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**GOVERNMENT EXPENDITURE AND ECONOMIC GROWTH OF WOBULENZI TOWN COUNCIL
IN LUWERO DISTRICT**

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ABSTRACT

This study aimed to investigate the “investigation into the impact of government expenditure on the economic growth of Wobulenzi town council in Luwero district”. The objectives of the study used were; To evaluate the relationship between government expenditure and economic growth a case study of Wobulenzi Town Council, Luwero District, to assess the effects of expenditure in education on economic growth a case study of Wobulenzi Town Council, Luwero District, to determine the impact of recurrent expenditure on economic growth a case study of Wobulenzi Town Council, Luwero Do achieve this objective, the study sampled 60 respondents using stratified random sampling, division education officer, mayor and other politicians using purpose sampling method. In their response as to whether government expenditure has boosted inflation and expected inflation, 42% strongly agreed that government spending can have the beneficial effect of lowering real interest rates and stimulating the economy further, 25% of the respondents agreed to the statement, 8% remained undecided, while 17% strongly disagreed and 8% disagree. The government should allocate more resources to areas of physical infrastructural development in order to stimulate economic growth as envisaged in the vision 2030. Furthermore, high government expenditure on transportation and communication and energy creates an enabling environment for business to thrive through reduced cost of production.

Key words: government expenditure and economic growth

Background of the Study.

Economic growth is some of the serious issues of the world today (Derrick et al., 2023). The study investigated the impact of government expenditure on the economic growth of Wobulenzi town council (Ramadhan et al., 2023). The data for the study was with the variance decomposition shows that the size of government expenditure trends to its impact on economic growth in the developing economies has continued to dominate the literature of recent in Wobulenzi (Frank et al., 2023). Government expenditure has continued to rise due to the huge receipts from production and sales of resources and the increased demand for public goods like roads, communication, power, education and health (Victoria et al., 2023).

As there is also an increase need to provide both internal and external security for the people. Unfortunately, the rising per government expenditure has not translated into meaningful growth and development it is noted that substantial volumes of empirical research based on Identifying the dual significance of government expenditure has been conducted in Wobulenzi town council though with contradictory results (Frank et al., 2023). The study will attempt to use V.A.R to complete the existing work on the topic as the study also intend to examine the interrelations among total government expenditure. The past twenty years have been a dizzying series of breakthroughs and game changing advances in economic growth (Nelson & Christopher, 2022). Our modern world is simply not the same (Oromo et al., 2023). There have been several advances in the way people do develop; the services used to bring in economic growth and how efficiently one can get any service one desires (Mark et al., 2023). The change in the mode of growth flow is relatively too drastic. This without doubt has a bearing on generally the way of living of the people and on particular aspects of man's living more influence and implications

Statement of the problem.

Government is dealing with significant number of serious and often highly sensitive cases that demand trust and confidentiality. As it gives out economic growth, citizens have great levels of trust in the government which mentors them into developed and responsible citizens. Town councils take the biggest percentage today and the future lies in their hands (Allan et al., 2023). They need to be economically strongly developed. For some citizens, the government is trustworthy simply because of its position as a government. The government is key leader since it's the representative of the country worldwide. It's presence in town council's chance the development of communities (K. Paul et al., 2023). However, according to study conducted by Mitchell (2017) increase in government argues that government programmes provide valuable "public goods" such as infrastructure. They also claim that increase in government expenditure can encourage economic growth by putting money into people's pockets, provides the health and education services for modern economies as well as maintaining public orders and safety (Joventia et al., 2023). Despite all that has been done, the attention has not been fully received by citizens from Wobulenzi town council, there is still a general lack of sensitization on how to handle the issue of economic growth and government expenditure also raises inflation which increases the aggregate money income (national income) of the community thus affecting the economy (Ntirandekura et

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al., 2022). Examining to a greater extent the role that is played by government have prompted the researcher to dig deep into the effectiveness of the government expenditure towards Wobulenzi attainment of economic growth in Wobulenzi town council Luweero District.

