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THE POLITICS OF BUDGETING: POWER RELATIONS IN STATE GOVERNMENT MINISTRIES IN NIGERIA

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Abstract

This paper critically examined how political power relations shape budgeting processes in Nigerian state government ministries. Using an exploratory research design, this study draws on existing empirical literature and reports to uncover patterns of political interference in budget processes. It reveals that powerful political actors often use their positions to influence budgetary allocations for personal or partisan advantage, thereby undermining the principles of accountability, fiscal discipline, and equitable resource distribution. Institutional oversight mechanisms, including state legislatures and audit offices, are often weak or compromised, further enabling elite dominance over public finances. Consequently, budgetary outcomes in many Nigerian states tend to reflect political priorities over developmental needs. The paper recommends a reconfiguration of budgeting institutions to foster greater professional autonomy, and citizen participation, thereby limiting elite capture and strengthening democratic accountability in state-level public finance management.

Keywords: Budgeting, Budget Politics, Governance, Institutional Theory, Nigerian State Ministries, Power Relations, Public Finance

1.0 Introduction

Budgeting is a fundamental instrument of governance and public financial management. It not only allocates scarce resources but also expresses the policy priorities and commitments of governments. Ideally, the budgeting process is expected to be rational, transparent, and driven by developmental needs. However, in many developing contexts such as Nigeria, budgeting particularly at the subnational level is shaped significantly by political dynamics and elite-driven considerations rather than objective policy analysis or public need (Okotoni & Erero, 2022). Rather than being a purely technical exercise grounded in fiscal planning, budgeting in Nigerian state government ministries is often politicized, shaped by the competing interests, power asymmetries, and informal networks that characterize state-level politics.

In Nigeria, the state governments occupy a crucial tier of governance, constitutionally endowed with fiscal responsibilities across critical sectors such as health, education, agriculture, and infrastructure. Yet, budgeting at this level is frequently subject to interference from political actors whose priorities often lie in rent-seeking and consolidation of power rather than efficient resource allocation or public service delivery

(Ibrahim & Adamu, 2023). Political officeholders' particularly state governors often wield disproportionate influence over budget proposals, revisions, and implementation. This executive dominance limits the autonomy of ministries and reduces the budget process to a ritualistic exercise, driven more by political expediency than evidence-based planning (Oke, 2021). As such, ministries that should ordinarily serve as technical and administrative engines of governance are often subordinated to the will of politically powerful actors.

The concept of "power relations" is key to understanding the politics of budgeting in state government ministries. Power is exercised not only through formal mechanisms but also through informal practices, discretionary control, and patronage systems. In the Nigerian context, this often manifests as the prioritization of projects that benefit political allies, reward loyalty, or maintain control over local constituencies. Consequently, budgetary allocations tend to reflect political calculations rather than developmental goals (Ocheni & Nwankwo, 2022). This undermines transparency, misaligns public spending with citizen needs, and weakens public confidence in governance institutions.

One of the critical features of budgeting in Nigerian state ministries is the erosion of bureaucratic professionalism. The bureaucracy, which ought to play a central role in fiscal planning and implementation, is increasingly politicized. Senior civil servants are frequently appointed based on political loyalty rather than competence, while line ministries are routinely bypassed during budget formulation. As Akinyele and Bamidele (2022) observed, the budget process has become an elite-driven exercise in which bureaucrats serve as instruments rather than architects of financial planning. This politicization not only affects the technical integrity of budget documents but also hinders the effective monitoring and evaluation of public expenditures.

Furthermore, institutional checks and balances that are meant to regulate the budgetary process are often weak or compromised. State Houses of Assembly, which are constitutionally empowered to scrutinize and approve budgets, are frequently subdued by the executive through financial inducements, political intimidation, or strategic co-optation (Yusuf & Eke, 2024). Audit institutions and public accounts committees, likewise, suffer from underfunding, lack of autonomy, and limited technical capacity, thereby reducing their ability to hold political actors accountable. The absence of strong oversight institutions allows for inflated budget estimates, non-implementation of capital projects, and off-budget expenditures that favour private rather than public interests (Adekunle & Musa, 2023).

