International Journal of Scientific and Management Research



Volume 4 Issue 6 (October) 2021 ISSN: 2581-6888

Page: 1-13

Public Sector Management and Sustainable Development in Nigeria (Analysis of Public Expenditure on Education, Health and Security)

¹Chidi-Okeke, Chioma Nnenna, ²Chukwu, Kenechukwu Origin, ³Chris-Ejiogu, Uzoamaka Gloria, Ibe, ⁴Ositadimma Leslie

- ^{1,2} Department of Banking and Finance, Nnamdi Azikiwe University, Awka
- ^{3, 4} Department of Financial Management Technology, Federal University of Technology, Owerri. **Nigeria**

DOI - http://doi.org/10.37502/IJSMR.2021.4601

Abstract

This paper studied public sector management and sustainable development with reference to public spending on education, health and security in Nigeria. To achieve this, the main objective is to ascertain public sector expenditure on education, health and security. Data for analysis were collected from the Central Bank of Nigeria statistical bulletin from 1999 to 2019. The dependent variable was the Human Development Index (HDI), used to measure sustainable development while public expenditure on education, health and security were used as measure for independent variables. The error correction model was used to test the short run effect while the granger causality was used to show causal relationship among variables of study. The result obtained indicated that there is negative and insignificant effect between public expenditure on education, health and security on human development index. The study recommends among others that government should review its allocation to education, health and security while ensuring proper financial management of funds allocated to these sectors.

Keywords: Education, Health and Security.

1. Introduction

Public sectors management deals with controlling the needs of the nation; it is an important factor for social unity and contributes significantly to the economic infrastructures essential for the operation of social market economies. It is the principal actor in macro socio-economic policy making infrastructure and an architect of an enabling environment for national sustainable development. Sustainable development is an organizing principle for meeting human development goals while simultaneously sustaining the ability of natural systems to provide the natural resources and ecosystem services on which the economy and society depends. This means development that meets the needs of the present without compromising the ability of the future generations to meet their own needs (Brutland commission, 1987). There are four dimensions to sustainable development: society, environment, culture and economy and they are

dependent on one another. It entails the achievement and the sustenance of economic growth and development with the ultimate objective of improving the welfare of its citizens.

According to Adefulire (2020), the sustainable development goals or projects 2030 is a global call to put an end to poverty, secure the planet and ensure that everyone enjoys peace and prosperity by 2030. It was adopted by 193 countries with Nigeria as one of its country members. The sustainable development goals are set of 17 interconnected goals which have targets with at least one or two indicators for each target. These include no poverty, zero hunger, good health and wellbeing, quality education, affordable and clean water, decent work and economic growth, industry innovative and infrastructure, sustainable cities and communities, responsible production and consumption, climate action, life below water, life on land, peace and justice strong institutions and partnership to achieve the goals.

The study seeks to evaluate public sector management as it relates to public spending on education, good health and security. This is because education is the major pillar of the development of any country as it is the force behind individual's ability to be a vital part in nation building. Education raisespeople's productivity, creativity and promotes entrepreneurship and technological advancementas demonstrated in several countries such as Malaysia, Bolivia, China (World Bank 1999). Likewise, improved health policies would be part of the set of intervention in the attainment of sustainable development; this is because health is considered to be an asset with an intrinsic value as well as instrumental value. Furthermore, security of persons and property from domestic or foreign threats is essential for the operation of markets and the incentives to invest and innovate. Lack of peace and security constitute a distortion in economic activities. These results in local and foreign investors being skeptical of investing in the economy leading to a dearth in capital in-flow, government attention is shifted from more productive sectors to defense sector and a great disorder in the socio-economic structure (Dumas, 2002). It is expected that the public sector should take a lead in socioeconomic development to reduce poverty and improve the standard of living of citizens, but in view of the state of the Nigerian economy, it has proved largely ineffective in performing this task. This could be attributed excessive politicization, lack of accountability and representation, inability to promote the public interest etc.

