

39TH INAUGURAL LECTURE

Inclusive Economic Growth and Development: Baking and Equitable Cake Sharing

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Ilishan-Remo, Nigeria.

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Preamble

The Lady Who Changed My Career Life For Ever:

Many are the plans in a man's heart, but it is the Lord's purpose that prevails (Proverbs 1921).

My ambition while at school was to be either an engineer or a medical doctor. So my subject combinations in the fourth year in secondary school – Christ High School, Oleyo, Ibadan - were Physics, Chemistry, Biology, Advanced Mathematics, Ordinary Mathematics, Geography, Christian Religious Studies and French. I was a pure science student. I was the class captain of Form Four A with Mrs Victoria Monisola Adeleye as the teacher in charge. She was also the Economics teacher. As per the lecture timetable, all students offering such subjects are taught together. Consequently, as the teacher in charge of 4A, the teaching venue was held in her class. As the class Captain, though not offering the subject, I would clean the blackboard and make the teaching materials available to her. In my quest for additional knowledge, I would sometimes stay on to listen to her teach the fascinating subject and possibly had further opportunity to appreciate her beauty and intelligence.

On one memorable day in November 1973, the direction of my career life was changed forever. The third term examination in Economics was going on. Of course not having any commitment beyond auditing the course I did not partake. I was in the Chemistry laboratory where Mr. Odedokun ‘Baba Chemical’ was coaching. I left the laboratory to ease myself when Mrs Adeleye beckoned on me. I remember clearly the words uttered by her “Gbemi, come and take a question paper... sebi you have shown interest in my subject.”

I took a look at the questions and found them pretty easy. I asked her to permit me to write the examination, she obliged and I wrote the Economics examination. That was it. I cast the occasion out of my mind as I went back to the laboratory.

About three weeks later, my father told me he had been invited to see the Principal – Mr Daniel A. Maxwell. I was not perturbed because he was the Vice-Chairman of the Parents-Teachers Association of my school. I thought he was coming for one of their usual meetings. I was invited into the Principal's office, which was situated on the first floor of the first building by the gate. I was surprised to see Mrs Adeleye and Mr Jeje, the Yoruba teacher, in the office. Have I done something wrong? I quickly scratched my mind for any possible infraction. None came to my mind. I was mercifully put out of my puzzlement by the Ayede-Ekiti born Principal – Mr Bola Maxwell who recalled the information he had earlier shared with my father that I came second in the Economics examination, scoring 65%. He further announced their decision that I must add Economics to my list of subjects. The timing was considered critical because the registration for the ordinary level West African Examination Council (WAEC) was about to close. I had no objection, in fact, I had no choice. My only appeal was that I should be allowed to offer nine subjects. The Principal acquiesced.

However, this was not to be. Physics being my weakest subject was dropped. I only got to know this when it was time to write the mock examination! Anyway, I went on to record a distinction grade in Economics and an overall aggregate score of 16 in the Grade One category together with Professor Gabriel Ayodeji Osikolu (late Professor of Nuclear Physics, Obafemi Awolowo University, Ile Ife). This was the second best result since the school

started presenting students for WAEC in 1970, next to the aggregate score of 15, a feat recorded by Senior Ayodeji Babatunde Iginla (Retired Rector of Lagos State Polytechnic).

The story has not ended. Together with Olugboyega Oyeniyi Oyesiku-Taylor, Ambassador Oluseyi Onafowokan, and Professor Gabriel Ayodeji Osikolu, I applied to The Polytechnic Ibadan, for a place in its School of Basic Studies. I was admitted for Physics Chemistry Mathematics. Albeit in error given my overall sterling results in WAEC. My application to the Polytechnic was before it came to my knowledge that Physics was not to be one of my subjects in WAEC. I stood the risk of losing this admission.