Specific objectives.

1. To evaluate the relationship between government expenditure and economic growth a case study of Wobulenzi Town Council, Luwero District.
2. To assess the effects of expenditure in education on economic growth a case study of Wobulenzi Town Council, Luwero District.
3. To determine the impact of recurrent expenditure on economic growth a case study of Wobulenzi Town Council, Luwero District

Methodology

Research Design

Research design was an activity plan based on the research objective and it guides the selection of source and types of information. Koda (2006) defines research design as arrangement of conditions for collecting and analyzing data in a manner that it aims to combine relevance of the research purpose with economy in procedures. Quantitative approach was used to process data which can be quantified and was numeric in nature. For example, the respondents' age, income, number of times they have visited a given destination in a given period of time, etc. According to Creswell et al. (2013), quantitative research helps in getting an in-depth analysis of the problem under investigation. Qualitative approach was used to describe qualitative data which cannot be quantified in numbers. This was included respondents' opinions and ideas. Qualitative research was also applied in order to describe current conditions or to investigate relationships, including effects and relationships. In addition, it was helped in answering questions concerning the current state of the subject under study

Population of the Study

A population is an entire group of individuals, events, or objects having common characteristics that conform to desired specifications (Mugenda & Mugenda, 2003). The target population of the study was 150 respondents including the Mayor, council members and local people of Wobulenzi town council. Data was collected from economic growth, and government expenditure in Uganda between 2005-2021.

Sample size

According to Kothari, (2004: 56) a sample size refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large nor too small. It should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and

Received: 13.10.2023

Accepted: 17.10.2023

Published on: 30.10.2023

Corresponding: Author: research.miu.ac.ug/publications

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flexibility. Hence the study will consider a study population of 60 respondents that is 1 Mayor, 20 council members and 39 local people (community). This sample size will be effective and a good representative of the population, convenient to the researcher in terms of funds, time and others.

Table 1: showing sample size

Category	Respondents	Percentage
Mayor	1	2%
Council members	20	33%
Local people	39	65%
Total	60	100%

Source: Primary data, 2022

Sampling techniques

Is a process whereby a researcher chooses entities of his/her sample (William, 1997). This included the subset of individuals from within a statistical population to estimate characteristics of the whole population, it has lower costs, data collection was faster and the accuracy and quality of data can be easily improved. In this case, probability sampling and purposive sampling was used.

Probability sampling technique

Probability sampling techniques was defined as a sampling technique in which the researcher chooses samples from a larger population using a method based on the theory of probability. The researcher selected the participants using random selection. This helped the researcher to create samples that are highly representative of the population, all members have a chance of being selected and minimizes the risk of systematic bias however it was cost-effective in terms of costs and time where by it was time consuming

Purposive sampling

This was useful where the sample was taken with a purpose in mind and the researcher has one or more specific predefined groups, he/she was seeking. It was useful where one needs to reach a targeted sample quickly and where sampling was not a primary concern (Nick, 2011). In this case the target population was workers (male and female) in Kalelwe market. The number of participants already was estimated because they needed information for the study to occur with the target participants. The technique helped in choosing those specific key participants for the research.

Data collection methods and instruments.

The researcher used questionnaires and interview guides as data collection instruments.

Received: 13.10.2023**Accepted: 17.10.2023****Published on: 30.10.2023*****Corresponding: Author: research.miu.ac.ug/publications***

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Questionnaires

This researcher used self-administered questionnaires for the respondents. These were distributed among the respondents in their respective positions. The justification for using this instrument was that questionnaires are easy to quantify and analyze. In addition, the questionnaire was used because the study focused on opinions, attitudes, feelings and perceptions of the respondents. Top members also prefer questionnaires which they can respond to instead of interviews.

Data Analysis

Data analysis was done through the use of SPSS (Nelson et al., 2022). These were analyzed through figures and tables. In addition to that, a comparison of data was also done in order to ascertain whether the information gathered from the respondents was accurate.