Various studies on the effect of public expenditure on education, health and security shows a conflicting results. Studies by Ehimare, Ogaga-oghene, Obarisiagbon, and Okorie, (2014) reveal that there has been significant reduction in the efficiency of government expenditure since 1990 up till 2011 which has been on decreasing level. Odubunmi (2009) shows that there is no correlation between education expenditure and human capital development in Nigeria. Oriakhi & Osemwengie (2012) and Adebakin and Raimi (2012), shows a negative relationship between internal security and economic growth. Mbah, Aguand and Aneke (2021) pointed that most studies on defence-growth relationship focus on external security while security challenge in Nigeria is more of internal, it is against this backdrop that the study calls for a reassessment of the role of the public sector management in order to achieve a sustainable development in Nigeria. For the purpose of this study, emphasis will be on quality education, good health and wellbeing and security.

2. Literature Review

Public Education Expenditure Review

Education raises the productivity and efficiency of individuals and thus produces skilled manpower that is capable of leading the economy towards the path of sustainable economic development (Zaman, 2008). In many countries in Africa today, formal education is in a state of crisis, African leaders are confronted with increasing difficulty in allocating educational resources to meet present and future levels of demand. According to Obi & Obi (2020), the paralysis that has been unfolding is one characterized basically by education's rising claim on public sector resources. Against a backdrop of widespread poor economic growth, mounting international debt, and rapidly growing populations whose demand for education cannot be met readily by traditional means. In Nigeria, the decline in the quality of education at all levels has become a fact of national life. Indeed, the most significant event in the sector in the recent past has been the continuing crisis besetting the educational system. This crisis is rooted in the deteriorating conditions within the citadels of learning, in respect to teaching facilities and other infrastructural facilities, the welfare of those engaged in the teaching profession and the everincreasing cost of education. Another challenge confronting the country has to do with out of school children, about 17% of north eastern children can read (VNR, 2020). Education expenditure as a percentage of GDP has been declining for the past four years, between 2012 and 2018 incudes 9.86%, 10.15%, 10.52%, 10.28%, 7.92%, 7.4%, and 7.04. In 2021 budget, 6.3% of the budget goes to education which is 742.5 billion out of 11.7 trillion. This is regarded as the worst in the decades according to NANS.

Public Health Expenditure Review

Public health is an important element of national security, it not only function to provide adequate and timely medical care but also track, monitor and control disease outbreak. The Nigeria health care system is inadequately provided for in terms of medical centers and facilities, medical personnel especially in the rural area (Menizibeya, 2011). The challenge of Covid-19 was a big test on the Nigeria's public health system; this has forced so many Nigerians to seek medical care abroad.

The effect of health on worker's productivity suggests a relationship between health and aggregate output. Healthy workers lose less time from work due to ill health and are more productive when working. Health gains had the economic consequences of widespread economic growth and an escape of ill-health traps in poverty (World Health Organization, 1999).

In 2001, the state of African Union countries resolved to allocate 15% of total government expenditure to improve public health sector, yet, available data shows that on the average, about 2.1% to 5.8% of total government expenditure was allocated to the health sector between 2000 and 2019. The country's public expenditure on health as a percentage of GDP is about 4.1% against 4.6% African average and 6.3% in developed countries (Olarinde & Bello, 2014). Therefore, a key issue in the health expenditure argument is whether nations are veering to the 2001 African Union Abuja declaration target or not (Tandon & Cashin, 2010; WHO, 2013).Public health expenditure in Nigeria as a percentage of government expenditure has been fluctuating over the years. It fluctuated between 5.72% and 9.19% from 2008 to 2019. As a percentage of GDP, it recorded 3.3%, 3.32%. 3.36%, 3.42%, 3.35%, 3.58%, 3.65%, 3.78% and 3.89% from 2010 to 2018 respectively.(Knoema, 2018).The figure in 1999 was N16.64 billion and has been on the increase which stood at №245.19billion, №296.44billion and № 388.37billion in 2017, 2018 and 2019 respectively.