Plans fail without good advice, but they succeed with the advice of many others (Proverbs 15:22). My father consulted his cousin, Architect Olajide Adebajo on this dilemma. He referred us to the third Nigerian qualified Chartered Accountant Chief. Ayoola FCA who advised that I change my Higher School Certificate subjects to Mathematics, Geography and Economics, go on to study Economics, but specialise in Accounting at the Obafemi Awolowo University (formerly University of Ife). I followed his advice. In my first year, I attempted and passed the GCE Advanced level examination with scores of B and D in Geography and Economics respectively. Pronto, I was offered admission into the then University of Ife for B.Sc. Geography! I had to really beg to effect a change of course to Economics because the department of Geography was not well disposed to releasing me. I obtained my first degree in Economics in 1979 (Second Class Upper Division).

Has my journey to Economics really begun?

Not really.

I qualified as a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN) in 1982 and became a Fellow in 1993. Indeed, I ventured into Law and was admitted into the University of Lagos part-time programme. I completed two of the five-year duration before the exigencies of work terminated that adventure. I also veered into Master of Business Administration at the Olabisi Onabanjo University in the fallacious belief that I could chart a path to PhD Economics. I eventually moved onto the right lane and obtained the Master of Science Degree in Economics from Lagos State University with distinction grade. The PhD in Business and Applied Economics from Olabisi Onabanjo University, Ago Iwoye topped the pursuit.

I have acquired varied experience from the major sectors of the economy including the Academia, Banking, Manufacturing, Oil & Gas Services, Telecommunications and Public governance. I was an Associate Lecturer/Part-time Lecturer in Accounting at the Olabisi Onabanjo University, formerly Ogun State University (1984 – 1998) and Senior Accounting Fellow at the Covenant University Ota, Nigeria (2004 -2006).

I eventually came into Economics in 2011 after stepping down as the Secretary to the Ogun State Government into a lowly position of Lecturer II but moved rapidly to the Senior Lecturer-ship position at Tai Solarin University of Education, Ijebu Ode (2011-2014). I was employed as a Senior Lecturer in the Department of Economics. Two years after, I was appointed as a Visiting Professor (Business and Applied Economics) at Crescent University Abeokuta

in 2016, one month short of my sixtieth birthday. Given my commitment to the Babcock project, I stayed on as a Senior Lecturer. I was promoted to Associate Professor (Macroeconomics) in 2017 and Professor of Development Economics in 2021 at Babcock University, Ilishan-Remo, Ogun State, Nigeria.

The beginning of the journey to today's inaugural lecture was commissioned by God the Almighty through the instrumentality of a wonderful lady Mrs V. M. Adeleye in 1973.

**Indeed, in their hearts humans plan their course,
but the LORD establishes their steps (Proverbs 16:9).**

1. Market Failure

Capitalism is an economic system in which private individuals or businesses own capital goods. The production of goods and services is based on supply and demand in the general market. This is known as a market economy. The alternative model is the planned economy or command economy of Socialist central planning. The purest form of capitalism is free market or laissez-faire capitalism. Here, private individuals are unrestrained. They may determine where to invest, what to produce or sell, and at which prices to exchange goods and services. The laissez-faire marketplace operates without checks or controls. Today, most countries practice a mixed economic system that includes some degree of government regulation of business and ownership of select industries. Nigeria is not an exception.

One major bane of the capitalist model is the Business cycles phenomenon which is a type of fluctuation found in the aggregate economic activity of a capitalist nation. It is a cycle that consists of expansions occurring at about the same time in many economic

activities, followed by similarly general contractions (recessions). This sequence of changes is recurrent but not periodic and affects the different strata of the economy differently mostly widening the *Gini coefficient* of such countries. The *Gini* index is a measure of the distribution of income across a population. A higher *Gini* index indicates greater inequality, with high-income individuals which are counter-productive to inclusive development.

The second drawback of a capitalist economy is the concept of market failure which occurs when individuals acting in rational self-interest produce a less than optimal or economically inefficient outcome. Market failure refers to the inefficient distribution of goods and services in the free market. Piketty (2014) presents a two-fold theory on how the wealth of a society becomes more concentrated and why this is counter-productive to development.

