

IMPACT OF MONETARY AND FISCAL POLICY IN CONTROLLING UNEMPLOYMENT IN NIGERIA

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ABSTRACT

This paper examines the link between monetary and fiscal policy in controlling unemployment in Nigeria using Ordinary Least Square method of estimation between the period 1991 and 2015. The research work made use of money supply and government expenditure as independent variables while the dependent variable was unemployment rate. Data was sourced from National Bureau of Statistics and Central Bank of Nigeria Statistical Bulletin. A multiple linear regression was formulated as model for the study. The findings revealed that money supply and government expenditure have significant impact on unemployment rate in Nigeria as shown by t-test and their probabilities. The F-test also showed that the models are significant in explaining the relationship that exists between all the variables. Therefore, the study concluded that monetary and fiscal policies both have significant impact on unemployment in Nigeria. Based on the findings from the data analysis in this research work, one can conclude that money supply and government expenditure has an important role to play in reducing the level of unemployment that the country is faced with and that if monetary and fiscal policy tools such as these are properly managed and implemented the resultant effect will be positive. The study recommends that monetary policies implemented by CBN should promote favourable investment atmosphere. The use of capital expenditure as a tool for long term growth should also be considered by policy makers.

Keywords: Fiscal Policy, Monetary Policy, Money Supply, Government Expenditure, Unemployment.

INTRODUCTION

On the basis of economic principles, it is well known that, there are two main macroeconomic policies that can be used by economic

managers to manage the health of an economy which will stimulate economic growth (GDP). These economic policies are referred to as fiscal and monetary policy. These two policies (monetary policy and fiscal policy) complement each other. The monetarists school of thought believe that monetary policy exerts greater impact on economic activity while the Keynesians believe that fiscal policy rather than monetary policy exert greater influence on economic activity (Khosravi and Karimi, 2010). The macroeconomic objectives which the use of fiscal and monetary policy helps to achieve are: economic growth, price stability, reduction in unemployment and balance of payments equilibrium (Kibiwot and Chernuyot 2012).

Reem (2009) defined fiscal policy as the means by which a government adjusts its level of spending in order to monitor and influence a nation's economy. According to him, fiscal policy is based on the theories of a British economist John Maynard Keynes whose theory basically states that governments can influence macroeconomic productivity levels by increasing or decreasing tax levels and public spending. This influence in turn, curbs inflation, increase employment and maintains a healthy value of money. Kibiwot and Chernuyot,(2012) opined that fiscal policy involves one of two things; either increasing or decreasing taxation or either increasing or decreasing government spending. All these are done to influence aggregate demand. Akanbi and Ajagbe (2012) explains that monetary policy is an instrument given to the Central Bank of Nigeria (CBN) by the federal government that is, it is a function which is a documentary policy to control the aggregate demanded in the circulation or cost. The policy is to see to the stability in wages and prices of goods and services. It is also necessary to control the volume of money in circulation and to give the domestic money a value via other controls.

Nigerian economy over the years is confronted with myriad of economic problems which gradually led to the falling living standard, increase in rate of unemployment and rise in poverty situation. Over the years unemployment has increased tremendously in Nigeria. It is a social and economic malady that has

eaten deep into the Nigerian economy. The effect is very calamitous on the government and her citizens. It reduces the standard of living of members of the society. It has been evidenced that the insecurity, insurgency and terrorism ravaging the North East region of Nigeria as well as militancy, kidnapping, sea piracy and pipe line vandalism in the Niger Delta are as a result of the high rate of unemployment in the country. Unemployment refers to the condition and extent of joblessness within an economy, and is measured in terms of the unemployment rate, which is the number of unemployed persons who are willing and able to work divided by the total civilian labor force. Hence, unemployment is the condition of not having a job, often referred to as being "out of work", or unemployed. The terms unemployment and unemployed are sometimes used to refer to other inputs to production that are not being fully used, for example, unemployed capital goods. Unemployment has increased substantially since 2007, reflecting the weakening of economic activities in Nigeria. Unemployment negatively impacts on government's ability to generate income and also tends to reduce economic activity. When unemployment is high, it follows that fewer people are paying taxes to the government to help it function. One of the goals of a modern government is to mitigate unemployment and make the environment conducive for investors to invest in other to create job and ensure price stability in the economy through effective and proper implementation of economic policies which includes fiscal and monetary policies.