RESULTS**Relationship between government expenditure and economic growth****Table 1: Relationship between government expenditure and economic growth.**

Statement	F	SA	F	A	F	NS	F	D	F	SD
Boosting inflation and expected inflation, government spending can have the beneficial effect of lowering real interest rates and stimulating the economy further.	25	42%	15	25%	5	8%	10	17. %	5	8%
Increase in government expenditure on health and education raises labor productivity and increases the growth of national output.	30	50%	17	28%	3	5%	5	8%	5	8%
Produces increase the production capacity to maintain the stock. This creates more demand for capital and labour causing an increase in the level of production, which leads to an increase in the level of employment within an economy	27	45%	18	30%	2	3%	10	17 %	3	5%
Has boosted the agricultural sector	19	32%	30	50%	5	8%	4	7%	3	5%

Source: Primary Data 2022

In their response as to whether government expenditure has boosted inflation and expected inflation, 42% strongly agreed that government spending can have the beneficial effect of lowering real interest rates and stimulating the economy further, 25% of the respondents agreed to the statement, 8% remained undecided, while 17% strongly disagreed and 8% disagree (Ntirandekura & Christopher, 2022).

50% strongly agreed that increase in government expenditure on health and education raises labor productivity and increases the growth of national output, 28% to agreed, 5 % were undecided while 16% were not in agreement

Received: 13.10.2023

Accepted: 17.10.2023

Published on: 30.10.2023

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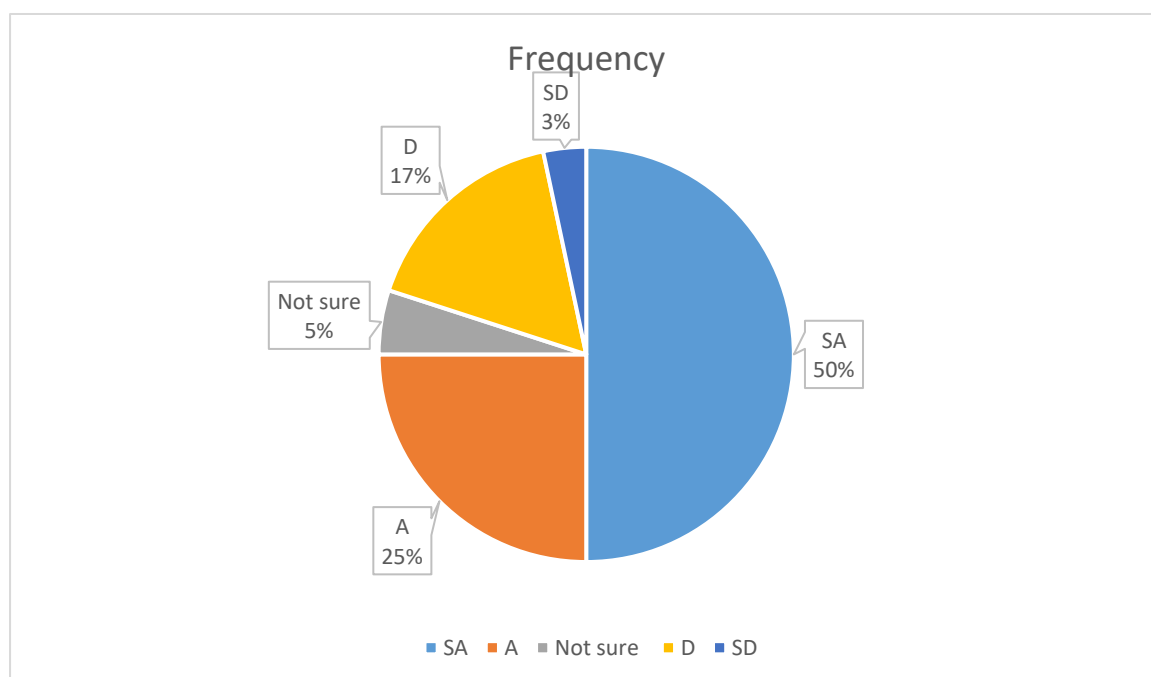
with the statement. This shows people in Wobulenzi town council have benefited from government spending on health, education thus raise in labour productivity (W. Paul & Kazaara, 2023).

