International Journal of Innovative Finance and Economics Research 12(2):143-153, April-June, 2024
© SEAHI PUBLICATIONS, 2024 www.seahipaj.org ISSN: 2360-896X

Comparative Study of Government Spending and Gross Domestic Product during Military and Democratic Regimes in Nigeria

ETOKO Martins .E [1] & ATTAH McAnthony .I [2]

[1]Department of Accounting,
University of Africa Toru-Orua,
Bayelsa State, Nigeria.
Email: martins.etoko@uat.edu.ng

[2]Department of Accounting,
Ignatius Ajuru University of Education,
Rumuolumeni, Port Harcourt, Rivers State, Nigeria
Email: mcanthony.attah@iaue.edu.ng

ABSTRACT
The study examined comparatively federal government spending per capita (FGSPC) and gross domestic product per capita (GDPPC) during military and democratic regimes in Nigeria. It seeks to ascertain difference between the regimes based on FGSPC and GDPPC; and to determine the regime that performed better. The study adopted the cross culture and comparative descriptive research design. The population and sample of the study was 30 fiscal years. Secondary data that span from 1984 to 1999; and from 2000 to 2022 was used for the study. Data was sourced from Central Bank of Nigeria (CBN) Statistical Bulletin (2022) and Macro Trend (2022). Data was analyzed by means of descriptive statistics and inferential statistics. Statistical test results showed that no significant different exists between FGSPC during the military regime and FGSPC during the democratic regime; that significant difference exists between the GDPPC recorded during military regime and GDPPC recorded during democratic regime. Comparatively, based on the mean value of GDPPC to FGSPC ratio the study concludes that the military regime performed better than the democratic regime in Nigeria during the study period. The findings helps financial policy makers to direct public funds into sectors that are much more efficient in order to increase gross domestic product and government spending ratio. The study recommends that the present government of the fourth republic should ensure that public fund is directed towards activities that are capable to increase the GDP per capita of the country for citizens to feel the dividend of democracy in Nigeria.
Keywords: Government, Spending, Per Capita, Gross Domestic Product, Military Regime Democratic Regime

INTRODUCTION

The amount government spends to govern a country is of serious concern to many individuals and institutions. Stakeholders such as corporate bodies, labour unions, civil organisations and citizens of the country desires to obtain maximum benefit from such spending. The political system that takes

responsibility to pilot the affairs of the country in all ramifications can have strong economic growth implication for the country. Chinasa et al (2019) asserted that, the institution with whom "state powers" lie is a key determinant of the economic success or failure of the country. The reason is not farfetched. The political climate, economic policies as well as prevailing economic conditions of a country can either attract or distract internal and external investors. Furthermore, each political system has its orientation. The vision of one system of governance could vary greatly from the other and this difference creates variant implications for the country.

The governance of a country is often in levels. Each level performs duties that are constitutionally allowed to the level. The name ascribed to these levels differ from one country to another. In Nigeria, the levels or tiers are; local government, state government and federal government. These tiers of governments have operated in Nigeria irrespective of whether a military or dempcratic regime that takes up the administration of the country's affairs. The local, state, and federal governments independently incur public expenditure in the course of their effort to discharge constitutional responsibilities toward the citizens.

Government Spending per Capita

As conceptualized in this study, government spending per capita (GSPC) is the quotient of the entire amount government spent in a fiscal year and the mid-year population of the country. In other words, it is the total public expenditure that is attributable to each citizen that makes up the mid-year population of the country when government spending in a year is shared equally by the number of citizens in the same year. Government spends large amount of money on behalf of the citizens in the course of performing their constitutional duties. Such spending includes cost incurred on compensation of employees, intermediate consumptions, interest payments, subsidies, social benefits, other current expenditure, capital transfers and capital investments (Government Financial Statistics (GFS), 2020).

Total public expenditure differs from one period to another; from one country to another; as well as from one system of government to another. The size of the country, the political system's priorities, and the revenue base are among factors that determine the extent of public expenditure of the country. Government spending per capita indicates the spending of each country in relation to its population in a year. It allows for the comparison of government spending against the other (Estehan & Max, 2016). The amount of expenditure per capita gives an indication of the importance of public sector of the economy (Organization for Economic Cooperation and Development (OECD), 2016).