The first of the laws states that ‘inequality rises when the rate of return of factors of production (profits, dividends, interests and rents) is larger than the rate of economic growth.’ The second law posits that ‘sustained increases in the capital-to-output ratio concentrates income in the hands of the owners of capital to the detriment of workers (return of capital surpasses the return of labour, i.e. wages).’ This second fundamental law of capitalism is formally stated as:

$$\beta = s/g.$$

(1)

where:

β = the ratio of wealth and income (Capital coefficient)

s = savings and

g = growth

This ratio is positively related to the savings rate (s), and negatively to the growth rate of income (g). Piketty gives the following example. If the savings rate of 12% does not change, and the growth rate is halved from 4% to 2%, the capital ratio of 300% increases to 600%. This is a formidable rise in the ratio between capital and income. The 'fundamental' behind this equation is that you need 'capitalism' in the form of financial markets to get equilibrium in the circular flow.

These two laws based on the study of the developed economies found the explanation for the market failures phenomenon which is inherent to capitalism but which in turn accentuates inequalities (larger *Gini* ratio) and depressed growth. Consequently, the few rich people accumulate more capital, wealth and both economic and political power. The consequential impacts of these are unending poverty, societal instability, disorder and threat to the very foundation of liberal democracy. It is a case of the rich getting richer and the poor lagging further behind. Piketty (2014) recommended increases in the provision of public goods and services, a robust social safety net, and progressive taxation of income and wealth. Therefore, a GDP growth does not necessarily result in sustainable development. Development is a multi-dimensional concept which includes the economic, social, environmental, and emotional assortments. The inclusive growth will be presented in the next sections.

2. Inclusive Growth

Poverty like development is multidimensional. So a single index of measurement will not suffice. The concept of inclusive growth is not new to policymakers and researchers. However, there is no agreed and common definition of inclusive growth or inclusive development. The idea of an inclusive growth model was first mooted by Yin (2004). It goes beyond economic growth. It encompasses economic, social and institutional dimensions together with equal opportunities and equity leading to a larger economy (Rauniyar & Kanbur, 2010). As explained by the Indian Planning Commission (2007), it is the process of incorporating economic agents hitherto excluded in the design and implementation of the development process. It focuses on both the pace and pattern of growth. In order to ensure that growth is inclusive, it should promote unrestricted opportunities for the people, wealth redistribution, protect the disadvantaged people and guarantee political participation, justice and fairness in the economy.

For Sharafutdinov, et al. (2019), inclusive growth as the economic development model must incorporate a balanced socio-economic system that improves wealth, reduces poverty and promotes income equality, redistribution of wealth and other desirable socio-economic changes in the economy. In the same vein, for growth to be inclusive, Dooley and Kharas (2019) contended that such growth should lead to an increase in the consumption of households which is broadly distributed in the economy. It is also defined as income growth adjusted for an equity component (Alekhina & Ganelli, 2021) and must actually lead to development.

In addition, it must focus on the process of growth and the outcomes of growth (shared benefits) rather than focusing simply on output (Niekerk, 2020). To the Organization for Economic and Cooperation Development (2022), for economic growth to be considered inclusive growth, it must be fairly distributed and allows socio-economic opportunities for everyone in the economy.

The indicators of inclusive growth as proposed by Ncube (2015) are the rate of poverty; the ratio of primary school enrolment; the proportion of income meant for the 60 per cent poorest; the ratio of government expenditure on education to total government expenditure; the ratio of the enrolment in secondary school and openness to trade and governance. In addition, Sharafutdinov, et al. (2019) provided other indicators: poverty level; average household income per capita per day; welfare inequality; net income inequality; and purchasing power.

Alekhina and Ganelli (2020) further recommended the use of the Inclusive Growth Index which incorporates growth and equity as the yardstick for assessing inclusive growth. Kouton (2019) suggested the use of GDP per person which is the availability and distribution of opportunities among people in the economy. The African Development Bank (2012) defines Inclusive Growth (IG) as “economic growth that results in a wider access to sustainable socio-economic opportunities for a broader number of people, regions or countries while protecting the vulnerable, all being done in an environment of fairness, equal justice, and political plurality (p.2).” Fasanya and Onakoya (2012b) however observed that the access to finance is a key pro-poor instrument. They contend that the development of micro-credit banks or organizations and the provision of other micro funding facilities to some extent enhance

the general welfare of rural dwellers. These measures reduce the level of poverty in the economy but if and only if they are properly funded and managed.