The policy implementations of the government over a considerable number of years have been inconsistent with the development needs of economy. The problem lies on making use of the appropriate policy for a particular emergent need that will solve the specific economic problems that arises at a particular time, instead of the economy to have low level of investment and income, increasing inflationary trend, haphazard movement in exchange rate and other economic problems. Another problem is how to restructure the production and consumption pattern of the economy through the elimination of price distortion. The power response of the financial system to monetary policies control measures which has to do with lack of transparency in the

separation of financial intermediaries is another challenge. These problems have necessitated further for solution and serves as a basis for this study.

The main objective of the study is to determine the impact of monetary and fiscal policies in controlling unemployment in Nigeria. The specific objectives are: To determine the relationship between money supply and unemployment rate in Nigeria. To determine the relationship between government expenditure and unemployment rate in Nigeria.

The structured questions to guide this study are: What is the relationship between money supply and unemployment rate in Nigeria? What is the relationship between government expenditure and unemployment rate in Nigeria?

The following research hypotheses were formulated for the study: H₁: There is significant relationship between money supply and unemployment rate in Nigeria. H₂: There is significant relationship between government expenditure and unemployment rate in Nigeria.

This study covers the period of twenty five years (25) of data on money supply which is a determinant of monetary policy while using government expenditure which is a fiscal policy instrument and rate of unemployment between 1991 and 2015. This data was sourced from Central Bank of Nigeria Statistical Bulletin of 2015. The study shall focus on the impact of monetary and fiscal policy in controlling unemployment in Nigeria.

REVIEW OF LITERATURE

Conceptual Framework

Monetary and Fiscal Policy: Definition, Instruments and Objectives

According to Onouorah, Shaib, Oyathelemi, and Friday, (2011), monetary policy is a deliberate attempt by the monetary authority (Central Bank) to control the money supply and credit condition in the economy so as to achieve certain economic objective. As a stabilization policy, monetary policy involves the use of monetary instruments to regulate or control the volume, cost, availability and the direction of money and

credit in an economy to achieve some specific macroeconomic policy objective. The monetary instruments include bank rate, open market operation, reserve requirements etc. Economic activities are not directly affected by monetary policy instruments; they work through their effects on the financial markets. It affects economic activities through its effects on available resources in the banking sector. For instance, when the economy experiences inflationary pressure, the monetary authority can use contractionary monetary policy to stabilize the price level. This may be done by increasing the reserve ratio. This will then reduce the amount available to commercial banks for the purpose of credit facility. This will eventually reduce the pressure on prices in the economy through a reduction in the volume of money in circulation. On the other hand, if the objective is to increase the aggregate demand in the economy, the reserve ratio may be reduced. Hence, the monetary authorities use monetary instruments to keep inflation and deflation in check. Generally, Ahumada and Fuentes (2004) identified two important channels through which monetary policy affect the functioning of the banking sector: the traditional interest rate channel and the credit channel.

Medee and Nembee, (2011) explains that fiscal policy entails government's management of the economy through the manipulation of its income and spending power to achieve certain desired macroeconomic objectives amongst which is economic growth. Fiscal policy implementation can come in two ways, viz; Contractionary fiscal policy and expansionary fiscal policy. The contractionary fiscal policy involves the reduction in government aggregate expenditures while it raises taxes. On the other hand, expansionary fiscal policy a type of fiscal policy that refers to the increase in government aggregate expenditure and decrease in taxes.

Fiscal policy instruments include: Taxation, government expenditure or spending, government budget and development, imports and exports, public debts, physical control and rationing, including establishment of bank purchase corporations, and occasional interventionist policies and agencies such as National

Poverty Eradication Programme (NAPEP), Family Support Programme, Roads and rural Infrastructure, etc (Ogunbi and Ogunseye, 2011).

