 GVD_{it} + \beta_4 FSIZ_{i,t} + e_{it}$ ……...….iv

Where:
GDP_{it}= gross domestic product *i* at period *t.*
GII_{it}= government investment on infrastructure *i* at period *t.*
GIS_{it}= government investment on security *i* at period *t.*
B_0 = Intercept
$\beta_1 - \beta_2$ = are the parameters to be estimated in the equation
e = Stochastic error term.

Method of Data Analysis

The data extracted were analyzed with descriptive statistics and inferential statistics (multiple regression analysis). The descriptive statistics employed to summarily describe the mean, median, standard deviation, kurtosis and skewness of the study variables. Regression analysis predicts the value the dependent variable based on the value of the independent variable and explains the impact or effect of changes in the values of the variables.

Decision Rule

The decision for the hypotheses is to accept the alternative hypotheses if the p-value of the test statistic is less or equal than the alpha and to reject the alternative hypotheses if the p-value of the test statistic is greater than alpha at 5% significance level.

Results and Discussion

Data analysis

Table 1 ***Descriptive Statistics***

NIGERIA	**GDPN**	**GIIN**	**GISN**
Mean	334.3865	268478.1	5924.250
Median	386.4700	61706.00	1560.000
Maximum	546.6800	3530000.	65000.00
Minimum	69.45000	22237.00	162.0000
Std. Dev.	150.0229	731451.8	14146.31
Skewness	-0.552896	3.869760	3.314453
Kurtosis	1.937452	17.11466	13.43877
Jarque-Bera	7.055357	777.3711	458.7309
Probability	0.029373	0.000000	0.000000
Sum	24075.83	19330425	426546.0
Sum Sq. Dev.	1597987.	3.80E+13	1.42E+10
Observations	72	72	72
GHANA	**GDPG**	**GIIG**	**GISG**

Mean	5.579822	1196.961	568.3605
Median	5.138233	114.4400	20.23682
Maximum	14.04712	5454.160	3145.000
Minimum	0.513942	23.90000	0.260306
Std. Dev.	2.786793	1522.476	863.6268
Skewness	0.988651	1.190323	1.509624
Kurtosis	4.633987	3.537386	4.444203
Jarque-Bera	19.73890	17.86878	33.60474
Probability	0.000052	0.000132	0.000000
Sum	401.7472	86181.18	40921.96
Sum Sq. Dev.	551.4014	1.65E+08	52955434
Observations	72	72	72

Source: E-views 9 (2025)

From Table 1, it could be observed that the mean values of the Gross Domestic Product (GDP) stood at 334.39 and 5.580 for the Nigerian and Ghanaian respectively. Considering that the scientific value of Nigerian greater than Ghanaian GDP. Also, the mean value of expenditure on infrastructural investment (GII) showed an average value of 268478.1for Nigeria and 1196.96 for Ghana respectively. It meant that the Nigerian GII had more than the Ghanaian GII. Similarly, the mean values of expenditure on security investment (GIS) Nigerian showed value of 5924.25 while Ghana was 568.3605. It implies that Nigeria has more investment on security more than Ghana.

The kurtosis of 1.937452, 17.11466 and 13.43877, for Nigerian GDP, GII and GIS showing distribution that is strong, signifying a concentration of values around the mean with potential outliers, while 4.633987, 3.537386 and 4.444203 for Ghanaian GDP, GII, and GIS revealed similar results. The Jarque-Bera probability of 0.029373, 0.000000 and 0.000000 confirms that the GDP, GII, and GIS data is significantly non-normally distributed showed that traditional parametric analyses may need to be approached with caution. The Jarque-Bera probability of 0.000052, 0.000132 and 0.000000 confirms that the GDP, GII, and GIS data is significantly non-normally distributed showed that traditional parametric analyses may need to be approached with caution.

Table 2a: Regression analysis between GDP, GIIN and GISN (Nigeria)

Dependent Variable: GDPN
Method: Panel Least Squares
Date: 07/23/25 Time: 10:51
Sample: 2000 2023
Periods included: 24
Cross-sections included: 3
Total panel (balanced) observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	309.1313	18.52564	16.68667	0.0000
GIIN	4.16E-05	2.53E-05	1.646904	0.1041

GISN	0.002378	0.001306	1.820344	0.0730

R-squared	0.428631	Mean dependent var	334.3865
Adjusted R-squared	0.403374	S.D. dependent var	150.0229
S.E. of regression	142.0572	Akaike info criterion	12.79111
Sum squared resid	1392437.	Schwarz criterion	12.88597
Log likelihood	-457.4800	Hannan-Quinn criter.	12.82887
F-statistic	5.092860	Durbin-Watson stat	0.158819
Prob(F-statistic)	0.008649		

Table 2b: Regression analysis between GDP, IIGG and GISG (Ghana)

Dependent Variable: GDPN
Method: Panel Least Squares
Date: 07/23/25 Time: 10:50
Sample: 2000 2023
Periods included: 24
Cross-sections included: 3
Total panel (balanced) observations: 72

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	250.8332	18.70296	13.41142	0.0000
GIIG	0.147608	0.037054	3.983629	0.0002
GISG	-0.163853	0.065321	-2.508416	0.0145