*The cake has to be baked first
before talking about sharing the cake.
Economic Growth is the baking of the cake.
Without the cake, there is nothing to share.*

3. Economic Growth

Economic growth is the improvement or increase in the inflation-adjusted market value of the goods and services produced by an economy over time. This conventionally is measured statistically as the annual percentage rate of the upsurge in the real gross domestic product (real GDP). Such growth is calculated in real terms by adjusting for inflation in order to abolish the distortionary influence of inflation. Economic growth gauges the expansion or contraction of the economy of a country and is a popular choice of measurement by policymakers and academics. According to Bjork (1999), the measurement of economic growth uses national income accounting.

Kuznets (1934) provided an insight into the idea of economic growth which stems from the Classical school of economics. It focuses on economic growth and economic freedom, advocating laissez-faire ideas and belief in free competition. Herein, the growth in national income epitomizes the growth in the wealth of a nation. The concept became popular during the industrial revolution which began in 1760 to sometime between 1820 and 1840 in Great Britain, Europe and the United States. The use of the GDP as the standard

tool for measuring a country's economy was adopted at the Bretton Woods Conference in 1944.

The GDP is an indicator and appraisal of the value added in a country. This is the total value of all goods and services produced in a country less the value of the input required. GDP is important because it gives information about the size of the economy and how an economy is performing. The growth rate of real GDP is often used as an indicator of the general health of the economy. The economic growth rates of countries are according to Gordon (2016), commonly compared using the ratio of the GDP to population (per-capita income). The rate of economic growth refers to the geometric annual rate of growth in GDP between the first and the last year over a period of time. This growth rate represents the trend in the average level of GDP over the period and ignores any fluctuations in the GDP around this trend.

The source of growth is also important. Mankiw (2011) differentiates between intensive and extensive growth. Where an increase in economic growth is caused by more efficient use of inputs (increased productivity of labour, physical capital, energy, technology or materials), it is referred to as intensive growth. In contrast, GDP growth caused only by increases in the amount of inputs available for use (increased population, new territory or new oil fields) counts as extensive growth. The development of new goods and services also results in the growth of the economy. As it so happens, in the United States of America (USA) about 60% of consumer spending in 2013 went on goods and services that did not exist in 1869. When Nigeria in 2013 rebased the economy (GDP) from about USD 270 billion to USD 510 billion, about 90% of the increase was attributable to new sectors of the economy such as

retail, movies (*Nollywood*), telecommunications and new media. These were either previously underreported or uncaptured. The rebasing exercise resulted in making Nigeria the largest country in Africa and the 26 largest in the world then.

Kuznet (1934) propagated the use of GDP as the measure of the national income of the USA but with some reservations that “The national income total is thus an amalgam of relatively accurate and only approximate estimates rather than a unique, highly precise measurement. In view of the approximate character of the national income figures, small differences or changes should not be taken as unequivocal indications that differences actually exist or that changes have actually occurred” (p. 12). In broad terms, an increase in real GDP is interpreted as a sign that the economy is doing well. The advantages and drawbacks of the use of GDP as the measure of economic growth are manifest in such choice of measurement. The prevalence of the use of GDP as a measure of economic growth is in part due to the fact that it is easier to quantify the production of goods and services. However, a multi-dimensional index is needed in order to measure other welfare achievements. In effect, GDP is not, on its own, an adequate measure of a country’s development.

Circular Flow Model: The circular flow model is an economic model that presents how money, goods, and services move between sectors in an economic system. The four-sector model consists of (i) households (the private sector), (ii) businesses, (iii) government, and (iv) the foreign sector (*see Figure 1*). The overseas sector turns a closed economy into an open economy. It is connected to the other sectors through two flows of money: foreign trade (imports and exports) and foreign exchange (inflow and outflow of capital). Like the other sectors, each flow of money is paired with a

flow of a factor of production or goods and services. The sectors in the circular flow model are the components of the calculation of national income. The expenditure approach calculates a nation's GDP as the sum of the household consumption expenditures, private domestic investment, government consumption and investment expenditures, and net exports as represented in equation 2:

