Administration Cost and Domestic Financing in Nigeria (A Case Study of National Commission for Museum and Monuments Ile -Ife, Osun State)

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ABSTRACT: The study explored the administration cost and domestic financing in Nigeria with reference to organization of government departments and agencies regarded cost management. As regarded in this study, National Commission for Museum and Monuments Ile -Ife, Osun State was used as case study of a governmental Institution. Thus, 150 questionnaires were distributed among the museum staff in other stations and other government departments and agencies for a cross balancing of facts of the variables used in the study. Independent variable, proxied, (general administration cost) and dependent variable, proxied (internal loan). Structured questionnaire was employed as Primary data. Hypothesis was raised and tested. Chi-square statistics simple percentage, tabulation, Ordinary Least Squares (OLS) and SPSS were adopted. The study found that the Chi-Square statistics showed that general administration cost had a significant relationship on the internal loans of the Nigerian government. The study concluded that government administration cost had a significant impact on domestic financing of Nigerian government. The study recommended that national budget in running the administrative offices should be reduced and manage efficiently in order to curb excessive spending.

KEYWORDS: Domestic Financing, Internal Loan, General Administration cost

1. INTRODUCTION

Since the independence of Nigeria in 1960, the government responsibility for indigenous leadership and governance has increased and it became necessary to administer the will of the state. It follows that the government incurs costs in the process of administration known as the government expenditure (Osuji, 2018). In Nigeria, costs associated with the running of the government have increased tremendously over the years, thereby reducing the proportion of public revenue that is available to support growth and implement the primary functions of government (CBN, 2005). Consequently, the major purposes of government have been hindered. The above factors has facilitate high cost in administering their will to the citizens of the country and that has led to an increased in the budget estimate presented to the National Assembly for approval so as to enhance the country outflows. However, the outflow has continued to intensify in geometric proportion, while economic progression has unrelenting develop at a sluggish pace in Nigeria even in the face of a gigantic increase in outflow to boost growth and development economically in Nigeria (Ben et al., 2018).

The cost of governance is the money spent on administrative processes. It is also known as administrative expenditure. Cost of governance is divided into two: recurrent administrative expenses and capital administrative expenses and cost of governance defined as costs associated with the running of government. In other words, these are costs incurred by the government in running its affairs. Similarly, Obasi et al., (2018) defined cost of governance as any expenditure in maintaining government administrative structures. He also equates cost of governance to total administrative expenditure, which is a part of total government expenditure in Nigeria. He said that the justification for using total administrative expenditure as cost of governance stems from the fact that administrative expenditures are incurred in governing processes.

Okeke & Eme (2015) noted that the administrative cost of running governance in Nigeria is one problem policy makers have refused to address. Those who have done so did it half-heartedly and the country is gradually grinding to a halt. If only we could address this, Nigeria would be saving billions of naira that could be pumped into other productive ventures. The current financial crisis has forced the government around the world to cut budgets, restructure service delivery strategies, reset priorities, and assume enormous new financial responsibilities. Domestic finance works to support equitable and sustainable economic growth and financial stability through policies to increase the resilience of financial institutions and markets, and to increase access to

credit for small businesses and low or moderate income communities. It is the government duty to the public to provide social goods, allocate and distribute resources and amenities, check inflation and unemployment, eliminate or minimize current account and balance of payment deficits and plan normal economic growth and development with the full potential output (Jelilov & Musa,. 2016).

A point of departure is to consider how the Government budget is divided strictly between recurrent and capital expenditures while recurrent expenditure as a percentage of total government expenditure is substantially above capital expenditure, it would lead to reduction in provision of infrastructure, fall of investment, reduction in level of employment etc. thus stagnating economic growth. Nigeria government administrative cost is expected to be high while considering the estimated land mass of 923,773km2, population of above 180 million. 2006 census report that the nation is blessed with innumerable vegetation, solid mineral and gigantic bond of crude petroleum with natural gas; measure above 27 billion barrels of crude and 120 trillion standard cubic feet of gas, correspondingly (Nwamgbebu et al., 2019).