45% of the respondents strongly agreed that government expenditure Produces increase the production capacity to maintain the stock, 30% agreed, 3% were un sure, 17% strongly disagreed while 5 % disagreed with the statement thus this creates more demand for capital and labour causing an increase in the level of production, which leads to an increase in the level of employment within an economy (W. Paul & Kazaara, 2023).

Effects of expenditure in education on economic growth

Increase in labour productivity, one percent increase in public expenditure in education contributes 0.34% increase in GDP per capita in the long run (Frank et al., 2023).

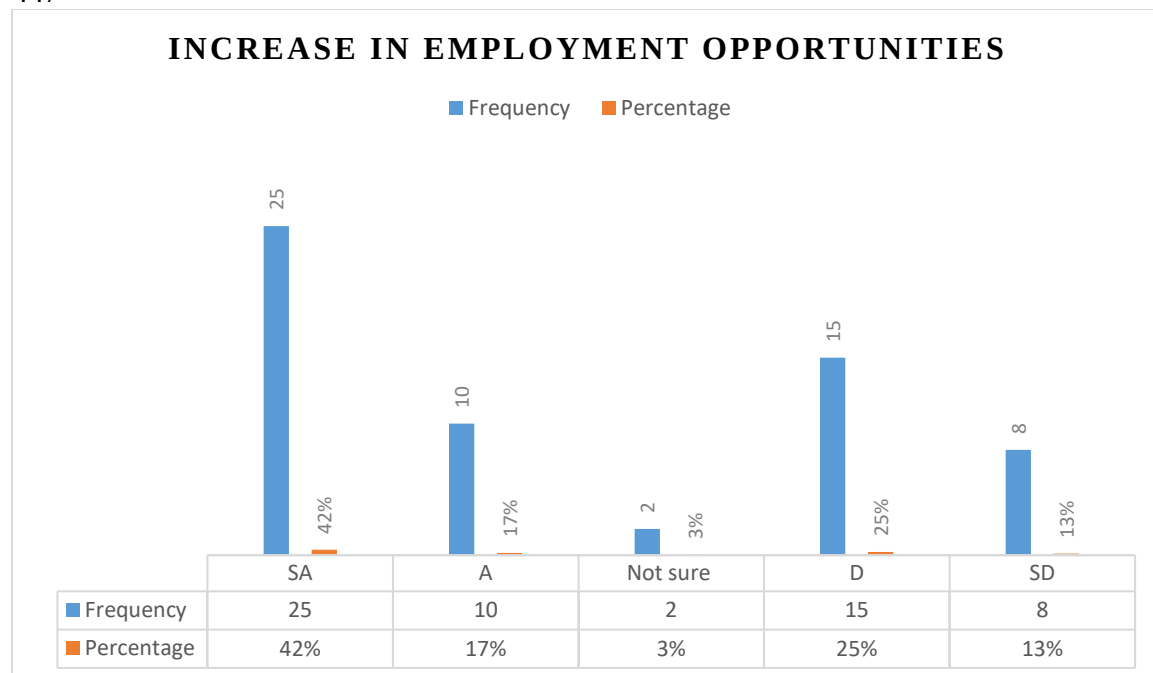
Figure 1: Increase in labour productivity



Source: Primary Data 2022

Most respondents were of the opinion that government expenditure increase in labour productivity on average, a total of 75% agreed to that consisting of 25% agreeing and 50% strongly agreeing. A few did not share the same opinion and disagreed to that 20%, at about 5% were unsure of the statement (Kazaara & Kazaara, 2023).