Government spending per capita provides information that explains the reasons behind the increase in government expenditure considering its population size. The population dynamics can have profound effect on the amount government spends annually. Change in the population of the country could require more and more social and economic infrastructure development on the part of government; leading to higher spending of public fund. Similarly, the amount a regime spends would vary from one to the other since they relate to different periods. The population of a country a decade ago could hardly be the same with the present. Thus, in analyzing two regimes in terms of public expenditure incurred, it is necessary to take cognizance of changes in the population during the period under consideration. In line with this reasoning, the government spending per capita was employed as a measure of the performance of the regimes in this study.

Gross Domestic Product per Capita (GDPPC)

The term gross domestic product per capita relates to the gross domestic product (GDP) of a country. GDP of a country is the total monetary market value of finished goods produced and services rendered within the borders of a country in a specific period of time. It is a broad measure of the economic health of a country within a given period of time. GDP calculation takes into account all private and public consumptions, government outlays, investments, addition to private inventories, paid-in construction costs, and foreign balance of trade (Fernando, 2021).

Gross domestic product per capita is one of the ways that GDP of a country can be reported. The World Bank Group (2022) defined gross domestic product per capita as the "sum gross value added by all resident producers in the economy plus any product taxes (less subsidies) not included in the valuation of

output, divided by mid-year population. GDPPC is expressed either at nominal value or real value; and it indicates the mean standard of living of the citizens in the economy. The GDPPC expressed in real value is the inflation adjusted measure of the amount attributable to individuals that constitutes the mid-year population of the country. Price of goods and services are often affected by inflation rate in the economy, thus the real value of GDPPC is more appropriate for realistic comparison of the mean standard of living in the economy from one fiscal period to another.

Gross domestic product per capita is a crucial indicator of economic performance as well as a measure employed to make inter- country comparison of the mean standard of living and the economic well-being of the population. However, this indicator is not a measure of the personal income of the citizens; it has some weaknesses when used as measure to compare two or more countries. It is argued that GDP per capita ignore the income distribution of a country and that comparison based on US dollar can be distorted by exchange rate fluctuations. Further, it falls to reflect the purchasing power in the countries being compared (Focus Economics, 2022).

Gross Domestic Product per Capita (GDPPC)

The term gross domestic product per capita relates to the gross domestic product (GDP) of a country. GDP of a country is the total monetary market value of finished goods produced and services rendered within the borders of a country in a specific period of time. It is a broad measure of the economic health of a country within a given period of time. GDP calculation takes into account all private and public consumptions, government outlays, investments, addition to private inventories, paid-in construction costs, and foreign balance of trade (Fernando, 2021).

Gross domestic product per capita is one of the ways that GDP of a country can be reported. The World Bank Group (2022) defined gross domestic product per capita as the "sum gross value added by all resident producers in the economy plus any product taxes (less subsidies) not included in the valuation of output, divided by mid-year population. GDPPC is expressed either at nominal value or real value; and it indicates the mean standard of living of the citizens in the economy. The GDPPC expressed in real value is the inflation adjusted measure of the amount attributable to individuals that constitutes the mid-year population of the country. Price of goods and services are often affected by inflation rate in the economy, thus the real value of GDPPC is more appropriate for realistic comparison of the mean standard of living in the economy from one fiscal period to another.

Gross domestic product per capita is a crucial indicator of economic performance as well as a measure employed to make inter- country comparison of the mean standard of living and the economic well-being of the population. However, this indicator is not a measure of the personal income of the citizens; it has some weaknesses when used as measure to compare two or more countries. It is argued that GDP per capita ignore the income distribution of a country and that comparison based on US dollar can be distorted by exchange rate fluctuations. Further, it falls to reflect the purchasing power in the countries being compared (Focus Economics, 2022).

Military Regime

Military regime is a political system in which the highest power of the state resides with the military as an institution (Anthony, 2015). It is a government headed by the armed forces in the country. In a military regime, the armed men who are trained to protect the territorial integrity of the country from internal and external aggressions hold the centralized political and legal authority of the country in addition to their constitutional responsibilities (Encyclopedia.com, 2019). Usually, the military get hold of State power through the popular mechanism- coup d'état- to evacuate the executive of the civilian government. Several reasons are often put forward by the military to explain the rationale behind the takeover of government. These include allegations of corruption on the part of civilian government officials, nepotism, mismanagement of public fund, break down of law and order in the country, the failure of existing political institutions to establish legitimacy based and to win the respect and support of powerful groups within the state, and low economic development (Edeh, 2020 & Chris, 2012). A military regime is not a government by the military personnel alone. It is true that the military possess the highest state

power and take final decisions on national issues; however, the government usually engages civilian bureaucrats and politicians to perform certain functions (Encyclopedia.com, 2019).