1.2 Statement of the Problem

The Nigeria government administrative cost on the recurrent side has always exceeded the capital expenditure for infrastructure and public facilities. The cost of running government departments, ministries and agencies over a long period of time pose a greater effect on the finance of the nation, thus reducing the cost of financing other necessary capital budget in the country (Ben et al., 2018).

The dream of development for the improvement in the standard of people seems to be fading away. This could be ascribed to the inability of the various governments in the past to effectively utilize the available scarce resources to accomplish the desired goals of development in the society. The dissipation of financial, physical and intellectual energies in capturing governance of the state leaves very little for creating appropriate conditions for cultivating a developmental state. Many of the high costs of administration and governance are mainly due to the lack of institutional structures that divert attention away from capacity to produce (Wenyi et al., 2018).

Domestic financing source have some limitations compared to the progress the populace desires and have caused economic activity to become unstable over the time. This has led many Nigerians to voice their opinions on the matter. Still, there have been no convincing signs that those responsible for ensuring successful and effective control over the cost of governance are willing to change how things are done.

1.3 Objective of the Study

The specific objective of the study is to evaluate the relationship between the administrative cost and internal loans in Nigeria. The specific objective is to;

    i.   Examine the relationship between general administration costs on internal loans of the Nigerian government.

1.4 Statement of Hypotheses

The following hypotheses in the null form was tested;

H_{03}:   There is no relationship between general administration cost and the internal loans of the Nigerian government.

2. CONCEPTUAL REVIEW
2.1. Independent Variables
2.1.1   General Administrative Costs

General administration cost is associated with the running of government activities. In Nigeria, General administration is on the recurrent side, it has always exceeded the capital expenditure for infrastructure and public facilities. The cost of running government departments, ministries and agencies over a long period of time pose a greater effect on the finance of the nation, thus reducing the cost of financing other necessary capital budget in the country (Ayange et al., 2020). Okeke & Eme (2015) noted that in General administration, cost of running governance in Nigeria is one problem policy makers have refused to address. Those who have done so did it half-heartedly and the country is gradually grinding to a halt. If only we could address this, Nigeria would be saving billions of naira that could be pumped into other productive ventures. The current financial crisis has forced According to Ryan, (2019). Administrative costs are costs related to the general administration of the business. This category of costs does

not relate specifically to any business function such as production and sales. These costs are incurred at the corporate level, rather than by individual departments or business units.

It is imperative to note that administrative costs/expenditure can be related to cost of governance in the public sector. It is on that note that, Iyoha et al., (2015) defined cost of governance as any expenditure in maintaining government administrative structures. He also equates cost of governance to total administrative expenditure which is a part of total federal government expenditure in Nigeria. Andrea et al., (2016) as cited by Nwamgbebu et al., (2019) decomposed cost of governance into two: recurrent administrative expenses and capital administrative expenses. They defined cost of governance as costs associated with the running of government. In other words, these are costs incurred by the government is running this affair. The government helps to sustain the social contract that binds every member of the state (Ibrahim et al., 2016).

2.1.2 Dependent Variables
2.1.3 Domestic Loan

Domestic loan is defined as the part of the total debt in a country that is owed to lenders within the country. Also called domestic debt is seen as the gross liability of government and properly considered should include federal, state and local governments transfer obligations to its citizens and corporate firms within the country (Njoroge, 2015)

In the long term, increasing domestic financing will help governments build a track record to access international markets as research has shown that countries that have successfully issued sovereign bonds on international markets have typically had a long prior experience with issuing domestic government bonds in their domestic markets (Andrea et al., 2016).

Okwu et al., (2016) views domestic government loan as debt instruments issued by the Federal government and denominated in local currency. In principles, state and local government can also issue debt instrument but limited in their ability to issue such. Debt instrument consist of Nigerian Treasury certificates, Federal government development stocks and treasury bonds. Out of these, treasury bills, treasury certificates and development stocks are marketable and negotiable while treasury bonds; ways and means advances are not marketable but held solely by the Central Bank of Nigeria.