At the heart of the issue is the entrenchment of informal political norms, such as godfatherism, ethnic patronage, and rent-seeking, which override formal procedures. These dynamics reproduce a budgeting culture that is opaque, clientelistic, and self-serving. While formal budget cycles and frameworks exist, including Medium Term Expenditure Frameworks (MTEFs) and Fiscal Responsibility Laws in some states, their implementation is often symbolic rather than substantive. As noted by Olowu and Olayinka (2023), the dominance of informal political arrangements results in a dual reality: one of formal

adherence to budgetary timelines and documentation, and another of informal manipulation and elite negotiation behind closed doors.

The implications of these political dynamics are far-reaching. First, they distort developmental priorities, leading to the underfunding of critical sectors such as education, health, and rural infrastructure. Second, they contribute to widespread public distrust in government institutions, as citizens perceive budget outcomes as disconnected from their needs and realities. Third, the politicization of budgeting weakens the foundation of participatory governance by excluding technocrats, civil society actors, and ordinary citizens from meaningful engagement in fiscal decision-making (Ishola & Ajayi, 2022). Fourth, they deepen regional and socio-economic disparities, as budgetary allocations are often skewed in favour of politically significant constituencies rather than equity or need.

Given these challenges, there is an urgent need to reconfigure the budgeting landscape in Nigerian state ministries. Strengthening institutional checks, depoliticizing bureaucratic appointments, and enhancing transparency in budget formulation and implementation are critical steps. Additionally, promoting public participation in budgeting through citizen forums, open budget portals, and civil society oversight can help rebalance power asymmetries and refocus fiscal governance towards developmental objectives. Political will remains a critical precondition, as reforms are likely to be resisted by entrenched elites who benefit from the status quo.

In summary, the politics of budgeting in Nigerian state government ministries underscores the intersection between power, institutions, and fiscal governance. Understanding this nexus is essential not only for diagnosing dysfunctions within public finance systems but also for designing interventions that promote equity, accountability, and effective public service delivery.

1.1 Objective of the Study

This study aims to:

(i) examine the power dynamics influencing the budgeting processes in Nigerian state government ministries.

(ii) analyze how political actors manipulate or influence budget formulation, approval, and execution.

(iii) To assess the implications of these power dynamics for transparency, accountability, and public resource allocation.

2.0 Conceptual Review/Theoretical Review

Budgeting, though often viewed as a technical and administrative function is deeply embedded in political and institutional contexts, in developing democracies such as Nigeria, budgeting becomes a tool through which powerful actors assert control over resource flows and administrative priorities (Lodge & Hood, 2021). Key concepts include:

Discretionary Authority

Discretionary authority in public budgeting refers to the latitude granted to political and administrative leaders to make spending decisions beyond predefined budgetary guidelines. This concept is widely debated in public financial management literature, especially in the context of developing nations where institutional frameworks are often weak. Lodge and Hood (2021) argue that discretionary authority is essential for responsive governance, allowing policymakers to adapt spending to changing realities. However, they caution that such flexibility must be bound by transparency and accountability mechanisms. In Nigeria, state governors and top civil servants often wield significant discretion over budget allocations, frequently making off-budget decisions without legislative consultation. While such authority is sometimes justified by urgent development needs or revenue fluctuations, its persistent use undermines institutional integrity.

Scholars such as Nwankwo and Adeyemi (2022) observed that the misuse of discretionary authority is rampant at the subnational level in Nigeria, particularly in the approval and reallocation of capital expenditures. In many cases, funds approved for infrastructure or social services are redirected mid-year to politically convenient projects without transparent justifications. These reallocations are rarely subjected to legislative oversight, reflecting a culture of impunity and weak budget discipline. This phenomenon is not unique to Nigeria; across Africa, discretionary power is often a reflection of power asymmetries rather than administrative efficiency. Furthermore, such authority has been shown to exacerbate fiscal mismanagement and reduce the effectiveness of medium-term expenditure frameworks.