Military intervention in politics in Nigeria started in 1966 when the first civilian president Nnamdi Azikewe and the Prime Minister Tafewa Balewa were over thrown in a coup and Major General Aguiyi Ironsi became the Head of State. Subsequently, various counter coups surfaced; leading to Gen. Yakubu Gowon, Brig. Murtala Muhammed, Gen. Olusegun Obasanjo, Major Gen. Muhammadu Buhari, Major Gen. Ibrahim Babangida, Lt. Gen. Sanni Abacha, and Gen. Abdusalami Abubakar as Heads of State at different times in the history of Nigeria. The longest period of military rule so far recorded in Nigeria was from 1984 to 1999; during which time Major Gen. Muhammadu Buhari, Brig. Gen. Ibrahim Babangida, Lt. Gen. Sanni Abacha, and Gen. Abdusalami Abubakar emerged as Heads of State consecutively.

Edeh (2020) asserted that, the military regime in Nigeria made a number of significant positive developments since their involvement in politics in 1966. Edeh highlighted such things like; the restoration of peace and order during political crises, creation of states, establishment of local government reforms, development of national integration programme, agricultural development and the lunching of Operation Feed the Nation (OFN). Chinasa et al (2019) posited that, military regime in the country contributed significantly towards the economic growth thereby leading to low level of unemployment, poverty level and corruption level. No doubt, military had its impacts in Nigeria over the years.

Democratic Regime

Democratic regime is a government whereby democracy is practiced. Abraham (1809-1865) a former President of United States of America according to McCarthy (2022), defined democracy as; "government of the people, by the people, for the people". This three-phrase description of democracy points to the idea that in a democratic regime, the people's voice, interest and social and economic well-being is paramount. Democratic regime could be also described as a government in which the highest state power is vested on the citizens who exercise their powers either directly or indirectly by means of representatives elected periodically (Chris, 2012). Democratic regime could further be described as a republican form of government where a sovereign State is headed by an elected president who holds office for a specific tenure in terms of years.

Nigeria has so far witnessed four republics since 1963. four republics but has practiced three. The first republic was from in 1963 to 1966. The second republic occurred between 1979 and 1983 when the country had the first democratically elected President Alhaji Shehu Shagari. The general election conducted in 1993 marked the commencement of the third republic in Nigeria. However, the third republic was truncated and never functioned as the election was annulled. The fourth republic started from 1999 general election that saw Chief Olusegun Obasanjo as the President. From then till date, the country has enjoyed uninterrupted democratic regime. The fourth republic for the first time in the history of Nigeria has produced four elected Presidents consecutively.

Democratic regime in Nigeria similarly brought about a number of benefits to the country. Wisdom (2022) stated that this system of government made the country to gain international recognition, experience power sharing among various regions and groups in the country, and also enabled the masses to participate keenly in the affairs of governance of the country. Likewise, Bamidele (2011) pointed to such issues as the completion of privatization policy, deregulation, monetization and capitalization of the finance sector as among the achievements of the present democratic regime. In connection with the private sector of the economy, Kasum (2012) asserted that democracy in Nigeria has enabled net assets and market value of business entities to be better-off.

Theoretical Review

This study is anchored on Law of Increasing State Activities postulated by Adolph Warner. According to BBA MANTRA (2019) the law states that "with economic growth and development, a nation will experience an increase in the activities of the public sector". Adul et al (2016) opined that the law states that, "there exists a positive relationship between state activities and public expenditure". Dominick (2002) opined that Wagner's law of Increasing State Activities suggests that, "public sector share in the

economy increases economic growth as a result of the intensification of existing activities and extension of new activities". The hypothesis possesses some ambiguity in its functional form thus leading to development of different versions in extant literature (Adul et al, 2016). However, in general, the law is concerned with the public sector spending and economic activities.