Public Security Expenditure Review

Economic growth and Sustainable development depends on peace and security of a nation, this means that security of lives and property should be antecedent. National insecurity can lead to destruction of lives, infrastructural facilities and has a negative effect on the economy. Jackson (2007) noted that it can lead to negative impact on sales, purchase and price of stock as a result of uncertainty arising from investors' perception of the stock market performance. The security expenditure is an important issue for both national and international economy. Internal security has to do with the protection of the domestic territory and citizensby security agencies such as the police, civil defense, legal vigilante, prisons, etc. (Oshio, 2009). Security expenditure includes both recurrent and capital expenditure

The various security agencies in Nigeria are heavily funded to carry out their duties, internal security spending increased tremendously from 1999 since the inception of democracy in Nigeria, this resulted from the terrorist attacks by the "Boko Haram" insurgents. Ezeani and Ezeibe, (2011) stated that security spending as a percentage of total federal budget expenditure in Nigeria has been on the increase since before the war but despite the increase in defense and military operation over the annually, the level of insecurity in Nigeria has worsened as a result of bad governance, corruption non transparency procurement activities, poor leadership and lack of defence strategy, they noted that the reason is because the fund budgeted for national security is unutilized for the purpose of national security and lack of transparency. According to Stockholm international peace research institute (SIPRI 2021), Nigeria is the second largest spender after South Africa. A 29% increase compared to 2019, 2018 security budget was 1.276 trillion, 2019 was 1.328 trillion, 2020 was 1.8 trillion, 2021was 1.96 trillion.

3. Theoretical Framework

Keynesian theory

Keynes theory (1936) of public expenditure argues that economic growth occurs as a result of rising public sector expenditure. In this context, government expenditure is treated as an independent exogenous variable and could be used as an efficient policy variable to influence economic growth. According to the Keynesian school of thought, public spending boosts economic activities as well as act as a tool to stabilize the short run fluctuations in aggregate expenditure (Ju-Haung, 2006). This view is consistent with the evidence found in some previous empirical studies such as (Omoke, 2009) which show a positive impact of government expenditure on economic growth. The Keynesian macroeconomic model advocates an active government intervention in the economy through an increase in government spending, money supply in order to stimulate the demand for goods and services during periods where there is lack of demand (low demand) and put the unemployed back to work. Keynes (1936) argued that market economies had no automatic capacity to generate full employment and that the economic policy is and should be intimately linked to social policy.

Endogenous growth

Endogenous growth theory emerged in 1980 by Paul Romer as an alternative to neoclassical growth theory. The theory maintains that economic growth is primarily the result of internal forces, rather than external ones ie is generated from within a system as a direct result of internal process It argues that improvements in productivity can be tied directly to faster innovation and more investment in human capital by government and private sector.

Empirical Framework

Odubunmi (2009) examined the correlation between expenditure on education and human capital development in Nigeria. This study however reveals that there is no correlation between education expenditure and human capital development in Nigeria.

Babatunde (2012) studied the relationship between health and economic growth in Nigeria and found that there is a two-way causation between economic growth and health status. The effect ofhealth measured by life expectancy is positive and significant on economic growth.

Eneji, Dickson, and Bisong (2013) aimed at establishing the relationship between healthcare expenditure, the health status and national productivity in Nigeria using secondary data to run regression and questionnaires to elicit responses. Public healthcare expenditure is considered as the explanatory variable for health status, productivity and poverty reduction. However, the causal relationship is weak in the Nigeria scenario.

Ehimare, Ogaga-oghene, Obarisiagbon, and Okorie, (2014) studied the Nigerian government Expenditure on Human Capital Development. Data analysis was conducted using Data Envelopment Analysis involving Input Oriented Variable Return to Scale. The findings of the study reveal that there has been significant reduction in the efficiency of government expenditure since 1990 up till 2011 which has been on decreasing level.

Oriakhi and Ameh (2014) evaluated the influence of government expenditure on the education sector in Nigeria and the effect of education expenditure on the level of literacy in Nigeria. Using a time series Linear forecasting model and co-integration, the work shows there is a long-run relationship between the variables and they are statistically significant. The Granger Causality test shows that the various variables granger causes literacy rate in Nigeria.