Empirical evidence suggests that excessive discretionary powers erode the credibility of public budgets and increase the risk of corruption. Adebayo and Gberevbie (2023) analysed state budget executions in Nigeria and found strong correlations between discretionary expenditures and inflated procurement contracts, non-competitive bidding, and uncompleted projects. This situation is worsened by a lack of capacity among public finance institutions to challenge irregularities. When budget lines can be altered at will by top officials, planning becomes meaningless, and citizens lose faith in the credibility of government promises. In a democratic context, such practices undermine representative governance and weaken the social contract between the state and its citizens.

Several policy recommendations have emerged to curtail the abuse of discretionary authority. Digitalization of budget processes, enhanced legislative scrutiny, and public participation in budget formulation are widely endorsed by international development agencies (World Bank, 2024). According to Adeosun and Ojo (2024), participatory budgeting initiatives in Lagos State have shown modest success in limiting discretionary allocations through increased transparency. However, in many other states, such reforms are yet to gain traction, largely due to political resistance. Civil society organizations often struggle to access budget information in real time, and even when discrepancies are identified, legal and institutional barriers hinder enforcement or sanctions.

Nevertheless, some scholars caution against eliminating discretionary authority altogether. Ochieng and Waweru (2021) emphasize that some degree of discretion is necessary to respond to emergencies, unexpected revenue shocks, or changing policy needs. They argue that the key is not to abolish discretion but to institutionalize it within a framework of checks and balances. Effective internal audit systems, timely reporting, and judicial review mechanisms can ensure that discretion serves developmental purposes rather than private or political gain. Thus, the academic debate revolves around how to strike a balance between flexibility and control.

From the researcher's perspective, discretionary authority in Nigerian state ministries represents a double-edged sword. While it can serve developmental flexibility, its abuse enabled by weak institutions poses a significant threat to accountable governance. In practice, discretion is often used to bypass legislative scrutiny and promote patronage politics. This study adopts the position that unless discretionary authority is subjected to rigorous institutional checks and public monitoring, it will continue to compromise the efficiency and integrity of the budgeting process in Nigeria. Consequently, the research is designed to explore not just the presence of discretion but how it is used and misused in public financial management across selected state ministries.

Elite Capture

Elite capture is a widely recognized concept in public policy and development discourse, describing a situation where individuals or groups with political, economic, or social power manipulate decision-making processes and resource allocations to serve their own interests. This phenomenon is particularly pervasive in fragile democracies and developing economies, where institutional safeguards are weak or non-functional. Yusuf and Abiola (2023) described elite capture in Nigeria as a "systemic deviation from distributive justice," particularly in budget formulation and implementation. Rather than reflecting the priorities of the wider public, budgetary allocations in such contexts are often tailored to favour dominant elites typically political officeholders, party financiers, and high-ranking civil servants. This distortion undermines equity and the democratic ideals of representation.

Numerous studies have linked elite capture to the persistence of inequality and underdevelopment in sub-Saharan Africa. For instance, Ajayi and Okeke (2022) argued that elite dominance in fiscal governance limits access to essential services by marginalized communities, particularly in sectors like education, healthcare, and rural infrastructure. In Nigeria, elite capture manifests through mechanisms such as exclusive access to constituency projects, over-concentration of capital spending in urban centres, and the diversion of funds to politically strategic zones. These manipulations are often justified under the guise of "security votes" or "executive discretion," further shielding such decisions from scrutiny. The concept also aligns with the broader theory of predatory governance, where elites appropriate state resources to entrench their power.

There is growing evidence that elite capture also thrives in environments of low public engagement and weak media oversight. According to Omotayo and Salihu (2021), where

budget documents are not publicly disclosed or are delayed, it becomes easier for a small group of insiders to manipulate the process without detection. These authors highlight that political patronage systems, rather than evidence-based planning, often dictate which projects get funded and which communities receive attention. This dynamic is especially pronounced during election cycles, when budgetary resources are disproportionately directed to areas with high political stakes. Thus, elite capture not only undermines development priorities but also reinforces political inequality.

Scholars have proposed a variety of strategies to mitigate elite capture in budgeting. One dominant view advocates for stronger institutional mechanisms, including fiscal transparency laws, mandatory stakeholder consultations, and legislative activism (Onyekachi & Danjuma, 2024). International organizations such as Transparency International and the International Budget Partnership have also encouraged the adoption of citizen scorecards, participatory budgeting tools, and open budget initiatives. However, critics argue that while these reforms are conceptually sound, their effectiveness is limited by local political realities and power asymmetries. In Nigeria, implementation has been patchy, and elite networks often find new ways to co-opt or bypass accountability structures.