Government activities increase year by year and it vary according to the philosophy of the political power of the day. Every regime has its national development plan which could influence the volume of public expenditure it incurs as well as the gross domestic product of the country. Each year the population of the country grows requiring government to provide the need to accommodate the increase. The increase in government activities for a period is often different from another. For instance, the population of Nigeria within 1984 and 1998 cannot be the same with the population figure between 2000 and 2014. Since this study compares the activities of two regimes at different time intervals, Wagner's law of increasing state activities is considered appropriate for the study.

Empirical Review

Chinasa et al (2019) studied comparatively the impact of military rule and democratic rule in Nigeria between 1981and 2016. The study used real GDP, unemployment rate, investment rate, inflation rate and money supply as measures. It was found from the analysis that military rule contributed significantly towards economic growth in Nigeria than democratic rule by 35.98 percent. However, in terms of investment, it was found that democratic rule performed more significantly than military rule during the study period.

Babalola et al (2015) comparatively investigated democratic regime and military regime accomplishment in Nigeria between 1984 and 2013. The study used critical sectors such as expenditure on education, agriculture and defense. Statistical analysis indicated that expenditure on education, agriculture and defense had positive and significant impact on the economic growth during military regime while expenditure on agriculture had positive impact on economic growth, expenditure on education and defense had significant negative impact on economy during democratic regime.

Eyarefe and Sanusi (2015) conducted a comparative analysis of government funding on education and economic growth during civilian and military regimes in Nigeria between 1960 and 2011. Statistical results showed that no significant difference existed between Federal government expenditure on education during civilian regime and military regime, that capital expenditure on education had negative impact on GDP in both regimes while recurrent expenditure on education had positive impact on GDP in both regimes.

Odisu (2015) conducted a comparative analysis of civilian government and military government in terms of the level of corruption and insecurity in Nigeria between 1960 and 2015. The study employed descriptive statistics for analysis of the data collected. It was found that corruption was less during military government and that insecurity was much higher during civilian government than military government.

Umaru et al (2014) examined comparatively the performance of military regime (1983-1999) and democratic regime (1999-2012) using unemployment rate, poverty level, and corruption level as measures of performance. The study used descriptive statistics, multiple regression analysis and Johansson's co-integration test. The study results among others indicated that unemployment rate, poverty level and corruption level are higher during democratic dispensation than the military era; whereas, inflation rate was found to be higher during the military regime than democratic regime.

Kasum (2022) investigated comparatively the impact of military and civilian rules on business performance in Nigeria. The study used 43 companies listed on Nigeria Stock Exchange. The analysis of financial records of the sampled firms using Z- statistics showed that businesses' net assets and market value of shares were better off during civilian administrations. Further, all graphic analysis made on the data indicated that civilian administration had more impact on the businesses in Nigeria than the military administrations.

Ehigiamusoe (2012) investigated the military regime and civilian regime performance in agricultural sector of Nigeria between 1984 and 2012. The study divided the period into two:1984 through 1998 for the military regime, and 1999 through 2012 for the civilian regime. From the descriptive analysis made, it was found that agricultural sector obtained more percentage of total public expenditure during civilian regime than the

military regime; and that the sector contribution to GDP was higher during the military regime than the civilian regime.

Anyiwe and Aigbokhaevbolo (2016) examined the political regimes (military and civilian) in Nigeria and how they impacted more on the economy between 1960 and 2012. The study used the ratio between the sum of import and export to GDP, the ratio between total export to GDP, the ratio between foreign direct investment to GDP, the ratio between non-oil export and GDP, the ratio between external reserve and GDP, GDP per capita, food production per capita, capital formation per capita, food importation per capita, international reserve per capita, and discomfort index as measures of performance. Statistical results from the study showed that military regime performed better in the area of food importation per capita and discomfort index than the Democratic regime; whereas the democratic regime performed better than the military regime in the other seven measures of performance.

A comparative study of military regime and civilian regime in Brazil between 1964 and 1972 was conducted by Fietcher (1975). It was found that military regime accomplished more than the civilian regime in terms of improvement in human and economic welfare of the citizens within the study period. The empirical studies reviewed indicated that several measures have been used to compare the impact of either regime on the Nigeria economy. However, none of these sighted extant literature on the topic critically examined comparatively the military and democratic regimes in the light of the public expenditure per capita and gross domestic product per capita in combination. This study seeks to fill this gap in extant literature.