As noted by Anyanwu (1993), the objective of fiscal policy is to promote economic conditions conducive to business growth while ensuring that any such government actions are consistent with economic stability. Musgrave and Musgrave (1989) also identify the following as the objectives of fiscal policy;

- i. The provision of social goods, or the process by which total resource use is divided between private and social goods and by which the mix of social goods is chosen. They referred to this as allocation function.
- ii. Adjustment of the distribution of income and wealth to ensure conformance with what society considers as “fair” or “just” state of distribution. This is referred to as distribution function.
- iii. The use of budget policy as a tool for maintaining high employment, a reasonable degree of price level stability, and an appropriate rate of economic growth, with allowances for effects on trade and on the balance of payment. This is referred to as the stabilization function.

Monetary Policy Implication on Unemployment

Monetary policy got its root from the works of Irving fisher as cited in Diamond, (2003) who lay the foundation of the quantity theory of money through his equation of exchange. In his proposition money has no effect on economic aggregates but price. However, the role of money in an economy got further elucidation from (Keynes, 1930) and other Cambridge economists who proposed that money has indirect effect on other economic variables by influencing the interest rate which affects investment and cash holding of economic agents. The position of Keynes is that unemployment arises from inadequate aggregate demand which can be increased by increase in money supply which generates increase spending, increase employment and economic growth. However, he recommends a proper blend of monetary and fiscal policies as at some occasions, monetary policy could fail to achieve its objective. The role of monetary policy which is of course influencing the volume, cost and

direction of money supply was effectively conversed by (Friedman, 1968), whose position is that inflation, is always and everywhere a monetary phenomenon while recognising in the short run that increase in money supply can reduce unemployment but can also create inflation and so the monetary authorities should increase money supply with caution.

Effect of Fiscal Policy on Unemployment

Unemployment negatively impacts the federal government's ability to generate income and also tends to reduce economic activity. When unemployment is high, fewer people are paying taxes to the government to help it run. Additionally, unemployment results in fewer people with income to spend on goods and services. When less people have money to go out to eat, buy gifts, or shop at the local stores, this lowers spending. This in turn makes it more difficult for businesses to profit and expand, which can result in lower job growth and lower overall economic growth.

An important instrument of fiscal policy is tax. The tax side of fiscal policy affects unemployment in at least two ways. Firstly, taxation is one of the primary fiscal policy tools the government has at its disposal to reduce unemployment. When unemployment is high or the economy needs a boost out of a recession, the government can lower the tax rates on businesses and individuals, ultimately putting more money into the hands of consumers. In general, as consumers spend or demand more goods and services, businesses make more money and need to hire more people to keep up with increased demand. This in turn can result in more people. On the other hand, if employment was full and the economy was thriving at peak capacity, the government could raise taxes to cool things off a little and try to avoid high inflation, which is an overall increase in the price of goods. Higher taxes mean consumers now have less disposable income to buy your coffee and baked goods. When consumers buy less, your business takes in less revenue, and ultimately, you are less likely to hire new workers. You may even lay off workers to reduce costs (Hill, 2017).

Another instrument is government spending/expenditures. Spending on government programs is another way the federal government can attempt to influence unemployment and increase demand for goods and services directly. This spending is often increased during periods of slow economic growth or during recessions to bring the economy back to more normal levels of output. For example, if the government spends money on new public works programs, such as building new roads, parks, or subway systems, it can create jobs. This in turn reduces unemployment and increases disposable income and the demand for goods and services in the economy. Much like the tax side of things during an economic boom, when inflation is perceived to be a greater problem than unemployment, the government can run a budget surplus. They would slow down or cut spending and ultimately bring in more revenue from taxes. This would slow down the economy (Hill, 2017).

Unemployment Rate Profile in Nigeria

According to CBN bulletin, 2015 the strength of Nigeria's labour force in 1991 was 30,788,219. Over the years this figure experienced a gradual increase in connection to increase in birth rate in the country. It reached an high of 87,946,736 in 1999 during the year where the country returned back to democratic rule. The figure however dropped the following year to about half of what was recorded in 1999, i.e. to about 38,875,613 men and women gainfully employed in the country. In 2014, the total number of labour force in the country was 55,784,248 where the total population was over 178million people (Trading Economics, 2017). National Bureau of Statistics (2011) states that unemployment rate plus underemployment rate was 13.1% in 2006, it rose to 15.7% in 2009, in 2010, it stood at 21.1% and was 23.9% in 2011 while inflation rate has remain two digits retarding the purchasing power of money. The number of underemployed in the labour force (those working but doing menial jobs not commensurate with their qualifications or those not engaged in fulltime work and merely working for few hours) increased by 501,074 or 3.25%, resulting in an increase in the underemployment rate from 19.3 % in Q2 2016 to 19.7% (15.9 million persons) in Q3