$$GDP = C + I + G + [X-M] \tag{2}$$

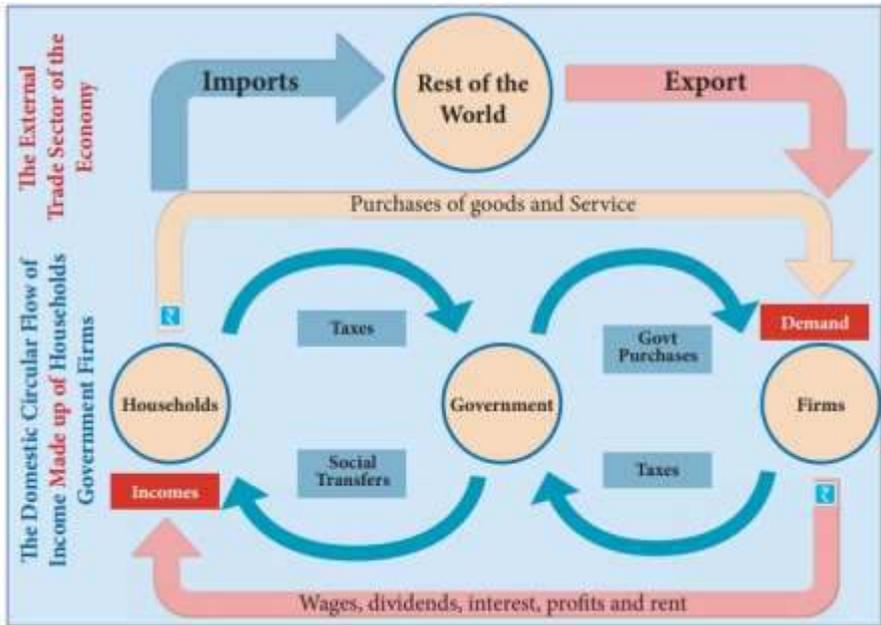


Figure 1: Four Sector Circular Flow Model

Source: <https://corporatefinanceinstitute.com/resources/knowledge/>

Money and economic resources flow in cycles indefinitely with equilibrium of aggregate income and expenditures. The circular flow of an economy is balanced when the total injections equal the leakages. If injections overweight leakages, the country's national income will grow. If injections are less than leakages, the national income will decrease as a result of an increase in the velocity of circulation, resulting in shorter holding time and a consequential reduction in the rate of economic growth which if dire may lead to recession. If businesses for example, decide to produce less, it would lead to a reduction in household spending and cause a reduction in GDP. In the alternative, if households decided to spend less, it would lead to a reduction in business production, also causing a reduction in GDP. Rigidities in the circular flow of income could for example lead to a reduction in the firms' productions. The consequential reduction in the number of employees means fewer wages and, therefore, fewer people spending in the economy, leading producers to reduce output again, continuing the cycle and causing the emergence of the poverty trap.

Flaw of Averages

One of the value restrictions of GDP is the 'flaw of averages'. This "flaw of averages," states that plans based on assumptions about average conditions usually go wrong. Consider the case of the statistician who drowns while fording a river that he calculates is, on average, three feet deep (see Figure 2). If he were alive to tell the tale, he would expound on the "flaw of averages," which states, simply, that plans based on assumptions about average conditions usually go wrong.



Figure 2: The Flaws of Averages

Source: Savage (2012, 2). Why We Underestimate Risk in the Face of Uncertainty

This unseen flaw shows up everywhere in business, distorting accounts, undermining forecasts, and dooming apparently well-considered projects to disappointing results. The GDP only addresses average income. It neither reveals how most people actually live nor shows the beneficiaries of economic growth.

The Determinants of Economic Growth

My research interests given my dual background in accountancy and economics were in accountancy, business, finance and economics. I investigated the nexus of many of the variables affecting the growth and development of the economy. The main objective has been to understand these relationships, especially within the context of the economic theories propounded in the literature. These theories were based on the milieu of developed economies. Their applicability to

developing countries was suspect and therefore required validation. This was my main mission. Let us review the diverse determinants of economic growth.

3.1 Government

The government is said not to have business in business. Indeed, business is not run in a paternalistic manner. In business, profitability is critical. For government, it is about the welfare of the people and the security of the State. Businesses often engage in a variety of tactics to influence government policy. This includes lobbying, political contributions, and interest group politics. The role of the government is to create the environment for businesses to thrive and in so doing engender economic growth.