Statement of Problem

From 1960 to the present, Nigeria has practiced both military and democratic regimes at different intervals. Each of these types of government did spend fabulous amount of public funds and with different results on the citizens and the economy at large. Scholars have been drawn to the issue of government styles and its resultant effect on the economy. Local studies on the topic include the works of Chinasa et al (2019), Eyarefe and Sanusi (2015), Babalola et al (2015), Odisu (2015), Umaru et al (2014), Ehigiamusoe (2012), Kasum (2012), and Anyiwe and Aigbokhaevbolo (2016). These studies investigated comparatively the performance of the military and democratic regimes in Nigeria. Each of the studies employed different performance indicators to assess the achievements of the two systems of government that the country has seen.

For instance, Chinasa et al (2019) used real GDP, unemployment rate, investment level, inflation rate and money supply as measures. Eyarefe and Sanusi (2015) employed federal government funding on education as performance indicator. Babalola et al (2015) used expenditure on education, defence and agriculture as yard stick for comparison. The study conducted by Anyiwe and Aigbokhaevbolo (2016) contained extensive indicators among the aforementioned empirical works. It included one key determinant of economic growth- gross domestic product per capita (GDPPP). Anyiwe and Aigbokhaevbolo study however, did not consider the government spending per capita of both regimes which is capable of influencing the gross domestic product per capita.

Today Nigeria democracy in the fourth republic has clocked about 24 years; the longest period of uninterrupted democratic regime so far in the history of the country. There is however a dearth of empirical examination that comparatively investigated the military and democratic regimes performance in Nigeria especially in recent years that democracy in the country has been steady for over two decades. This creates gap in extant literature. The present study was conducted to fill this gap as it re-examined comparatively the performance of both regimes in the light of government spending per capita (GSPC) and gross domestic product per capita (GDPPC) during the periods between 1984-1998 and, 2008-2022 fiscal year. To the best of our knowledge, there is no known study that investigated these regimes within this period using the performance indicators adopted in this study. The study is importance to mostly the policy makers in the democratic regime as the finding guides them on the best of financial policies to make in order for citizens to see clear difference in the efficiency levels of public funds management of both regimes.

Objectives of the study

Generally the study seeks to examine comparatively the performance of the military regime and democratic regime in terms of FGSPC and GDPPC in Nigeria and ascertain the regime that performed better within the study period. The specific objectives of the study were to:

1. Ascertain the difference between FGSPC during the military regime and the democratic regime in Nigeria
2. Ascertain the difference between GDPPC during the military regime and the democratic regime in Nigeria

Research Questions

The researchers developed the following research questions that guided the study

3. What is the difference between FGSPC during the military regime and the democratic regime in Nigeria?
4. What is the difference between GDPPC during the military regime and the democratic regime in Nigeria?

Hypotheses

The following hypotheses we're stated to guide the study.

iv. There is significant difference between government spending per capita of the military regime and democratic regime in Nigeria.
v. There is significant difference between the gross domestic product per capita of the military regime and democratic regime in Nigeria.

METHODOLOGY

The study adopted the cross culture and comparative descriptive research design. This type of design allows a researcher to compare different variables at different times and settings, so as to observe similarities or differences among them (Kpee, 2018). The design used is considered appropriate for the study since it seeks to compare the public expenditure per capita and gross domestic product per capita of military regime and democratic regime in Nigeria. Mid-year population figures were obtained by dividing the GDP by the GDP per capita as captured in the source document. The population figure obtained was used to divide the total public expenditure for each year to arrive at the annual public expenditure per capita. The study population comprises of 31 years of democratic regime and 32 years of military regime in Nigeria a total of 63 years. A sample of 15 years for each regime was drawn for the study resulting to a sample of 30 years. The sample selection was purposive, based on the the longest military regime (1984 to 1998) and the longest democratic dispensation so far witnessed in Nigeria (2008-2022). The findings from the sample were used to make generalisation on all 31years and 32 years of democratic and military regimes respectively in Nigeria. Secondary data was used to conduct the study. Data on total government spending relates to federal government of Nigeria spending and it was collected from Central Bank of Nigeria (CBN) Annual Statistical Bulletin (2022). Data on gross domestic product and gross domestic product per capita was collected from Macro Trend (2022). Descriptive statistics as well as inferential statistics were employed in the study. Descriptive statistics was used to explain the variables for each of the regimes. The descriptive statistic was mean, maximum, minimum, total values kurtosis and skewness of the variables. The study conducted t-test of significant difference to ascertain the difference between the performance indicators so as to either accept or reject the null hypotheses. The Pearson's Product Moment correlation coefficient was further computed in order to ascertain the extent of difference between measures for the two regimes. Finally, the ratio between GDPPC and GSPC for each of the regimes was calculated to ascertain the regime that performed better.