Importantly, the literature also underscores the role of civic awareness and collective action in resisting elite capture. Afolabi and Johnson (2025) posited that community-led monitoring projects have significantly constrained elite dominance in a few Nigerian local governments, particularly where civil society organizations partner with media and academic institutions. However, these successes are still exceptions rather than the rule. The general population often remains disconnected from budget processes, partly due to technical complexity and deliberate obfuscation by the elite. Without mass literacy on fiscal issues and the political will to open up governance spaces, elite capture is likely to persist as a structural feature of Nigerian budgeting.

From the researcher's perspective, elite capture remains one of the most damaging forces undermining fiscal equity and development effectiveness in Nigeria. It enables a narrow circle of actors to hijack the machinery of public finance for personal or political gain, marginalizing the very citizens public budgeting is meant to serve. Despite recent efforts at fiscal transparency, elite capture continues to thrive due to entrenched networks of influence, weak oversight institutions, and a passive citizenry. This study aims to explore the specific channels through which elite capture influences budgeting outcomes in state ministries, identifying both structural vulnerabilities and potential points for reform. The analysis will help frame elite capture not just as a political aberration but as a patterned behaviour sustained by institutional gaps and cultural norms.

Budget Credibility

Budget credibility refers to the extent to which actual government expenditures and revenues align with the original approved budget. In effective fiscal systems, high budget credibility ensures that public resources are allocated and utilised in accordance with

legislative approval and policy objectives. However, in many developing countries such as Nigeria, budget credibility remains a persistent challenge due to political interference, unstable revenue inflows, and weak institutional controls. According to Ochieng and Waweru (2019), a credible budget is one that is not only realistic but also faithfully implemented, with minimal deviation from planned figures. The authors argue that where budgets are not credible, service delivery is compromised, and public trust in governance erodes, thus weakening the social contract.

In the Nigerian context, budget credibility is frequently undermined by overestimation of revenues and under-realization of capital projects. Adebayo and Itoro (2022) highlight that most Nigerian budgets assume optimistic oil revenue projections, which are seldom achieved due to global market volatility or domestic production constraints. Consequently, capital expenditures are routinely slashed or delayed, while recurrent spending remains relatively protected. This mismatch between revenue expectations and actual fiscal performance not only distorts planning but also renders the budget an unreliable tool for socio-economic development. The problem is compounded by poor revenue forecasting models and the limited capacity of budget offices in sub-national governments to anticipate external shocks.

Scholars have drawn attention to the influence of political cycles and executive discretion in eroding budget credibility. Olawale and Uchenna (2023) observed that during pre-election periods, budgets tend to be padded with populist projects and inflated figures, designed more for political signalling than for execution. These include phantom projects, unviable infrastructural commitments, and duplications intended to enrich elites or secure electoral advantages. In such cases, once elections are over, many of these projects are quietly abandoned, leading to significant variance between approved budgets and actual implementation. This cyclical pattern undermines the core discipline of budgeting and disconnects fiscal policy from developmental priorities.

Other scholars have emphasized the institutional factors affecting budget credibility, including weak legislative oversight, opaque procurement systems, and the absence of timely auditing. Hassan and Oluwaseun (2024) argue that in Nigeria, Ministries, Departments, and Agencies (MDAs) often receive funds late or in incomplete tranches, resulting in low implementation rates. Additionally, the power of the executive to reallocate funds without legislative approval contributes to fiscal unpredictability. Even when mid-year budget reviews are conducted, they are rarely followed by corrective measures. The authors also underscore the failure of enforcement agencies to sanction erring officials, thereby fostering a culture of impunity in public finance management.