Oni (2014) evaluated the impact of health expenditure on economic growth in Nigeria. Multiple regression analysis was employed and the result shows that gross capital formation, total health expenditures and the labour force productivity are important determinants of economic growth in Nigeria while life expectancy rate has negative impact on growth for the period covered by the study

Amana, Aigbedion and Zubair (2020) assessed the impact of government security expenditure on economic growth in Nigeria from 1986-2018. The Ordinary Least Square (OLS) and Error Correction Model (ECM) techniques were used and the causality test was also carried out to show the casual relationship among the economic variables. From the study's findings, estimated result shows that government security expenditure has strong impact on economic growth in Nigeria. While long run result revealed that government recurrent defense spending, government recurrent internal security spending and government security capital expenditure were statistically significant. Also, ECM result revealed that all the independent variables were statistically insignificant in explaining the variation in real gross domestic products (RGDP) in Nigeria except government recurrent defence spending in Nigeria.

Obi, Obi and Ejefobihi (2020) studied the efficiency of education expenditure in Nigeria from 1990 to 2018. The study employed Augmented Dickey-Fuller (ADF) test, ARDL bounds cointegration test, and the short-run diagnostics and stability for ARDL model in the analysis and found that education expenditure had significantly negative impact on economic growth in Nigeria. Also, education expenditure has significant positive impact on human capital development in Nigeria. Finally, education expenditure has positive but insignificant impact on literacy rate in Nigeria.

Mbah, Agu and Aneke (2021) studied the impact of internal security spending on economic growth in Nigeria and found a positive and significant relationship in the short run but negative and significant in the long run.

Olayiwola, Bakare-Aremu, & Abiodun (2021) studied the relationship between public expenditure and economic growth in Nigeria within the context of Wagner's theory of ever-increasing State activities. The study found evidence of a long-run relationship between public health expenditure and economic growth. The granger-causality test results, indicate neither uni-directional nor bi-directional relationship between public health expenditure and GDP. But health expenditure as a share of total government expenditure and population has a uni-directional causal relationship with real GDP.

Research Gap

This study deviated from other reviewed literatures because it captured the importance of security of human life and property which is indispensible when the issue of sustainable development is at stake, it went further to examine government spending on security and how it helps achieve sustainable development in the country.

Also, It is important to note that most literatures measured nation's economic development based on gross domestic product (GDP) or gross national income (GNI) per capita which is only restricted to income alone but human development comprises components that best portrays how developed a nation is especially as variables such as health, education, physical environment and general standard of living are the vardstick which are the vital aspects of sustainable development. Nzotta & Okereke (2009) stated that human development index (HDI) is a composite index which includes health, education, income livelihood, security and other indicators, in other words human development involves improvement in health, knowledge and decent standard of living. Human development index (HDI) is the reportpublished by the UNDP and used to compare nations' real economic development status. The first human development report published by the United Nations Development Program(UNDP) in 1990 indicated that the major aim of development is to provide an enabling environment for people to enjoy long, healthy and creative lives. HDI opines that a country has to implement policies that encourage usage of a nation's economic wealth for the betterment of its citizensfor proper national development. The social and economic dimensions of a country are centered on the health of people, their educational accomplishments and standard of living (The Economic Times, 2018). In conclusion, the study analyzed effect of government spending on human development in Nigeria as it combines all major social and economic indicators that are accountable for economic development of a nation.

4. Methodology

7 | International Journal of Scientific and Management Research 4(6) 1-13

The study adopts the ex-post facto research design while sourcing its data from the Central Bank of Nigeria statistical bulletin. The dependent variable is the Human Development Index (HDI) while the independent variables are the government expenditure on education, health and Security, covering a period between 1999 and 2018. Following the theoretical background, Endogenous growth function gives the model specification which was adopted from the work of Obi and Obi (2014) and stated thus:

$$Y = o + {}_{1}K + {}_{2}L$$
-----3.1

Where:

Y = index of domestic output

K = index of capital input

L = index of labour input

 μ = stochastic term

To incorporate the specific objectives of the study, the following models stated in functional form will be HDI = f (EDU, HLTH, INSEC)......3.2

To incorporate the specific objectives, the following models stated in functional form will be The mathematical form of the model is:

$$HDI = a_0 + a_1EDUs_{it} + a_2HLTHs_{it} + a_3INSECs_{it} \dots 3.3$$

Where: HDI = Human Development Index

EDU= Pubic expenditure on education

HLTH= public expenditure on health

INSEC= public expenditure on internal security

 a_0 = Intercept of the model

 $a_1 - a_3 =$ Parameters of the regression coefficients

 $e_{it} = Stochastic error term$

The models will be estimated using the Error correction (ECM) Model technique of data analysis and granger causality.