2016. This is a marginal increase of 0.4 percentage points between quarters 2 and 3 of 2016, and shows a steady rise in the rate since Q3 of 2015. During the reference period, the number of unemployed in the labour force, increased by 554,311 persons, resulting in an increase in the national unemployment rate to 13.9% in Q3 2016 from 13.3% in Q2, 12.1% in Q1 2016, 10.4% in Q4 2015 and 9.9% in Q3 2015. Accordingly, there were a total of 27.12 million persons in the Nigerian labour force in Q3 2016, that were either unemployed or underemployed compared to 26.06million in Q2 and 24.5 million in Q1 2016 (NBS, 2016).The rate of unemployment in Nigeria was 5.1% in 2010, 6.0% in 2011, and 10.6% in 2012, 7.7% in 2014 and in 2015 the rate increased 10.4% and as at September 2016, the rate stood at 13.9% (NBS, 2016).

THEORETICAL FRAMEWORK

The Quantity Theory of Money

According to John Maynard Keynes, “an inverse in the quantity of money increases aggregate money demand on investment as a result of the fall in the rate of interest”. The increase investment will raise effective demand through the multiplier affect thereby increasing income, output and employment. Therefore when there is full employment, increase in income and output, price will change in the same proportion as the quantity of money (Jhingan, 1986). This theory deals on short run economy, which tends towards the area of macroeconomics but has contributed greatly to monetary economic.

There are at least two schools of thought in this theory: monetarist and the Cambridge school. The monetarist believes in the supreme efficiency of monetary policies by arguing that money is the most important regulatory instrument in an economy and that money has a direct effect on the economy. Hence, if money supply increases, it will eventually decompose itself an increase in the cash balance of the various individuals and economy agents in relation to prices of investment asset which is a case of portfolio theory. Therefore the demand for money (or velocity) is not a fixed quantum but varies in a fairly predictable fashion with the return on both bond and equities, the price level, price expectation, wealth and permanent

income and taste and preference (Anyanwu, 1993).

According to the Cambridge version of the quantity theory of money, he did not subscribe to the belief that money matters and that doubling the money supply will lead to doubling prices. He was of the belief that the result will be less than certain and that doubling of money supply will not necessary lend to double of prices. The Cambridge version focuses on the fraction K of income held as money balances. Thus, the version can be expressed as: $M=KPY$ or $M=KY$. The K is the inverse of V , the income velocity of money balances in the original formulation of the quantity theory. The Cambridge version directs attention to the determinants of the demand for money rather than the effects of changes in the supply of money (Higgins, 1978).

The Keynesian Theory

The Keynesians are the twentieth century economists who embraced and also broadened John Maynard Keynes' principle in the existence of incessant unemployment equilibrium, dissimilar to the classical economists idea on Say's law of market arguing that market economy are self-adjusting therefore there is no need for the government involvement in the economy. The theories forming the basis of Keynesian economics were first presented by the British economist John Maynard Keynes in his book, *The General Theory of Employment, Interest and Money*, published in 1936, during the Great Depression. They believe that fiscal policy and not monetary policy is the most powerful policy measure to make the economy stable and move it forward. They are sometimes referred to as Demand-side Economists. Keynes accepts that the forces of demand and supply could not attain full employment condition

Keynesians therefore insisted that only government interference (public sector) through the use of unrestricted policy measures would take the free enterprise economy out of depression and ensure steady growth. Variations in savings and investments are responsible for modifications in business activities and employment in an economy.

EMPIRICAL FRAMEWORK

Agu, Okwo, Ugwunta, and Idike, (2015) used descriptive statistics and also adopted the method of ordinary least square in the multiple regression equation analysis. With gross domestic product as the dependent variable while the independent variables were expenditure on the following: general administration, education, health, agriculture, construction, transport and communication. The study revealed that government expenditure tended to increase higher than revenue generation; investment expenditure far below recurrent expenditure while positive correlation exist between expenditure on government services on economic growth. Amassoma, Wosa and Olaiya (2011) also analysed the impact of monetary policy on macroeconomic variables in Nigeria for the period 1986 to 2009. Using the simplified Ordinary Least Squared technique conducted with the unit root and co-integration tests, they found that monetary policy has a significant effect on exchange rate, but it was insignificant in its effect on price instability. They concluded with a recommendation that there is a need to align fiscal policy with monetary policy so as to maximize the growth potential of monetary policies.