R-squared	0.396514	Mean dependent var	334.3865
Adjusted R-squared	0.379022	S.D. dependent var	150.0229
S.E. of regression	118.2213	Akaike info criterion	12.42377
Sum squared resid	964362.7	Schwarz criterion	12.51863
Log likelihood	-444.2556	Hannan-Quinn criter.	12.46153
F-statistic	22.66786	Durbin-Watson stat	0.230124
Prob(F-statistic)	0.000000		

In table 2a and 2b a simple least square regression analysis was conducted to test the effect between government investment and economic growth for Nigeria and Ghana. The R-squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings in the table 2a, Nigerian value of R squared was 0.40, an indication that there was variation of 40% on GDP due to changes in GII and GIS. This implies that 40% changes in GDP could be accounted for by government investment in infrastructure, while 60% was explained by unknown variables that were not included in the model. However, table 2b, Ghanaian value of R squared was 0.38, an indication that there was variation of 38% on GDP due to changes in GII and GIS. This implies that 38% changes in GDP could be accounted for by GII and GIS, while 62% was explained by unknown variables that were not included in the model.

The Durbin-Watson Statistic of 0.159 and 0.230 for Nigeria and Ghana respectively suggests that the both model does not contain serial correlation. The F-statistic of the regression is equal to 5.092860 and 22.66786. The associated F-statistic probability is equal to 0.008, for Nigeria and 0.000 for Ghana.

Hypothesis One

Ho_{1a}: Government infrastructural investment has no significant effect on gross domestic product in Nigeria.

Ho_{1b}: Government infrastructural investment has no significant effect on gross domestic product in Ghana.

The first hypothesis of this study stated that government infrastructural investment has no significant effect on gross domestic product in Nigeria ($H_{o1}a$) and Ghana ($H_{o1}b$). The evidence provided by the regression result of model 1 showed that the variable of government infrastructural investment had a positive coefficient of 4.160 and a p-value of 0.1041which was not significant at 5% level for Nigeria; while the outcome of model 2 showed a positive coefficient of 0.147608 and a p-value of 0.015 for Ghana, and has significant effect. It meant that there was no significant effect between Government infrastructural investment and gross domestic product in Nigeria while there was a significant effect between government infrastructural investment and gross domestic product in Ghana, howbeit positively and positively respectively.

Hypothesis Two

Ho_{2a}: Government securities investment has no significant effect on gross domestic product in Nigeria.

Ho_{2b}: Government securities investment has no significant effect on gross domestic product in Ghana.

The second hypothesis of this study stated that government securities investment has no significant effect on gross domestic product in Nigeria ($H_{o2}a$) and Ghana ($H_{o2}b$). The evidence provided by the regression result of model 1 showed that the variable of government securities investment had a positive coefficient of 0.002378 and a p-value of 0.073 which was not significant at 5% level for Nigeria; while the outcome of model 2 showed a negative coefficient of -0.163853 and a p-value of 0.0002 for Ghana, and has significant effect. It meant that there was no significant effect between government securities investment and gross domestic product in Nigeria while there was a significant effect between government securities investment and gross domestic product in Ghana, howbeit positively and negatively respectively.

Discussion of Findings

The first hypothesis revealed that the regression result of model 1 showed that the variable of government infrastructural investment had a positive coefficient of 4.160 and a p-value of 0.1041which was not significant at 5% level for Nigeria; while the outcome of model 2 showed a positive coefficient of 0.147608 and a p-value of 0.015 for Ghana, and has significant effect.

The second hypothesis provided evidence that the government investment on securities had a positive coefficient of 0.002378 and a p-value of 0.073 which was not significant at 5% level for Nigeria; while the outcome of model 2 showed a negative coefficient of -0.163853 and a p-value of 0.0002 for Ghana, and has significant effect.

Conclusion and Recommendations

This study assessed the effect of government investment on economic growth: a comparative study of Nigeria and Ghana. Government investment on infrastructure and security was employed as the independent variables while gross domestic product was used to measure economic growth spanning from 2000 to 2023. Data were generated from statistical bulletin and World Bank annual reports. Data were analyzed and the hypotheses were tested with regression analysis via e-view 9.0. The study revealed that the regression result of model 1 showed

that government infrastructural investment had a positive and insignificant on gross domestic product in Nigeria but showed a positive and significant effect in Ghana. Also, the study provided evidence that the government investment on securities had a positive and insignificant effect on gross domestic product for Nigeria while the outcome showed a negative and for Ghana. However, the overall multiple results revealed that both Nigeria and Ghana showed a Prob(F-statistic) of 0.009 and 0.000 for Nigeria and Ghana respectively. This study therefore concludes that government investment has contributed more on economic growth of Ghana than Nigeria.

Based on the findings, this study recommended the followings;

1. Though it's pertinent to all African government to invest in social amenities, the Nigerian government needs to allocate more fund infrastructural development to boost its economic growth.
2. Insecurity deters development, Therefore, the federal government intervention in quadrupling of security in the annual budget, empowering military personnel and recruiting more military professionals for enormous peace, progress and human capital development to enhance economic growth.

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