RESULTS AND DISCUSSIONS

Descriptive Statistics

Table 1. Descriptive statistics of the variables of the study

	FGSPC MR	*FGSPC DR*	*GDPPC MR*	*GDPPC DR*	*GDP/GSPC MR*	*GDP/GSPC DR*
Mean	1273.47	47152.07	533.27	2357	1.65	0.07
Minimum	122	21269	270	1884	0.13	0.02
Maximum	3766	111770	903	3201	7.4	0.13
Sum	19102	707281	7999	35355	24.86	1.1
Standard Deviation	1218.02	30685.97	174.36	384.71	2.22	0.03
Kurtosis	-0.55	-0.43	1.07	0.16	2.46	-1.58
Skewness	0.88	1.05	0.98	0.97	1.77	-0.31
Count	15	15	15	15	15	15

Source: Excel output

Table 1 displays the descriptive statistics of federal government spending per capita (FGSPC); the gross domestic product per capita (GDPPC) and the ratio of GDPPC to FGSPC during military regime (MR) and democratic regime (DR) in Nigeria within the study period. Within the 15 years of military regime used in this study, total federal government spending per capita and gross domestic product per capita of ₦19102 and $7999 respectively were recorded. During the democratic regime, the figures were ₦707281 and $35355 respectively. On the average, FGSPC and GDOPPC during the military regime was ₦1273.47 and $533.27 respectively; whereas, during the democratic regime the figure was ₦47152.07 and $2357 respectively.

During the period of military regime used for the study; minimum, maximum and total value of GDPPC to FGSPC ratio was 0.13; 7.4, and 24.86 respectively. On the average it was 1.65 per each fiscal year. As for the period of democratic regime considered, it recorded 0.02 as minimum, 0.13 as maximum, and 1.1 as sum of the ratio in the period. The mean ratio was 0.07 per each of the fiscal years. The kurtosis and skewness figures in the table indicated that data for both measures relating to military regime and the democratic is normally distributed since the values are not far from 1 (Chukwu and Etoko, 2018). Thus, data used for further statistical analysis is dependable.

Correlation Results

Hypothesis 1**: There is significant difference between government spending per capita (FGSPC) during the military regime and democratic regime in Nigeria**.

Table 2. t-Test: Two-Sample Assuming Unequal Variances

	FGSPC MR	*FGSPC DR*	
Mean	1273.466667	47152.06667	
Variance	1483585.267	941628772.1	
Observations	15	15	
Hypo. Mean I	0		
df	14		
t Stat	-5.785941904		
P(T<=t) one-t	2.35888E-05		
t Critical one-	1.761310136		
P(T<=t) two-t	4.71775E-05		
t Critical two-	2.144786688		
correlation	0.917030923		
Source: Excel output			

Table 2 presents the result of the t-test: two sample assuming unequal variances of government spending per capita of the military regime and democratic regime in Nigeria during the period covered in the study. The table shows that the P-value (P(T>=t) two-tail) of the measure for the regimes is -0.00004717 (4.71775E-05) at alpha level of 0.05. Since the P-value is less than the alpha value of 0.05, the hypothesis stated above is rejected.

The Pearson Product Moment correlation coefficient of 0.92 shows that the relationship between the variables for each regime is significant and as well positive indicating that their difference is not. Statistically their difference is about 0.08 (1-0.92). The study hence states that no difference exists between government spending per capita of the military regime and democratic regime in Nigeria during the study period.

Hypothesis 2**: There is significant difference between the gross domestic product per capita (GDPPC) during the military regime and democratic regime in Nigeria**.