Folawewo and Osinubi, (2006) investigates how monetary policy objective of controlling inflation rate and intervention in the financing of fiscal deficits affect the variability of inflation and real exchange rate. The analysis is done using a rational expectation framework that incorporates the fiscal role of exchange rate. The paper reflects that the effort of the monetary authority to influence the finance of government fiscal deficit through the determination of the inflation-tax rate affects both the rate of inflation and the real exchange rate, thereby causing volatility in their rates. The paper reveals that inflation affects volatility of its own rate as well as the rate of real exchange. The policy implication of the paper is that monetary policy should be set in such a way that the objective it is to achieve is well defined.

RESEARCH METHODOLOGY

In this study, a research design is used to empirically investigate the impact of monetary and fiscal policy in controlling unemployment

in Nigeria. A research design is the structure and strategy for investigating the relationship between the variables in a given study. The study made use of ex-post facto research design. An ex-post factor investigation seeks to reveal possible relationships by observing an existing condition or state of affairs and searching back in time for plausible contributing factors. The variables used in the study and the model specification were based on established theoretical relationships, their use in previous studies and the availability of useable data. An Ordinary Least Square (OLS) method of analysis was employed to ascertain the relationship between the dependent variable (unemployment rate) and independent variables (money supply and government expenditure). The data for this study were extracted from Central Bank of Nigeria statistical bulletin of various issues within the period 1991 to 2015 which is a total of thirty years, and from National Bureau of Statistics annual releases.

Model Specification

To measure the relationship between the variables we adopt a generic regression equation specified in the following form:

$$UPR = f(MOS, GEX) \quad (1)$$

The model is stated in a multiple linear regression form:

$$UPR = \beta_0 + \beta_1 MOS + \beta_2 GEX + \mu \quad (2)$$

Where:

UPR = Unemployment Rate

MOS = Money Supply

GEX = Government Expenditure

β_0 = Constant term

β_1 and β_2 = Coefficient of explanatory variables

μ = Error term

The apriori expectation for this research work is mathematically stated as follow:

$\beta_1 > 0$ and $\beta_2 > 0$. This means that both money supply and government expenditure is expected to have a positive impact on reducing the rate of unemployment in Nigeria.

Data Analysis, Results and Interpretation

Table 1: Regression result

Variable	Coefficient (B)	T-Statistic	Probability
Constant	5.479	3.073	0.03
MOS	-0.001	-2.290	0.032
GEX	0.006	2.624	0.016

$$R = 0.514$$

$$R^2 = 0.265$$

$$F = 3.957$$

$$DW = 1.141$$

Decision Rule: If $P < 0.05$, the variable is significant or otherwise. The above result in terms of coefficients and probabilities of the regression can be interpreted as follows:

The constant is 5.479. This shows that if all independent variables were held constant, unemployment rate will be 5.479 all things being equal.

The coefficient of money supply is -0.001 and $P = 0.032$. This indicates that money supply is negatively related to unemployment rate signifying that a unit increase in money supply will reduce unemployment rate by -0.001 and its impact on unemployment rate is significant because the probability value is lesser than 5% level of significance.

The coefficient of government expenditure is 0.006 and $P = 0.016$. This indicates that government expenditure is positively related to unemployment rate signifying that a unit increase in government expenditure is followed by an increase in unemployment rate by 0.006 and its impact on unemployment rate is significant because the probability value is lesser than 5% level of significance.

The Durbin Watson figure of 1.141 falls between 0 and 2, therefore the researcher concludes that there is presence of positive autocorrelation among the variables.

Table 2: Evaluation of Result

This test is carried to ascertain if the parameter estimates conform to the apriori expectation earlier stated in this research work. The test is summarized in the table below;

Variable	Apriori Expectation Sign	Observed Sign	Conclusion
MOS	POSITIVE (> 0)	NEGATIVE (< 0)	Does not conform
GEX	POSITIVE (> 0)	POSITIVE (> 0)	The sign conforms

T Test

The student t test is used to test the individual significance of the independent variables on the dependent variable.