Ifeanyi and Umeh, (2019) conceives domestic loan as the gross liability of government and properly considered should include federal, state and local governments transfer obligations to its citizens and corporate firms within the country. Consequently, the Central Bank of Nigeria as banker and financial adviser to the Federal government is charged with the responsibility for managing the domestic public debt. When a loan is obtained to enable the state or nation to purchase some sort of assets, the debt is said to be reproductive e.g., money borrowed for acquiring factories, electricity refineries etc. However, debt undertaken to finance wars and expenses on current expenditure are dead weight debts.

2.1.4 Effect of Domestic Loan

i. Internal loan may aid government development program if the government sells bonds and development stocks to members of the public to finance its capital expenditure thereby pulling out funds out of personal and corporate income which is effectively utilize in infrastructural projects which by a multiplier effect facilitate generation of a multiple of that income leading to economic growth.

2.2. Theoretical Review
2.2.1 Debt Overhang Theory

Debt overhang is the condition of an organization (for example, a business, government, or family) that has existing debt so great that it cannot easily borrow more money, even when that new borrowing is actually a good investment that would more than pay for itself. Debt overhang, first formalized by Myers (1977), captures the insight that investment often leads to external benefits that accrue to the firm's debt claims. These external benefits consequently lead equity holders (or equivalently managers who are paid in equity) who make investment decisions to internalize only part of investment benefits, and hence to under invest relative to the level that maximizes the total value of the firm. The theory is based on the premise that if debt will exceed the country's repayment ability with some probability in the future, expected debt service is likely to be an increasing function of the country's output level. Thus, some of the returns from investing in the domestic economy are effectively 'taxed' away by existing foreign creditors and investment by domestic and new foreign investors are discouraged (Idris & Baker 2017).

2.2.2 Administrative Theory

Administrative theory is based on the concept of departmentalization, which means the different activities to be performed for achieving the common purpose of the organization should be identified and be classified into different groups or departments, such that the task can be accomplished effectively. The administrative theory is given by Henri Fayol, who believed that more emphasis should be laid on organizational management and the human and behavioral factors in the management. Thus, unlike the scientific management theory of Taylor where more emphasis was on improving the worker's efficiency and minimizing the task time, here the main focus is on how the management of the organization is structured and how well the individuals therein are organized to accomplish the tasks given to them (Jeff-Anyeneih et al., 2019).

The other difference between these two is, the administrative theory focuses on improving the efficiency of management first so that the processes can be standardized and then moves to the operational level where the individual workers are made to learn the changes and implement those in their routine jobs. While in the case of the scientific management theory, it emphasizes on improving the efficiency of the workers at the operating level first which in turn improves the efficiency of the management Thus, the administrative theory follows the top-down approach while the scientific management theory follows the bottom-up approach (Liu & Jonathan, 2017).

2.2.3 Loanable Funds Theory

The loanable funds doctrine extends the classical theory, which determined the interest rate solely by saving and investment, in that it adds bank credit. The total amount of credit available in an economy can exceed private saving because the bank system is in a position to create credit out of thin air. Hence, the equilibrium (or market) interest rate is not only influenced by the propensities to save and invest but also by the creation or destruction of fiat money and credit.

The loanable funds doctrine, by contrast, does *not* equate saving and investment, both understood in an *ex-ante* sense, but integrates bank credit creation into this equilibrium condition. According to Okwu. (2016) "There is a credit market… but there is no such market for savings and no price of savings". An extension of bank credit reduces the interest rate in the same way as an increase in saving. During the 1930s, and again during the 1950s, the relationship between the loanable funds' doctrine and the liquidity preference theory was discussed at length. Some authors considered the two approaches as largely equivalent but this issue is still unresolved.

