

**THE IMPACT OF PUBLIC EXPENDITURES ON
POVERTY ALLEVIATION IN OSUN STATE**

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ABSTRACT.

The study assessed the poverty profile in Osun State, examined the patterns of government expenditure, analyzed the effects of government spending on infrastructure and social services. It also identified the constraints militating against government efforts in reducing poverty in the study area. This was with a view to examining the impact of public expenditure on poverty reduction in Osun State.

Primary data were obtained through questionnaire administered on 1200 randomly selected respondents drawn from 6 purposively selected local government councils (Ife South, Obokun, Iwo, Egbedore, Olorunda and Boriipe) in the three senatorial districts comprising of 6 administrative zones in Osun State. Three communities from each of these 6 local government areas were purposively selected to ensure that the various socio-economic, geographical and environmental characteristics were adequately reflected in the study. Finally, 67 randomly selected households were interviewed in each community. The field work also included Focused Group Discussion (FGD), conducted in six communities namely Boluwaduro, Ilare, Molete, Ofatedo, Oba-Oke and Ada. Ten male and 10 female adults (between ages 35 and 65 years) were interviewed. Secondary data were obtained from Osun State Ministry of Finance and Economic Development, Federal Office of Statistics (FOS) and United Nations Development Programmes (UNDP). Data were analyzed using qualitative and descriptive statistics.

The study revealed that the incidence of poverty in Osun State was high as indicated by the Income Poverty Index (IPI) and the Human Poverty Index (HPI) values of 0.40 and 0.42 respectively compared with the UNDP Benchmark of 0.5. The study also showed that all the people lacked adequate access to basic economic and social

services such as health services, good roads and pipe-borne water. Education was identified as a major factor in explaining the high incidence and severity of poverty as the Education Index value (EI) was 0.38 compared with the UNDP Benchmark. Furthermore, the results showed that the pattern of government spending in the state favoured general administration more than economic and social services. For example, between 1996 and 2001, the education sub-sector recorded a continuous decline in its capital allocation from 15.4 percent to 3.6 percent while the least share of general administration to capital estimate was 9.3 percent in 1995. Also, 85 percent of the respondents believed that government spending on infrastructure and social services, though relatively low, improved the welfare of the people. Finally, 24 percent of the respondents believed that inadequate infrastructural facilities militated against government efforts in poverty reduction, while 26 percent believed that economic mismanagement in terms of corruption constrained poverty reduction efforts by the government.

The study concluded that public expenditures can reduce the incidence and severity of poverty in the state. However, the resources committed to social and economic services by the government in the state had not been adequate to eradicate the high incidence of poverty.