Table 1: Descriptive Statistics

	Mean	Median	Maximum	Minimum	Std.Dev	Obs
HDI	0.480950	0.470000	0.530000	0.400000	0.044275	21
INSEC	235.6429	221.6500	668.6300	25.15000	173.9911	21
EDU	225.3914	163.9800	593.3300	39.88000	163.1727	21
HLTH	135.5238	98.22000	388.3700	15.22000	107.2115	21

Source: Author's Computation

Descriptive statistics was used to explain the characteristics of the variables in the model. The mean and the standard deviation of any given set of data are usually reported together, though standard deviation in most cases is a measure of uncertainty. They measure how spread out a trend is in a set of data. A high standard deviation of any given set of data indicates that the data points are far from the mean and a low standard deviation indicates that the data points tend to be very close to the mean. Table 1 shows the summary of descriptive statistics used in the analysis. The mean value was shown to be 0.480950 for HDI, 235.6429 for INSEC, 225.3914 for EDU

and 135.5238 for HLTH. The median value was shown to be 0.470000 for HDI, 221.6500 for INSEC, 163.9800 for EDU and 98.22000 for HLTH. The standard deviation for HDI, INSEC, EDU and HLTH were 0.044275, 173.9911, 163.1727 and 107.2115 respectively.

Correlation indicates the degree of association between variables. It assesses the extent and strength of the association between two variables. The result as presented in the table 3 showed that most of the variables employed are highly correlated and that there is significant correlation between the variables used in the model as most of them are not considered insignificant as they are above 50% level of significant. The study found that there was a positive correlation coefficient between INSEC (0.809), EDU (0.848), HLTH 0.8380 and HDI respectively. Hence, there is no suspicion of possible multicollinearity.

Table 2: Multicollinearity Test

	HDI	INSEC	EDU	HLTH
HDI	1.000000	0.809030	0.848941	0.838986
INSEC	0.809030	1.000000	0.958753	0.972130
EDU	0.848941	0.958753	1.000000	0.979503
HLTH	0.838986	0.972130	0.979503	1.000000

Augmented Dickey-Fuller (ADF)

Augmented Dickey-Fuller (ADF) and Phillips Perron (PP) unit root test was conducted in order to determinewhether there are unit roots or stationary series. In conducting this test, the Augmented Dickey-Fuller (ADF) unit root test with intercept would be employed to determine the stationarity of data.

Table 3: ADF Test Result at Level: Intercept Only

Variables	ADF Test	Test Critical	Test Critical Value	Remarks
	Statistic	Value at 1%	at 5%	
HDI	-0.867792 (0.77)	-3.808546	-3.020686	Not Stationary
INSEC	1.279127 (0.99)	-3.808546	-3.020686	Not Stationary
EDU	0.942231 (0.99)	-3.808546	-3.020686	Not Stationary
HLTH	0.517391 (0.98)	-3.808546	-3.020686	Not Stationary

Source: Output Data via E-views 9.0

Table 4: ADF Test Result at 1st DIFF: Intercept Only

Variables	ADF Test	Test Critical	Test Critical	Remarks
	Statistic	Value at 1%	Value at 5%	
HDI	-3.947795 (0.00)	-3.831511	-3.029970	Stationary
INSEC	-3.269610 (0.03)	-3.831511	-3.029970	Stationary
EDU	-3.052298(0.04)	-3.831511	-3.029970	Stationary
HLTH	-4.696361 (0.00)	-3.831511	-3.029970	Stationary