2.3 Empirical Review

James et al., (2015) explored the effect of domestic debt, as a share of Gross Domestic Product (GDP), on economic growth in the East Africa Community (EAC) over the period 1990-2010. This study was based on the Solow growth model augmented for debt. Levin-Lin-Chu test (LLC) was used to investigate the properties of the data with respect to Unit roots. The Hausman specification test was used to select the panel fixed-effects model, which was corrected for heteroscedasticity. The results show that domestic debt has a positive significant effect on per capita GDP growth rate in the EAC. The policy implication is to promote sustainable levels of domestic borrowing to enhance growth.

Okeke & Eme, (2015) examined the effect of Nigeria Governance/Administrative Cost on Economy. The data from 2010 to 2014 was evaluated based on the statistical information released for each state of the federation and the federal government. Findings revealed that the cost of governance in Nigeria is high and as results affect the living standards for the citizenry. They described the Nigeria's democratic systems as the most expensive in the world with minimal evidence in terms of infrastructure development, poverty level and pace of general economic growth. For instance, the United States of America with a higher population and higher number of states than Nigeria, has 12 federal Secretaries (ministers) and ministries as against Nigeria's over 40 ministers and ministries.

Sanja et al., (2016) evaluated the importance of domestic sources of financing for the economic growth in the period after the reduction of foreign investments in South East Europe countries. The survey was conducted on a sample of eight selected countries of South East Europe (Western Balkans along with three countries that became members of the European Union during 2007-2012 - Bulgaria, Croatia and Romania - SEE-8). The panel data model was applied, where the GDP growth rate was taken as the dependent variable, while the analyzed independent variables were growth rates of the following parameters: assets, loan capacity, the participation of loans in GDP, loan capacity of the population, deposit capacity, deposit of the population, and participation of household deposits in total deposit liabilities. The research results indicate that the growth rate of assets, the growth rate of household deposits and the growth rate of retail deposits have a positive impact on economic growth, while the

share of loans in GDP, the growth rate of loans to households and the growth rate of deposit capacity have a negative impact on economic growth in SEE-8.

Ali et al., (2016) investigated the impact of government borrowing from central bank and commercial banks on financial development. In the Paper, government borrowing was used as Public domestic debt while credit to private sector (Private borrowing) was used as financial development. The study has been done by using time series data of Pakistan from 1972- 2015. ARDL Methodology has been used to investigate the relationship of variables. The data resource has been taken from WDI and the reports of state bank of Pakistan as well as different issues of economic survey of Pakistan. The study findings reveal that all variables have co-integration. Long run results shows that public domestic debt has significant negative impact on the financial development. Savings and inflation also impact negatively. Taxes have positive impact on the financial development. Based on the findings, it was recommended that public domestic debt should be reducing so that credit to private sector should increase.

Ibrahim & Shazida (2019) examined the long-run relationship between domestic debt and the fiscal policy of economic growth in Nigeria in the period from 1981 to 2013 owing to government reforms in the financial system, particularly due to the establishment of the Debt Management Office (DMO) in 2000 and a new fully funded pension fund scheme, both of which resulted in a resurgence of the debt market. The issue that is often raised is the doubt regarding the stability of the debt and its likely implications for the economy, as well as the unpleasant consequences for the government embarking on consolidation. The study employs the autoregressive distributed lag (ARDL) approach and the bounds test as proposed by Narayan (2005), anchored on the perspective of the endogenous growth theory. Furthermore, the paper develops a system to assess the speed of the adjustment mechanism coefficient in an error correction model (ECM). The results reveal that although overall the adverse negative domestic debt hurts the economy, it has a positive effect on the total aggregate government revenue and economic growth in Nigeria in the research period.

3.0 METHODOLOGY

3.1 Research Design

To achieve the objective of this study, a survey design was used by obtaining primary data from National Commission for Museums and Monuments Ile-Ife, Osun-State, Nigeria.

This is for the purpose of obtaining data to enable the researcher to narrow down the study to cover internal loans as the domestic financing and general administrative cost.

3.2 Study Population

The study population for this research consists of Staff of National Commission for Museums and Monuments Ile-Ife, Osun-State, Nigeria.

3.3 Sample Representation (Size) and Sampling Technique(s)

The sample size of this study is made up of 150 staff of National Commission for Museums and Monuments Ile-Ife, Osun-State, Nigeria.