Public Capital Expenditure: One of the ways is investment in public capital expenditure. Indeed, public expenditure has been held out as an enabler of economic growth. One of the main questions debated by policymakers and researchers is whether public sector spending alleviates poverty in developing countries, thereby increasing economic growth. This is because while public sector spending may be considered a factor input that contributes positively to economic growth, the way public investment is financed may crowd out private investment. This Keynesian doctrine was applied by some governments during the economic doldrums caused by the COVID-19 Pandemic to ‘spend the economy out of recession.’ Onakoya and Somoye (2013) examined this thinking in the context of the macro-econometric framework at sectorial levels by deploying the three-stage least squares method to capture the transmission

channels through which capital expenditure on infrastructure promotes growth. Time series data used for the estimation covers 1970 to 2010. A macro-econometric multivariate model of 20 simultaneous equations and 11 identities was fashioned after the national accounting identity. The study showed that public capital expenditure contributes positively to economic growth in Nigeria. The results also indicate that public capital expenditure directly promotes the output of oil and infrastructure but is directly deleterious to the output of manufacturing and agriculture. The results suggest a positive but insignificant relationship to the services sector. It however confirmed that public capital spending indirectly enhances economic growth by encouraging private sector investments due to the facilitating role of government in the provision of public goods.

Government Size: The imperative of government has been underscored in the literature. The Keynesian's proposition accords government expenditure a critical role in revving up economic growth, especially during recession and depression. One of the areas of interest is the size of government. The findings in the literature on the influence of the size of government on the growth of the economy are seemingly contradictory. One common assumption across the underlining theories is the linearity of linkage between the variables. The 'BARS' curve which is also referred to as the Armeiy curve was named after the first set of scholars (Barro, 1989; Armeiy, 1995; Rahn & Fox, 1996; and Scully, 1989) who challenged the notion of linear linkage. They advanced an inverted 'U' shaped non-linear linkage and posited that at a low level, government expenditure on providing services and public goods can improve the

economic output of a nation. On the other hand, a high level of government spending reduces the productivity of the private sector (crowding out) which consequently hinders economic growth. This is because such spending is financed by increases in tax collection. As depicted in Figure 3, the size of government which optimises national output is around the middle point (B). The challenge is to identify this optimum point.

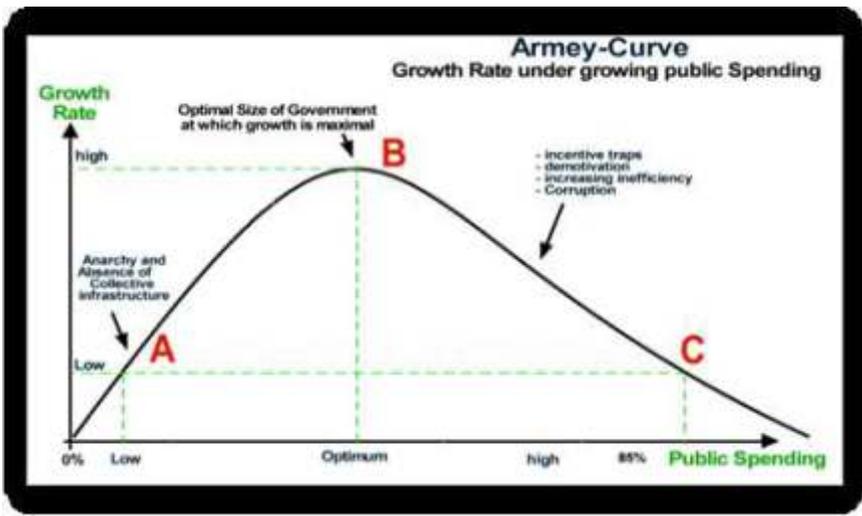


Figure 3: Army Curve

Source: <https://www.mississippi.edu> › urc ›

Awolaja, Onakoya, Ojutiku, and Aroyewun-Khostly (2020) investigated this linkage relationship in Nigeria using the Non-linear Autoregressive Distribution Lag (NARDL) technique. The result confirmed the existence of a non-linear, BARS curve relationship between the size of government and the economic growth at all the 3 tiers of government. The size of Federal government is positive but

insignificantly related to economic growth. On the other hand, increment in the sizes of each of the State and Local governments exerted positive and significant influence on economic growth. The reduction in the size of Federal governments had significant influence on growth. However, a reduction in each of the sizes of the State and local governments is insignificantly related to economic growth. The lesson to be drawn here is the need for more governance at the level closest to the people. The apparent collapse of the local government administration has exacerbated the problem of poverty and insecurity in Nigeria.