Source: Output Data via E-views 9.0

Table 5: ADF Test Result at 2nd DIFF: Intercept Only

Variables	ADF Test	Test Critical	Test Critical Value	Remarks
	Statistic	Value at 1%	at 5%	
HDI	-5.562805 (0.00)	-3.857386	-3.040391	Stationary
INSEC	-4.761972 (0.00)	-3.857386	-3.040391	Stationary
EDU	-6.122147(0.00)	-3.857386	-3.040391	Stationary
HLTH	-6.865029 (0.00)	-3.857386	-3.040391	Stationary

Source: Output Data via E-views 9.0

Unit root test in Table 3 to 5 shows that none of the variables was stationary at level hence the need to difference the variables further. Table 4 and 5 shows that the variables were stationary at order one and two which allows the use of Error Correction Mechanism (ECM).

Diagnostic Test

Serial Correlation LM Test

The Breusch-Godfrey test is used to test for the presence or absence of serial autocorrelations in the model. The presence of serial correlation in a model casts dent to the statistical reliability of the regression result. From table 6, the p-value is greater than the chosen level of significance of 5%, indicating the absence of autocorrelation in the models.

Table 6: Breusch-Godfrey Serial Correlation LM Test

Model	F-statistic	Prob
HDI	0.085675	0.9190

Source: Data output via E-views 9.0

Heteroskedasticity Test

The presence of heteroskdedasticity in a model might result in bias in regression outcome. The magnitude of residuals of most financial time series data appears to be related to the magnitude of recent residuals, hence it should be avoided. Heteroskdedasticity test for the models were checked and Table 5 absolved the model from the problem of heteroskdedasticity as the p-values is insignificant at 5% level of significance.

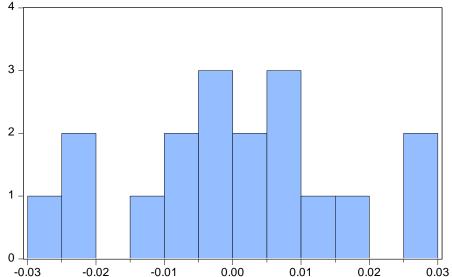
Table 7: Heteroskedasticity test

Model	F-statistic	Prob
HDI	1.550547	0.2739

Source: Data output via E-views 9

Normality Test

The normality test was done using the Jarque-Bera Normality test, which requires that for a series to be normally distributed; the histogram should be bell-shaped and the Jarque-Bera statistics would not be significant. This implies that the p-value given at the bottom of the normality test table should be greater than the chosen level of significance to accept the Null hypothesis, that the series is normally distributed.



Series: Residuals Sample 2002 2019 Observations 18				
Mean	1.14e-16			
Median	-0.000186			
Maximum	0.027732			
Minimum	-0.028262			
Std. Dev.	0.015976			
Skewness	-0.017933			
Kurtosis 2.373897				
Jarque-Bera	0.294969			
Probability 0.862876				

The result of the normality test shows that the probability value is 0.862876 which is greater than 0.05. We then conclude that the residuals is normally distributed and random.

Table 9: Results of Error Correction Model Normalised on HDI

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(HDI(-1))	0.775460	0.349989	2.215668	0.0576
INSEC	0.000277	5.23E-05	5.299736	0.0007
D(INSEC(-1))	2.14E-05	0.000223	0.095942	0.9259
D(INSEC(-2))	-0.000263	0.000261	-1.008466	0.3428
D(EDU)	-0.000191	0.000250	-0.764987	0.4662
D(EDU(-1))	0.000401	0.000262	1.528017	0.1650
D(HLTH)	-0.000247	0.000337	-0.733969	0.4839
D(HLTH(-1))	-0.000763	0.000392	-1.948782	0.0872
ECM(-1)	-0.296130	5.381216	5.776803	0.0096
C	0.425346	0.012993	32.73538	0.0000
R-squared	0.884694	Mean dependent var		0.484442
Adjusted R-squared	0.754974	S.D. dependent var		0.047049
S.E. of regression	0.023289	Akaike info criterion		-4.381452
Sum squared resid	0.004339	Schwarz criterion		-3.886801
Log likelihood	49.43306	Hannan-Quinn criter.		-4.313246
F-statistic	6.820052	Durbin-Watson stat		1.581989
Prob(F-statistic)	0.006345			