Purposive sampling technique was used due to availability of current information on variables to access the general direction of changes which occur over time.

3.4 Method of Data Collection

This study focused on Government administrative costs and domestic financing in Nigeria. The relevant information used for the data analysis was collected by distributing questionnaire to the top officials of Nigerian government ministries mainly for the purpose of this research.

3.5 Research Instrument

The instrument used to gather information for the study is questionnaire.

3.6. Method of Data Analysis

For the purpose of this study the data collected from primary source was analysed from panel data using Ordinary Least Squares (OLS) and SPSS.

3.7. Measurement of Variables

The variables are dependent, independent variables and error term. For the purpose of this research study, the dependent variable was domestic financing, while the independent variable was the administrative costs.

Table 1: Study Analysis of Variables

Variables	Measures	Symbols
ADMINISTRATIVE COST (AC)		
General administration cost	General administration cost	GA
DOMESTIC FINANCING (DF)		
Internal loans	Internal loans	IL

Sources: Researcher's computation 2023.

The variables of the study are mathematically expressed as follows:

y = f(x), where "y" is Domestic Financing (DF) measured by Internal loans; "x" represent Government Administrative Cost (AC) measured by General Administration.

3.8 Model Specification

The variables of the study are mathematically expressed as follows; Y = f(x)

To capture the study objective, the explicit form of the finance was adopted

$GA = \beta_0 + \beta_2 IL + e$ …………….…………………………………………..i

Where;

GA = General administration cost (Dependent variable)

IL= Internal loans (Independent variable)

B_0, β_1 = Estimated coefficients of variables

e = Error term.

3.9 A priori Expectation

Positive significant relationship was expected between Government administrative cost and domestic financing in Nigeria. The a priori expectation of the model was expressed as: $\beta_1 - \beta_2 \geq 0$ and are positive

3.10 Measurement of Variables

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Variables	Measures	Symbols
ADMINISTRATIVE COST (GAC)		
General administration cost	General administration cost	GAC
DOMESTIC FINANCING (DF)		
Internal loans	Internal loans	IL

Sources: Researcher's computation 2023

4. DATA ANALYSIS AND DISCUSSIONS OF RESULTS

This section explains the presentation, analysis and interpretation of the data retrieved from the field survey through the use of questionnaire in order to utilize National Commission For Museums And Monuments Benin as a basis for understanding the close proximity between government administrative cost and domestic financing of Nigeria..Consequently, the study adopted both mathematical and statistical techniques to provide the basis for the testing of the research hypotheses. The data were analysed using table, chart, frequency counts, percentage, item analysis, Chi-square analyses.

4.1 Questionnaire administration and return rate

A total number of one hundred and fifty (150) questionnaires were administered to the staff of National Commission for Museums and Monuments Benin. All the administered questionnaire were returned and found useful for analysis giving a response rate of 100%. This was achieved through a constant phone calls, text messages, and the services of a field assistance. The response rate of the administered questionnaire is as shown in Table 1.

Table 1: Questionnaire administration and return rate

	Number of Questions	Percentage
Total Number Administered	150	100%
Total Number Returned	150	100%
Number of No Response Rate	Nil	Nil

Source: Field Survey, 2023.

4.1 1. Reliability Test

The reliability of the drafted instrument was established using the test-re-test method and the final instrument was produced after correcting the data, which was Cronbach test, a co-efficient reliability of 0.989 was obtained for the instrument as shown in the table below.

Table 2. Reliability Statistics

Cronbach's Alpha	N of Items
0.989	20

Source: Authors computation 2023.

In order to examine the consistency and reliability of the research instrument, Cronbach's alpha (α) reliability testing tool was applied. Table 2 shows the estimate of the Cronbach alpha to test for the reliability of the four-point Likert scale used in this study so as to avoid spurious and invalid analysis. The findings show a sufficient high Cronbach value of 0.989 which points to a consistent result.