Table 3. t-Test: Two-Sample Assuming Unequal Variances

	GDPPC MR	***GDPPC DR***	
Mean	533.266667	2357	
Variance	30403.6381	148007.2857	
Observations	15	15	
Hypo. Mean Differe	0		
df	20		
t Stat	-16.722309		
P(T<=t) one-tail	1.60E-13		
t Critical one-tail	1.72471824		
P(T<=t) two-tail	3.19E-13		
t Critical two-tail	2.08596345		
correlation	-0.0014268		

Source: Excel output

Table 3 displays the result of the t-test: two sample assuming unequal variances gross domestic product per capita of the military regime and democratic regime in Nigeria during the period covered in the study. The table indicates that the P-value (P(T>=t) two-tail) between the measure of the two periods at alpha value of 0.05 is 3.19... (3.19E-13). Since the P-value obtained is greater than alpha value, the hypothesis stated above is accepted.

The Pearson's Product Moment Correlation coefficient of -0.00143 showed that the relationship between the variables for each regime is almost zero. This means that the difference in their relationship is significant 0.9857 (1-0.00143). Based on this statistical result, the study states that significant difference exists between the gross domestic product per capita of the military regime and democratic regime in Nigeria during the period covered in the study.

DISCUSSIONS

The result of hypothesis one indicates that no significant difference exists in the pattern of federal government spending per capita during the military regime that operated from 1984 through 1998 and the democratic regime in the fourth republic considering federal government spending from 2008 through 2022. It means that what federal government spent per citizen during the military and democratic regimes is not so much at variance.

Finding on hypothesis two reveals that a significant difference exists between the two regimes when it comes to gross domestic product per capita. This implies that the share of individual citizens shares of the

monetary value of good produced and services rendered during military regime (1984 -1998) and democratic regime (2008-2022) is by far different.

On a general note, the result created room for further analysis of the regimes to determine which one performed better by looking at the mean value of the ratio of GDPPC to FGSPC for each regime. As indicated in the descriptive statistics in table 1; the mean value of the ratio for military regime is 1.65 whereas it is 0.07 for the democratic regime. This implies that the military regime performed significantly better than the democratic regime during the study period.

This finding is consistent with the work of Chinasa et al (2019) finding that the military regime contributed significantly to economic growth than civilian regime in Nigeria. Babalola et al (2015) finding that military regime impacted positively more on economic growth than democratic regime in Nigeria also corroborated the result of the study. Similarly, the finding of this study is consistent with Ehigiamusoe (2012) result that; gross domestic product was higher during military regime than civilian regime in Nigeria.

However, the finding of the study is not consistent with the result obtained in Anyiwe and Aigbokhaevbolo (2016) that; gross domestic product per capita was better in democratic regime than military regime in Nigeria. The reason for disparity of finding could be from the point of analysis. Looking at GDP per capita figure alone for each regime, one would arrive at the same conclusion with that of Anyiwe and Aigbokhaevbolo (2016). This study went beyond just looking at the figure along, by conducting a multi discriminate analysis. Hence, the study result was different.

The general finding of the study theoretically implies that Wagner's law of increasing state activities holds in Nigeria. The public expenditure per capita and gross domestic product per capita was higher during the last 15 years of the study than the first 15 years. The activities of the democratic regime increased in scope as the population of the country swelled. Practically, it exposed the fact that the widely embraced system of government - democracy- does not always result efficient financial resources management and sustainable growth in the economy if the appropriate measures are not put in place. These measures include vigorously fighting against corruption and ensuring that public fund is spent for public interest, not for private gratification.

CONCLUSION

The study comparatively examined government spending per capita and gross domestic product per capita during military regime (1984-1998) and democratic regime (2008-2022) in Nigeria. Statistical results indicated that no significant difference exists between the military regime and democratic regime in terms of government spending per capita in Nigeria during the study period. However, in terms of gross domestic product per capita significant difference exists between the regimes. Comparatively, based on the mean values of the ratio of gross domestic product per capita to government spending per capita of each regime, as indicated in descriptive statistics, the study concludes that the military regime performed significantly better than democratic regime within the period covered in the study. The study recommends that policy makers in democratic government of the fourth republic should take frantic effort to make financial policies that would result to observable dividend of democracy and ensure that public fund is utilized for public interest, as well directed toward activities capable of increasing gross domestic product per capita more in Nigeria.