Source: Data output via E-views 9

Error Correction Model in Table 9 indicates that the coefficient of constant and INSEC have a positive effect on HDI while EDU and HLTH have negative effect on HDI. The probability value in Table 9 shows that INSEC has a probability value of 0.0007 while EDU and HLTH have probability value of 0.4662 and 0.4839 respectively. This shows that public sector management as presented in Table 9 has negative and insignificant effect on sustainable development within the period of the study. The disequilibrium error term, ECMt-1, is negative and statistically significant (as expected) in the equation. The significance of the error terms confirms the existence of long-run relationship between the variables in the error correction model. Of particular interest is the coefficient on the lagged ECM in the GDP equation. The ECM induces about 29% adjustment per period in this equation. In addition, the equation is statistically significant and the overall statistical fit is good. The marginal significance level of the F-statistics is zero. Hence, the null hypothesis of the F-statistics is rejected at all specified significance levels. Therefore, the conclusion is that, as groups, the regression coefficients are significantly different from zero. The high value of the Durbin-Watson (DW) indicates absence of autocorrelation.

Table 10: Pairwise granger causality test on input variables

Null Hypothesis:	Obs	F-Statistic	Prob.
INSEC does not Granger Cause HDI	19	5.81681	0.0145
HDI does not Granger Cause INSEC		0.19300	0.8266
EDU does not Granger Cause HDI	19	4.69893	0.0275
HDI does not Granger Cause EDU		1.01954	0.3860
HLTH does not Granger Cause HDI	19	5.31345	0.0192
HDI does not Granger Cause HLTH		1.05777	0.3734

Source: Data output via E-views 9

The granger causality test in Table 10 indicates that INSEC, EDU and HLTH granger causes HDI since the probability value is less than 5% and the F-statistic is greater than the F-tabulated. This shows that there is unilateral causality between INSEC, EDU and HLTH on HDI within the period of the study. This indicates that internal insecurity, education and health affect human development in the country.

5. Conclusion and Recommendation

For Nigeria to have sustainable development there is need for government to pay attention to these critical sectors of the economy, the issue of adequate funding cannot be over emphasized. Adequate fundingis what makes the difference in developed countries; this will help improve teachers' welfare which will lead to more productivity, free education system should be practiced effectively to allow access to more school children especially in the north.

There is need to ensure upgrade of health system to meet global standard to the extent of inviting foreigners to seek medical treatment in Nigeria.

Proper financial management of funds allocated to security and transparency remains key to the security of life and property so that the impact of the budget be felt and the fund reinvested in other sectors like education and health.