4.1.2 Demographic and Frequency Characteristics of the Respondents
4.1.2.1 Gender of the Respondents
Table 3: Gender of the Respondents

Gender	Frequency	Percent
Male	85	56.7
Female	65	43.3
Total	**150**	**100**

Source: Researcher's field survey 2023

From the table above, it shows that 85 respondents were male representing 56.7% while 65 of the respondents were female representing 43.3%. This information showed that male responded more than female.

4.1.2.2 Age of the Respondents
Table 4: Age of the Respondents

Age	Frequency	Percent
25-35	10	6.6
36-46	103	68.7
47 and above	37	24.7
Total	**150**	**100**

Source: Researcher's field survey 2023

Table 4 above explained the diagrammatic representation of the respondents' age. This table revealed that 10 respondents (6.6%) were age group 25-35, 103 respondents which represents 68.7% were age group 36-46, while 37 respondents which represents 24.7% were age group 47 and above.

4.1.2.3 Educational Qualifications of Respondents
Table 5: Educational Qualifications of Respondents

Qualification	Frequency	Percent
ND/NCE	0	0
HND/BSc	137	91.3
M.Sc and Others	13	8.7
Total	**150**	**100**

Source: Researcher's field survey 2023

Table 5 Also revealed , no respondents were NCE/ND holder, 137 respondents representing 91.3% were holders of HND/B.Sc., while 13 respondents which represents 8.7% were in the category of M.Sc, and others qualifications..

4.1.2.4: Work Experience of Respondents
Table 6: Work Experience of Respondents

Working Experience	Frequency	Percent
0-6 years	13	8.7
7-13 years	120	80
14 years and above	17	11.3
Total	**150**	**100**

Source: Researcher's field survey 2023

Table 6 presents the frequency table of the respondents working experience. From Table 6, it will be noted that it shows that 13 respondents representing 8.7% were 0-6 years of experience, 120 respondents representing 80% were in the category of 7-13 years of experience while 17 respondents which represents 11.3% were in the range of 14 years and above.

4.1.2.5: Levels of Respondents
Table 7: Levels of Respondents

Levels	Frequency	Percent
Level 7-10	123	82
Level 11-14	27	18
Level 15 and above	0	0
Total	**150**	**100**

Source: Researcher's field survey 2023

From Table 4.2.2.5 above, the table also shows that 123 respondents representing 82% were in the range of level 7-10 officers, senior management level, 27 respondents which represents 18% were level 11-14 officers, while none of the senior officer filled the questionnaire.

4.2 General administration costs and internal loans of the Nigerian Government.

Table 10: Determining the relationship between general administration costs on internal loans of the Nigerian Government.

Questions	Value	Frequency	Percentage (%)
There is an excessive costs attached to the administrative activities of the country	Strongly Disagree	10	6.8
	Disagree	2	1.4
	Undecided	5	2.0
	Agree	75	51.0
	Strongly Agree	57	38.8
	Total	**150**	**100.0**
The running cost of the Nigerian government are on the high sides with more effect on her finance	Strongly Disagree	19	12.9
	Disagree	12	8.2
	Undecided	14	7.5
	Agree	67	45.6
	Strongly Agree	38	25.9
	Total	**150**	**100.0**
Offices and Portfolios administration are increasing the administrative activities of the country	Strongly Disagree	21	14.3
	Disagree	7	4.8
	Undecided	10	4.8
	Agree	57	38.8
	Strongly Agree	55	37.4
	Total	**150**	**100.0**
Some departments, ministries and agencies are not contributing to the country growth but requires cost.	Strongly Disagree	20	13.6
	Disagree	25	17.0
	Undecided	16	8.8
	Agree	40	27.2
	Strongly Agree	49	33.3
	Total	**150**	**100.0**
The national budget on running and administering offices is increasing yearly	Strongly Disagree	9	6.1
	Disagree	7	2.7
	Undecided	59	40.1
	Agree	67	45.6
	Strongly Agree	8	5.4
	Total	**150**	**100.0**

Source: Researcher's field survey 2023

Table 10 shows the summary of the subjective responses of the 150 respondents on determining the relationship between general administration costs on internal loans of the Nigerian Government. Majority of the respondents representing 38% are strongly agreed that There is an excessive costs attached to the administrative activities of the country. However the respondents were not against the statement on whether The running cost of the Nigerian government are on the high sides with more effect on her finance and implementation as 25.9% strongly agreed to it.