Decision Rule: Where T-cal is greater than T-tab we reject the null hypothesis (H_0) and accept alternative hypothesis (H_1) or when the probability value is lesser than 0.05 we accept H_1 and vice versa. The probability value is also used in testing whether a given coefficient is significantly different from zero using an alpha of 0.05 i.e. 5% level of significance.

Hypothesis One:

H_0 : There is no significant relationship between money supply and unemployment rate in Nigeria.

H_1 : There is a significant relationship between money supply and unemployment rate in Nigeria.

Conclusion: From Table 1, the p value of money supply is 0.032 is lesser than 5% level of significance. Therefore, the null hypothesis (H_0) is accepted which says there is a significant relationship between money supply and unemployment rate in Nigeria.

Hypothesis Two:

H_0 : There is no significant relationship between government expenditure and unemployment rate in Nigeria.

H_1 : There is a significant relationship between government expenditure and unemployment rate in Nigeria.

Conclusion: From Table 1, the p value of money supply is 0.032 is lesser than 5% level of significance. Therefore, the null hypothesis (H₁) is accepted which says there is a significant relationship between money supply and unemployment rate in Nigeria.

F Test

The F-test is used to test the overall significance of a model(s).

Decision Rule: If $F_{cal} > F_{tab}$ accept H_1 while If $F_{cal} < F_{tab}$ accept H_0 .

The theoretical F-value (F-tab) under 5% level of significance with $n = 2$ and $d = 22$ is 3.44.

Where $n =$ Degree of freedom (numerator), while $d =$ Degree of freedom (denominator)

Conclusion: From the regression result, $F_{cal} = 3.597$. Therefore $F_{cal} > F_{tab}$, the researcher accepts that the model is significant.

Discussion of Findings

From the results and analysis so far, we see that money supply and government expenditure have significant impact on unemployment rate in Nigeria as shown by t-test and their probabilities. The F-test also showed that the models are significant in explaining the variations in unemployment rate. We therefore conclude that monetary and fiscal policies both have significant impact on unemployment in Nigeria.

CONCLUSION

Based on the findings from the data analysis in this research work, one can conclude that money supply and government expenditure has an important role to play in reducing the level of unemployment that the country is faced with and that if monetary and fiscal policy tools such as these are properly managed and implemented the resultant effect will be positive. Therefore, in order to achieve an efficient and effective monetary policy, the federal government through the monetary authorities should revive all monetary policies that affect all sectors in the economy. They should eliminate the ones having little or no effect and modify the significant ones,

also taking into consideration the relevance of creation new policies designed for the growth of the economy as a whole. Effective use of government fiscal policy instrument such as its expenditure would also serve as an instrument to curb unemployment and other macro economic problems.

RECOMMENDATIONS

The following are the solutions and recommendations proffered by the researcher:

- i. There should be a consistent fight from the demand and supply side plus political approach by means of political and policy stability. Co-ordination of monetary and fiscal policy implies, among others, fiat monetary restraint which should be matched with lower deficit spending.
- ii. Capital expenditure should be used as a tool to plan for long term growth. By engaging in capital projects such as construction of roads, factories, and other projects, more work would be provided for the employable populace.
- iii. The study also recommends that monetary policies implemented by CBN should promote favourable investment atmosphere through appropriate stabilization of interest rates, lending rates, inflationary rates, and exchange rates to promote and ensure economic growth, economic stability, economic sustainability and economic development in Nigeria.
- iv. Transparency and accountability are required for all government revenue and spending management. They are essential to build investor, creditor and public confidence.