3.2 Agricultural Sector

The contributions of the agricultural sector to Nigeria's economy have not been in doubt. However, the influence of the inter-linkages of the various sectors of the real economy is critical if this primary sector is to maximize its potential. The contributions of the manufacturing, oil and gas and the service sectors are germane, complicated and multi-directional. The spill-over effects and externalities generated by the interactions and linkages between the different sectors attest to the dynamic nature of the economy. Onakoya (2018a) reported that the economic role of the agricultural sector mainly follows a one-way path as the flow of resources is mainly towards the industrial and the tertiary services sectors. The study establishes that sectoral linkages are not always beneficial, especially between agriculture and the oil sector. The study endorsed the modernization of the industrial and services sectors in order to generate an increase in local content value addition to agriculture.

3.3 Manufacturing Sector

The contributions of Nigerian manufacturing to GDP have been irregular over the years. Its importance to the promotion of economic growth has been called to question. A confirmatory test on the applicability of the Kaldorian first growth law to Nigeria was conducted by Onakoya (2015a). The result was positive. The applicability of Kaldor-Verdoorn's law which is about the relationship between labour productivity and the output of the manufacturing sector of Nigeria was also tested by Onakoya, Fasanya and Babalola (2012). The theoretical underpinning of the work rests on the Heckscher-Ohlin model of international trade. The result was also positive. **The results show that manufacturing is the veritable engine of economic growth.** This has earlier been confirmed by Onakoya (2014a) in the investigation into the contributions of manufacturing in the context of inter-sectoral linkages to economic growth.

The validity of Wagner's Law was tested in Nigeria by Aworinde and Onakoya (2015). They found evidence of uni-directional causality from GDP per capita to total government expenditure. However, a bi-directional causality subsists between the ratio of government expenditure and GDP to per capita GDP, and the ratio of government expenditure and GDP to the GDP. **These results point to the validity of Wagner's hypothesis in Nigeria.** Onakoya (2018) also validated the postulations of the pristine Verdoorn's Law (1949) and the refined Kaldor-Verdoorn's Law. This is consistent with the Arrow (1962) dynamic technical knowledge learning-by-doing) and the endogenous growth theory spearheaded by Romer (1986).

3.4 Service Sector

The tertiary sector is on the ascendancy. The Nigerian Investment Promotion Commission reported that as of 2021, services account for 53% of Nigeria's gross domestic product (GDP). The top contributory services activities are trade (16%), information and communication (12%); real estate (6%); professional, scientific and technical services (4%), and financial and insurance (3%) (<https://www.nipc.gov.ng/opportunities/services/#>). The continued ascendancy of the service sector was found to be manifest and validated the postulations of the Rostow (1960) stages of growth hypothesis in which, the service sector can be inferred from the leading sector / political revolution thesis. It is a propellant of economic growth as confirmed by Onakoya and Ajagun (2020) who found a significant and positive nexus between the service sector and economic growth in the previous year at 5 per cent level.

3.5 Oil Sector

The common refrain is that the oil sector has crowded out the influence of the agricultural sector's output, The finding of the research by Onakoya and Alayande (2020) on the impact of macroeconomic variables, the oil, and the agricultural sectors on the Nigerian economy **runs against the gamut of previous findings which has ascribed the diminished performance of the agricultural sector to the discovery and ascendancy of crude oil in Nigeria due to the Dutch disease.** It challenges the status quo.

The Dutch disease theory which is the co-existence of vast wealth in natural resources and extreme personal poverty in developing countries like Nigeria referred to as the "resource curse"