Larger percentage of the respondents representing 38.8% agreed that Offices and Portfolios administration are increasing the administrative activities of the country.Though it was unanimously agreed by 33.3% of the respondents that some departments, ministries and agencies are not contributing to the country growth but requires cost. Also, it was agreed upon by the respondents that The national budget on running and administering offices is increasing yearly agreed by 45.6% Thus, from the response of the respondents, it is concluded that general administration costs plays a role in the estimation of the internal loans of the Nigerian Government.

4.3   Testing of Hypothesis
Decision Criterion
Restatement of Hypothesis
H_0: There is no relationship between general administration cost and the internal loans of the Nigerian government.
H_1: There is relationship between general administration cost and the internal loans of the Nigerian government.
Decision criterion
1.   Reject H_0: There is no relationship between general administration cost and the internal loans of the Nigerian government.
2.   Accept H_1: There is relationship between general administration cost and the internal loans of the Nigerian government.

Table 11: Chi- Square Test Statistics

   Test Statistics

	general administration cost and the internal loans of the Nigerian government
Chi-Square	129.341[a]
Df	14
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 4. The minimum expected cell frequency is 12.2.

Table 14 revealed that with chi-square stat of 129.341and a degree of freedom of 14, the test statistics is significant at 1% level since the probability value is less than 0.01. it presented the effect of the general administration cost on the internal loans of the Nigerian government. The Chi-Square statistics showed that general administration cost had a significant effect and relationship with the internal loans of the Nigerian government. This result is consistent with the result from the frequency table of the respondents.

4.6. Discussion of Findings
The objective of this study determined the relationship between general administration costs on internal loans of the Nigerian Government. Table 11 revealed that with chi-square stat of 129.341and a degree of freedom of 14, the test statistics is significant at 1% level since the probability value is less than 0.01. it presented the effect of the general administration cost on the internal loans of the Nigerian government. The Chi-Square statistics showed that general administration cost has a significant effect and relationship with on the internal loans of the Nigerian government. This result is consistent with the result from the frequency table of the respondents.

This findings is in line with the study of Igbodika et al., (2016) examined the impact of government expenditure on economic growth in Nigeria for a period of thirty-six (36) years that is, from 1981 to 2016. The study applied Autoregressive Distributive Lag (ARDL) Co-integration and Granger causality test using secondary data from the Central Bank of Nigeria. Study found that Nigeria's economic growth is independent/not affected by government recurrent and capital expenditure. They are of the opinion that the Federal Government through its appointed ministers in collaboration with the legislature review the composition of Federal Government of Nigeria total expenditure by ensuring that capital expenditure takes at least 50% of annual total expenditure. Measures such as reducing foreign training and bogus allowances for political office holders should be tailored towards reducing government consumption expenditures.

Also, Ali et al., (2016) investigated the impact of government borrowing from central bank and commercial banks on financial development. In the Paper, government borrowing was used as Public domestic debt while credit to private sector (Private borrowing) was used as financial development. The study has been done by using time series data of Pakistan from 1972- 2015. ARDL Methodology has been used to investigate the relationship of variables. The data resource has been taken from WDI and the reports of state bank of Pakistan as well as different issues of economic survey of Pakistan. The study findings reveal that all variables have co-integration. Long run results shows that public domestic debt has significant negative impact on the financial development.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1. Conclusion

General administration cost had a significant effect and relationship on the internal loans of the Nigerian government which is statistically at 5%. Based on these findings, this study concluded that government administration cost had a significant impact on domestic financing of Nigeria.

5.2. Recommendations

In line with the findings of this study, the following recommendations are proposed:

The national budget on running and administering offices should be reduce and manage efficiently to curb excessive spending.

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