

This research was triggered by the need to analyze the effects of Government Expenditure on economic growth. This was informed by the fact that, since 1963, economic growth has experienced upswings and downswings. On average, the economy grew at an annual average rate of 6.71 percent between 1963 and 1973. The years that followed saw a recess in economic growth hitting a nadir of -0.3 in the fiscal year 2000/2001. This saw a revival of the economy in the fiscal year 2003/2004 accelerating to 6.1 percent in the fiscal year 2006/2007. The above scenario was beside the fact that expenditure allocations in the various sectors of the Government exhibited an upward slope since 1963 except in the fiscal year 1969/1970 when there was a sharp drop in the expenditure allocations. Thus, there is a cause of concern to policy makers on the implications of the expenditure levels to economic growth. A methodology adopted from Abedian and Standish (1984) is used to analyze the trends and composition of Government expenditure and the contribution of such expenditure components to economic growth. The results of the analysis show that there is need for the Government to prioritize expenditure allocations in the productive sectors of the economy for example, agriculture, health, infrastructure and education and streamline others. These sectors would help to improve the investment environment to the private sector which is the engine of growth. Moreover, it would improve the welfare of the citizens by increasing employment levels and per capital income.