References

- 1) Adebakin, M.A. &Raimi, L. (2012). National security challenges and Sustainainable economic development: Evidence from Nigeria. *Journal of Studies from Social Sciences*. 1(1).1-30.
- 2) Adefulire, A O. (2020). The government of Nigeria presents 2nd voluntary National review on Sustainable development goals. . https://en.m.wikipedia.org.wiki.
- 3) Babatunde, M.A. (2012). The relationship between health and economic growth in Nigeria.
- 4) Blurnt, P. (1995). Public sectort management, governance and sustainable development: A discussion management paper development. https://www.academia.edu>public.
- 5) African Economic Research Consortium.http://publication.aercafricalibrary.org.
- 6) Dumas, J. (2002). The role of demilitarization in promoting democracy and prosperity in Africa,
- 7) Ehimare, O.I., Ogaga-oghene, J.O., Obarisiagbon, E.I., &Okorie, U.E. (2014). The Nigerian government expenditure on human capital development: an efficiency analysis. *European Journal of Business and Social Sciences* 3(7), 01-13. Future learn .the four pillars of sustainability .https://www.futurelearn.com>steps
- 8) Amana, S.A, Aigbedion, M, I. &Zubair, A.Z. (2020). Impact of government security expenditure on economic growth in Nigeria.International Journal of Innovative Research in Social Sciences and Strategic Management Techniques 7(1).211-225.
- 10) Eneji, M.A, Dickson, V.J. & Bisong, J.O. (2013). Health care expenditure, health status and national productivity in Nigeria (1999-2012). *Journal of Economics and Finance*. 5(7), 258-272,
- 11) World Bank (1998). Viewing development from the perspective of knowledge. 9(1) 16. https://elibrary.worldbank.org.>book
- 12) Keynes, J. M. (1936) *The General Theory of Employment, Interest and Money*. New York: Harcourt, Brace and Co.
- 13) Martin, B (1997). Reform of public sector management: A relevant question for unions in the
- 14) Mbah, S.A., Agu, O.C.& Aneke, C.E.(2021). Does security expenditure impact on economic growth in Nigeria. *Acta Universitat is Danubius Oeconomica*, 17(2).160-177
- 15) Menizibeya, O.W. (2011). The Nigerian health care system: Need for integrating adequate medical intelligence and surveillance system. *Journal of Pharmacy and Bioallied Sciences*. 3(4).470-478. Nigeria Sustainable development goals. https://Sustainabledevelopment.un.org>
- 16) Nzotta M. S., & Okereke J. E. (2009). Financial deepening and economic development of Nigeria: An empirical investigation, *African Journal of Accounting. Economics, Finance and Banking Research.* 5(5).1-15.
- 17) Oni, L. B. (2014). Analysis of the growth impact of health expenditure in Nigeria. *IOSR Journal of Economics and Finance (IOSR-JEF) 3, (I) 77-84 www.iosrjournals.org* www.iosrjournals.org

- 18) Olarinde, O., & Bello, A. (2014) Public healthcare expenditure and health sector performance in Nigeria: Implications for sustainable economic development. *IOSR Journal of Economics and Finance* (IOSR-JEF), 39-55
- 19) Olayiwola, S.O, Bakare-Aremu, T.A & Abiodun, S.O. (2021). Public health expenditure and economic growth in Nigeria: Testing of Wagner's Hypothesis. *African Journal of Economic Review*, 9(2), 130-150.
- 20) Oriakhi, D.E. & Osemwenghi, P (2012). The impact of security on foreign direct investment in Nigeria: An empirical analysis. *Journal of Economic and Sustainable Development*, 3(13).88-97.
- 21) Oriakhi, D E. & Ameh, G. (2014). Government expenditure and the development of the education sector in Nigeria: an evaluation. *Review of Public Administration and Management* 3(5), 147-160.
- 22) Oshio, E. (2009). *The* challenge *of national security and development*, Being a Paper Delivered at the Delta State Christian Professional League Seminar on Crisis Management and Nation Building at Grand Hotel, Asaba, on Thursday, 19th November
- 23) Obi, Z. C., Obi, C. O. & Ejefobihi, U.F. (2020). The efficiency of education expenditure in Nigeria. *European Journal of Education Studies7(1)*. 423-449. public sector? Background paper for EPSU/ETUI Conference, Brussels, D/1997/3163/20 Public sector management introduction. https://silo.tips>download.
- 24) Tandon, A., &Cashin, C. (2010) Assessing public expenditure on health from a fiscal space perspective. *World Bank papers*, 8-80. Human Capital Development (2018): The Economic times. https://economictimes.Indiatimes.com>.
- 25) UNESCO. The concept of sustainable development. https://en.unesco.org>what-is-esd
- 26) UNESCO.Sustainable development goals and Nigeria. https://en.m.wikipedia.org.wiki
- 27) What was the main contribution of the Brutland commission report 1987 https://brainly.in>question
- 28) Voluntary National Review, VNR, 2020
- 29) World Health Organization. June 1999. —WHO on Health and Economic Productivity Population and Development Review 25.2: 396-401.
- 30) Yilidirim, J., Sezgin, S., &Ocal, N. (2005). Military expenditure and economic growth in Middle Eastern countries: A dynamic panel data analysis, *Defence and Peace Economics*, 16 (4), 283-295.
- 31) Zaman K. (2008). An Investigation for pro-poorness of government educational policy in Pakistan (1991 2007). 2nd International Conference on Assessing Quality in Higher Education, 1st 3rd December, 2008, Lahore, Pakistan