REFERENCES

Adul, M. H., Ganaie, A. A., & Kamaiah, B. (2016). *Wagner's hypothesis: An empirical* verification. *Sage Journals*. https://doi.org/10.1177/22779752216667095

Anthony, W. P. (2015). *Military rule*. https://www.britannica.com>topic

Anyiwe, M. A., & Oziegbe, A. (2016). Democracy and economic growth: statistical evidence from Nigeria (1960-2002). *Journal of Applied Sciences*, *6*(2), 257-265.

Babalola, B. T. A., Salako, M. A., Yusuf, S. A., & Egbekunle, S. O. (2015). Comparative analysis of sectoral civilian and military government expenditures on economic growth in Nigeria: ARDL approach. *Journal of Applied Economics and Business*, *3*(1), 52-73.

Bamidele, R. (2021). Economic development and democratic governance in Nigeria. Annual Conference of Anthropological and Sociological Association of Nigeria (ASAN) University of Illorin, Nigeria.

Barbara, G., Erika, P., & Joseph, G. W. (2014). Military rule. *Annual Review of Political Science*, 17, 147-162. https://doi.org/10.1146/annurev-polisci-032211-213418

BBA MANTRA (2019). *The law of Increasing State Activities- Adolph Wagner*. https://bbamantra.com

Central Bank of Nigeria (CBN) *Annual Statistical Bulletin (2021).* https://www.cbn.gov.ng>statbulletin

Chinasa, E. U., Emanuel, U. U., Ifeoma, C. M., Afamefina, A. E., & Ogonna, W. A. (2019). Military and democratic rules in Nigeria (1980-2016): which has greater impact? *International Journal of African and Asian Studies*, *54*, 51-57. doi:107176/IJAAS

Chris, C. D. (2012). *Essentials of government*. Tonad Publishers Limited.

Chukwu, G. J., & Etoko, M. E. (2018). Employee remuneration and wealth creation in oil and gas firms in Nigeria. *Research Journal of Financial Sustainability Reporting*, *3*(1), 25-31.

Dominick, M. (2012). *A critical appraisal of the theories of government expenditure growth.* https://www.grin.com/document/44840

Edeh, S. C. (2020). *Achievements of military rule in Nigeria: 12 major impacts*. https://bscholarly.com

Ehigiamusoe, U. K. (2022). A comparative analysis of agricultural performance between the military and civilian regimes in Nigeria. International *Journal of Humanities and Social Science Intervention*, *1*(1), 13-23.

Encyclopedia.com (2019). *Military regimes*. https://www.encyclopedia.com

Eyarefe, D. I., & Sanusi, G. P. (2015). Comparative analysis of government funding on education and economic growth during the civilian and military regimes. Lessons from Nigeria. *Pakistan Journal of Applied Economics*, *25*(1), 1-24.

Fietcher, G. (1975). *Brazil since 1964 modernization under military regime*. John Wiley and Sons.

Focus Economics, (2022). What is GDP per capita? https://www.focus-economics.com

Government Finance Statistics (GFS) (2020). Glossary: Government revenue and expenditure statistics explained. https://ec.europa.eu>...

Kasum, A. S. (2022). The impact of government type on business performance: comparative analysis of military and civilian rules in Nigeria. *International Journal of Critical Accounting*, *4*(1), 54-76.

Kpee, G. G. (2018). *Research methods in education: a made easy approach*. Uzoppietro Publishing Company.

Macro Trend, (2022). *Nigeria GDP 1960-2022*. https:/www.macrotrend.net

McCarthy, D. (2022). *Democracy*. https://slideplayer.com

Odisu, A. T. (2015). Corruption and insecurity in Nigeria: a comparative analysis of military and civilian regimes. *Basic Research Journal of Social and Political Science*, *3*(1), 8-15.

Organization for Economic Corporation and Development (OECD)(2016). *General government expenditures and revenues per capita in OECD Factbook 2015-2016.* https://www.oecd.ilibrary>gen...

Umaru, A., Adeyemi, G. & Kehinde, B. E. (2014). Democracy and the performance of Nigeria economy. *International Journal of Humanities and Social Science*, *4*(10), 191-207.

Wisdom, E. (2022). *Positive impacts of democracy in Nigeria*. https://proguide.ng

World Bank Group, (2022). *GDP per capita*. https://databank.world.org>5.