EFFECT OF FISCAL POLICYGROWTH OF THE NIGERIAN ECONOMY, 1986 -2016

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ABSTRACT

The study examined the effect of fiscal policy on economic growth in Nigeria. Secondary data used was collected from the Central Bank of Nigeria statistical bulletin and National Bureau of Statistics data bank from 1986 to 2016. The data collected was analysed using General Method of Moment (GMM) analytical technique.The findings fom the study revealed that government borrowing, taxation, total government expenditure,capital government expenditure and productive government spending had a positive and significant impact on economic growth in Nigeria.However,recurrent government expenditure had a negative and non significant effect on economic growth in Nigeria. Also unproductive government spending had a negative and significant effect on growth of the Nigerian economy.By and large the study conclude that in the period of study fiscal policies activities like government borrowing, taxation,capital and productive government expenditures had been identified as a means of enhancing economic growth in Nigeria.