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APPENDICES

Appendix 1

Notes

Output Created		02-AUG-2017 09:44:32
Comments		
Input	Active Dataset	DataSet0
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	25
Missing Handling	Definition of Missing Value	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.
		REGRESSION /DESCRIPTIVES MEAN STDDEV CORR SIG N /MISSING LISTWISE /STATISTICS COEFF OUTS CI(95) R ANOVA CHANGE /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT UPR /METHOD=ENTER MOS GEX /RESIDUALS DURBIN.
Syntax		
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.08
	Memory Required	1660 bytes
	Additional Memory Required for Residual Plots	0 bytes

Source: Statistical Package for Social Sciences Version 20

Descriptive Statistics

	Mean	Std. Deviation	N
UPR	9.2440	5.27937	25
MOS	5132.4868	6186.68044	25
GEX	1981.1336	1812.98647	25

Source: Statistical Package for Social Sciences Version 20

Correlations

		UPR	MOS	GEX
Pearson Correlation	UPR	1.000	.186	.299
	MOS	.186	1.000	.969
	GEX	.299	.969	1.000
Sig. (1-tailed)	UPR	.	.187	.073
	MOS	.187	.	.000
	GEX	.073	.000	.
N	UPR	25	25	25
	MOS	25	25	25
	GEX	25	25	25

Source: Statistical Package for Social Sciences Version 20

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	GEX, MOS ^b	.	Enter

Source: Statistical Package for Social Sciences Version 20

a. Dependent Variable: UPR

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.514 ^a	.265	.198	4.72883	.265	3.957	2

Source: Statistical Package for Social Sciences Version 20

Model Summary^b

Model	Change Statistics		Durbin-Watson
	df2	Sig. F Change	
1	22 ^a	.034	1.141

Source: Statistical Package for Social Sciences Version 20

a. Predictors: (Constant), GEX, MOS

b. Dependent Variable: UPR

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176.962	2	88.481	3.957	.034 ^b
	Residual	491.960	22	22.362		
	Total	668.922	24			

Source: Statistical Package for Social Sciences Version 20

a. Dependent Variable: UPR

b. Predictors: (Constant), GEX, MOS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.479	1.674		3.273	.003
	MOS	-.001	.001	-1.688	-2.290	.032
	GEX	.006	.002	1.934	2.624	.016

Source: Statistical Package for Social Sciences Version 20

Coefficients^a

Model		95.0% Confidence Interval for B	
		Lower Bound	Upper Bound
1	(Constant)	2.008	8.950
	MOS	-.003	.000
	GEX	.001	.010

Source: Statistical Package for Social Sciences Version 20

a. Dependent Variable: UPR

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	5.7454	14.4844	9.2440	2.71540	25
Residual	-8.48436	8.32952	.00000	4.52751	25
Std. Predicted Value	-1.288	1.930	.000	1.000	25
Std. Residual	-1.794	1.761	.000	.957	25

Source: Statistical Package for Social Sciences Version 20

Appendix 2

Table 1: Data on Unemployment Rate, money Supply and Government Expenditure from 1991 to 2015

YEAR	UNEMPLYMENT RATE (%)	MONEY SUPPLY- M₂ (N'BILLION)	GOVERNMENT EXPENDITURE (N'BILLION)
1991	3.10	75.40	66.58
1992	3.50	111.11	92.80
1993	3.40	165.34	191.23
1994	3.20	230.29	160.89
1995	1.90	289.09	248.77
1996	2.80	345.85	337.22
1997	3.40	413.28	428.22
1998	3.50	488.15	487.11
1999	17.50	628.95	947.69
2000	13.10	878.46	701.06
2001	13.60	1,269.32	1,018.03
2002	12.60	1,505.96	1,018.16
2003	14.80	1,952.92	1,225.97
2004	13.40	2,131.82	1,426.20
2005	11.90	2,637.91	1,822.10
2006	12.30	3,797.91	1,938.00
2007	12.70	5,127.40	2,450.90
2008	14.90	8,008.20	3,240.82
2009	19.70	9,411.11	3,452.99
2010	5.10	11,034.94	4,194.58
2011	6.00	12,172.49	4,712.06
2012	10.60	13,895.39	4,605.39
2013	10.00	15,160.29	5,185.32
2014	7.70	17,679.29	4,587.39
2015	10.40	18,901.30	4,988.86

Sources: NBS 2016, CBN 2014, 2010, 2009, 2005.

Reference to this paper should be made as follows: Okwara, Cornelius. C. (2017), Impact of Monetary and Fiscal Policy in Controlling Unemployment in Nigeria. *J. of Management and Corporate Governance*, Vol.9, No.4, Pp 34-57