Global development institutions have weighed in on the issue of budget credibility, advocating for greater transparency and participatory approaches. The International Budget Partnership (2025) identifies Nigeria as one of the countries with relatively low scores in budget transparency and credibility metrics, particularly at the state level. They recommend regular publication of budget execution reports, citizen engagement in budget tracking, and digitalization of procurement processes. While some Nigerian states have adopted elements

of these reforms, the systemic nature of the credibility gap suggests that deeper structural reforms are required. Without addressing issues of elite interference, data reliability, and institutional independence, these measures are unlikely to yield long-term improvements.

From the researcher's perspective, budget credibility in Nigeria should be approached not merely as a technical or fiscal issue, but as a deeply political and institutional concern. The persistent deviation between approved budgets and actual expenditure outcomes reflects deeper dysfunctions in governance, including elite capture, weak accountability mechanisms, and politicized fiscal processes. Although transparency initiatives and digital tools have created pockets of improvement, these have not addressed the root causes of fiscal indiscipline. This study will investigate the systemic factors responsible for budget credibility failures in Nigerian sub-national governments, focusing on how political incentives, institutional fragmentation, and capacity gaps intersect to undermine effective public budgeting.

2.1 Theoretical Framework

The following theories explain this study:

Political Economy Theory:

Political Economy Theory serves as a foundational lens for understanding the inherently political nature of budgeting within state government ministries in Nigeria. Originating from classical economists such as Adam Smith and later developed through the works of scholars like Buchanan and Tullock (1962). This theory posits that economic decisions, including public budgeting, are embedded within political structures and influenced by competing interests. The theory contends that public resource allocation is less a product of technocratic optimization and more a reflection of strategic interactions among various political actors seeking to advance their preferences. In Nigerian state ministries, where budget processes are often subject to contestation among executive, legislative, and bureaucratic stakeholders, this theoretical approach offers explanatory value for observed patterns of dominance and exclusion.

A key assumption underpinning this theory is that budget outcomes are determined not by the merits of proposals or developmental need but by the bargaining power of actors involved in the budget cycle. Political actors are assumed to be rational and self-interested, aiming to maximize political capital, secure patronage benefits, or reinforce territorial control through fiscal allocations. This assumption explains why ministries with close proximity to power brokers or political godfathers often receive preferential budget treatment, regardless of sectoral importance or performance indicators. Budget ceilings, medium-term expenditure frameworks, and fiscal rules may exist, but they are often subverted by informal negotiations and elite deals that occur behind closed doors.

While the theory has significant explanatory power, it is not without critics. Some scholars argue that it overemphasizes rational self-interest and neglects the potential for altruistic or technocratic behaviour among state actors. Others believe it downplays the possibility of reform-oriented leadership or the influence of civil society in shaping budget outcomes (Lindblom, 2019). Moreover, the theory's macro-level focus may not sufficiently capture

the micro-politics within ministries or the day-to-day bureaucratic interactions that affect fiscal planning. Despite these limitations, the theory's capacity to uncover the embedded power dynamics and motivations that shape budgetary decisions makes it an indispensable tool for analyzing budgeting in politically fluid environments like Nigeria.

Supporters of Political Economy Theory have applied it to various African governance contexts, including Nigeria, to explain the persistence of corruption, elite capture, and poor public financial management. Olaniyan and Lawal (2021) used the framework to highlight how political interference distorts capital expenditure in state budgets, particularly during election cycles. They observed that recurrent allocations often favour politically sensitive ministries such as Works or Health, which provide visible and vote-winning projects, at the expense of long-term developmental investments. Similarly, Olayiwola (2023) noted that inter-ministerial competition for limited resources is usually settled through political patronage rather than merit or performance review, reinforcing the theory's central premise.

In relation to this study, Political Economy Theory provides a compelling framework for interrogating the dynamics of power and negotiation that influence how budgets are crafted, altered, and implemented in state government ministries. It explains why budgeting is not simply a matter of revenue and expenditure alignment but also an arena of contestation where political actors assert influence, allocate resources strategically, and manipulate rules to achieve specific outcomes. This is particularly relevant in the Nigerian context, where political godfatherism, informal alliances, and discretionary control often undermine formal budget procedures. The theory helps explain the disconnect between budget estimates and actual disbursements or between policy priorities and sectoral funding.