Figure 2: Increase in employment opportunities

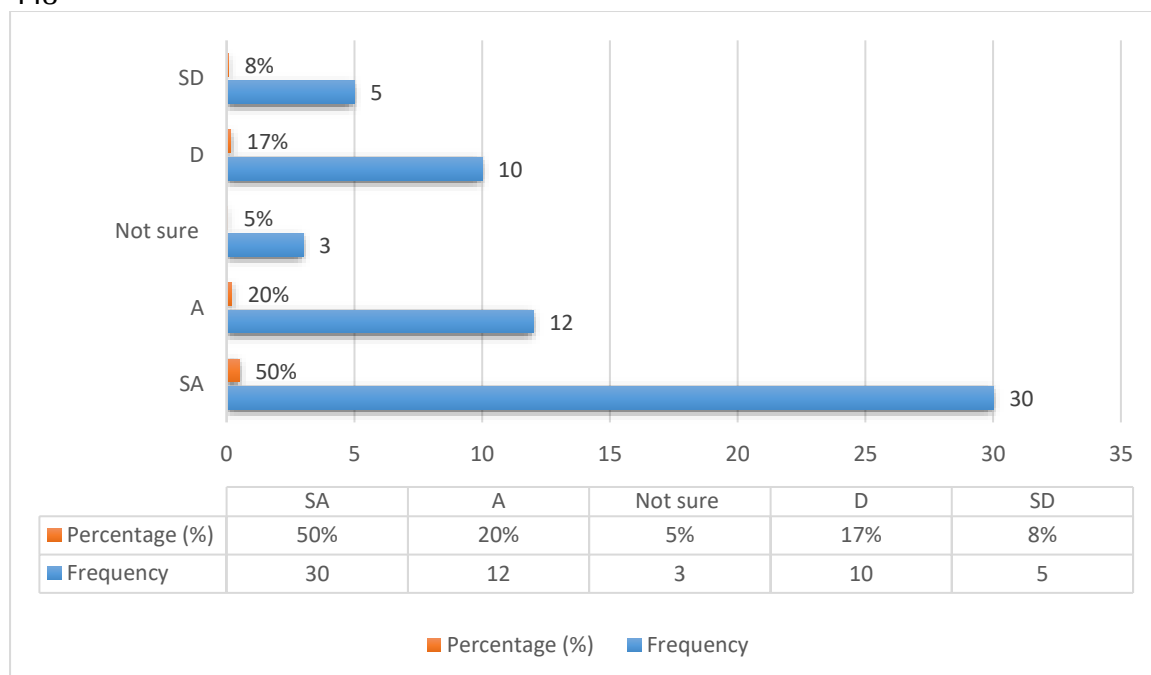


Source: Primary Data 2022

42% of the respondents strongly agreed that government spending especially in education has increased employment opportunities, 17% agreed, 2 % were unsure, 25% disagreed while 13 strongly disagreed with the statement. This is an indication that government spending on education has opened doors for many people in Wobulenzi to access new opportunities.

Figure 3: It creates awareness of the available opportunities and mobility of labour.

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Source: Primary Data 2022

According to the figure 3 above, 50% of the respondents strongly agreed that expenditure in education had created awareness on available opportunities, 20% agreed with the statement, 5% were not sure, 17% disagreed with the statement while 8% strongly disagreed with the statement thus this is an indication that educated people are able to get available opportunities which in turn improved their lives (Ntirandekura et al., 2022).

Conclusion

The evidence in the literature regarding the relationship between government spending and economic growth remains indeterminate. As Angelopoulos et al. (2008) point out this ambiguity may be attributed to the omission from the analysis of several elements that shape the government size-growth relationship, such as the efficiency of the public sector. Therefore, future research on this relationship should consider in more detail such interrelationships.

Recommendations

The government should allocate more funds for development. This is because the study found that development expenditure contributes positively to the economic growth. The government should allocate more resources to areas of physical infrastructural development in order to stimulate economic growth as envisaged in the vision 2030. Furthermore, high government expenditure on transportation and communication and energy creates an enabling environment for business to thrive through reduced cost of production.

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Received: 13.10.2023

Accepted: 17.10.2023

Published on: 30.10.2023

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Received: 13.10.2023

Accepted: 17.10.2023

Published on: 30.10.2023

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