From a scholarly perspective, Political Economy Theory illuminates how budgeting can serve as a mirror of underlying power structures and competing interests within the state. It shifts the focus away from normative ideals of budgeting such as transparency, efficiency, and accountability and instead invites a critical examination of who wins, who loses, and why. In doing so, it challenges reformists to not only fix technical deficiencies but also address the political incentives and institutional distortions that make budgeting vulnerable to manipulation. As such, the theory aligns with the objectives of this paper, which seeks to explore how power relations, more than procedural guidelines, shape fiscal governance in Nigerian state ministries.

Agency Theory

Agency Theory is a useful lens for understanding the principal-agent relationship that characterizes public budgeting in the Nigerian state governance system. Introduced by Jensen and Meckling (1976), this theory examines how conflicts of interest arise when one party (the principal) delegates authority to another (the agent) to perform tasks on their behalf. In a public budgeting context, elected officials such as governors or commissioners serve as principals, while bureaucrats and civil servants act as agents responsible for preparing, defending, and executing budgets. The theory explores how divergence in

interests, combined with information asymmetry, creates opportunities for strategic behaviour and moral hazard.

At the heart of this theory is the assumption that agents possess superior information and may exploit their position to pursue personal or institutional objectives that do not align with those of the principal. In Nigerian state ministries, this could mean inflating budget estimates, concealing actual revenue potential, or misrepresenting programme outcomes to justify recurrent expenditure. Conversely, principals may also use their position to pressure agents into distorting budget figures, diverting funds, or prioritizing politically motivated projects. The result is a budgeting environment marked by mistrust, inefficiency, and opportunism, which undermines the rational allocation of resources.

Critics of Agency Theory argue that it adopts an overly economic and hierarchical view of public institutions. It often assumes that all agents act out of self-interest and that trust or professionalism plays little to no role in public service delivery. Moreover, its focus on dyadic relationships between principal and agent may underplay the complexity of public budgeting, where multiple stakeholders, including donors, civil society, and legislative committees, interact and influence outcomes (Nyame & Bawole, 2020). Despite these criticisms, the theory remains influential in public sector research for its ability to explain how accountability mechanisms can fail in the absence of effective monitoring and incentive structures.

The theory has been widely supported in both developed and developing contexts. In Nigeria, Adekunle and Tijani (2021) applied Agency Theory to explain the persistent gap between budget appropriation and implementation in Ogun and Oyo states. They found that lack of transparency and the dominance of political appointees in budget planning processes often result in inflated figures and off-budget expenditures. Similarly, Eze and Obasi (2022) used the theory to highlight how excessive discretion granted to top-level agents facilitates the diversion of public funds and compromises fiscal discipline.

This theory is highly relevant to the present study as it helps unpack the relational tensions between political heads of ministries and the bureaucrats tasked with budget execution. It also highlights how the absence of performance-based budgeting, combined with inadequate oversight, enables agents to act with minimal accountability. In the Nigerian context, where budget discipline is weak and political interference is high, the principal-agent model provides insights into why budgetary manipulation and misalignment with development plans are prevalent. The theory points to the need for strengthened oversight mechanisms, performance contracts, and transparent reporting systems.

By situating the budgeting process within a framework of delegation, discretion, and potential opportunism, Agency Theory contributes to a richer understanding of power asymmetries in Nigerian public administration. It bridges the gap between formal structures and informal practices, revealing how individual incentives, professional ethics, and political interests converge to shape fiscal behaviour. This makes it particularly useful for

diagnosing the practical challenges of budgeting in an environment where roles are often blurred and checks and balances are ineffective.

Institutional Theory

Institutional Theory provides a different but complementary perspective on budgeting by focusing on the role of formal rules, informal norms, and historical legacies in shaping behaviour within organizations. Rooted in the works of Meyer and Rowan (1977) and DiMaggio and Powell (1983), the theory argues that organizational actions are often driven not solely by efficiency concerns but by the need to conform to institutional expectations and practices. In the context of Nigerian state ministries, this implies that budgeting practices are influenced as much by tradition, precedent, and informal expectations as by statutory regulations or policy goals.

The theory assumes that organizations seek legitimacy within their environments by adhering to accepted norms and structures, even if such conformity does not necessarily result in improved outcomes. In Nigerian budgeting, this is evident in the ritualistic preparation of annual budgets, which often follow standard templates and timelines but are rarely aligned with actual needs or executed as planned. Budget defense sessions, public hearings, and monitoring reports may exist more as formalities than as meaningful exercises, reinforcing the perception that budgeting is a symbolic rather than functional activity.

One critique of Institutional Theory is that it can be overly deterministic, attributing inertia or inefficiency solely to institutional pressures without considering the potential for agency or reform. Critics argue that it downplays the role of innovation, leadership, and individual discretion in breaking with dysfunctional norms (Modell, 2020). Additionally, its broad conceptualization can make empirical testing difficult, especially in dynamic political settings where rules and norms are fluid. Nevertheless, the theory remains influential for its emphasis on context, history, and legitimacy in shaping public sector behaviour.

Empirical studies in Nigeria and other African countries support the relevance of Institutional Theory in understanding budgeting practices. For instance, Ogundele and Bamidele (2022) found that ministries often adhere to outdated accounting frameworks due to institutional path dependencies and resistance to change. Similarly, Musa and Agbo (2023) observed that even well-intentioned reforms such as the Treasury Single Account or Medium-Term Expenditure Frameworks are often undermined by informal institutional norms that prioritise expediency and loyalty over accountability.

In relation to this study, Institutional Theory offers insights into why reforms in budgeting processes often fail to gain traction or yield expected results in Nigerian state ministries. It highlights the tension between formal budgeting frameworks and the informal practices that dominate day-to-day fiscal management. For instance, the persistence of off-budget

expenditures, discretionary virement, and elite capture of capital projects can be traced to institutionalized patterns of behaviour that are difficult to disrupt through legislation alone.

By emphasizing the embeddedness of budgeting within a broader institutional context, the theory enhances understanding of why formal reforms may produce only superficial changes unless accompanied by deeper shifts in organizational culture, political incentives, and public accountability. It also supports the argument that budgeting in Nigerian state ministries is not merely a technical exercise but a complex interaction of rules, norms, history, and power relations. This holistic perspective aligns well with the aims of this paper in uncovering the political undercurrents that shape fiscal outcomes.

2.2 Empirical Review

Ogunyemi and Lawal (2022) conducted a study using a qualitative case study design and relying on key informant interviews with ministry officials and state legislators, the researchers found that political alignment between governors and the legislative arm determined the level of budget implementation. In cases where political actors were from the same party, budget approvals were swift, but implementation was still marred by patronage and elite interests. The study revealed that budget decisions were more about satisfying political actors than about meeting the needs of the populace, which undermined fiscal discipline. This empirical evidence confirms that the budgeting process in state ministries is driven not only by administrative procedures but also by underlying political calculations and control.

Adeniran (2021) combined content analysis of budget documents with interviews of top civil servants and members of civil society. It found that the discretionary powers of governors and commissioners often sideline professional budget officers. Budget proposals were frequently altered at executive council meetings based on the preferences of political patrons or to reward loyalists. The research further demonstrated that budget implementation was vulnerable to interference from political appointees who diverted funds to projects that bolstered their political capital. The study concluded that until institutional checks are strengthened, political power will continue to override rational budgeting.

Eze and Odu (2023) explored conducted a study using a document-based analysis complemented with interviews of retired bureaucrats, the researchers discovered that budgeting was often used as a tool for rewarding political allies through inflated contracts and off-budget expenditures. They found that the Ministry of Budget and Economic Planning was often under pressure to insert ‘ghost projects’ that had no feasibility studies but were approved for political reasons. According to the study, power struggles between commissioners and permanent secretaries also contributed to duplicative budgeting and delays in project execution. These findings provide evidence of how political interference leads to inefficiencies and misallocation of scarce public resources.

In a comparative study of five Nigerian states, Yusuf and Bello (2022) utilised in-depth interviews and content analysis of 2019–2021 budget statements. Their findings showed that most capital allocations were directed toward urban infrastructure, where political elites resided, while rural and marginalized communities received less than 20% of developmental funding. Ministries were often compelled to justify budget allocations based on political lobbying rather than technical assessment. This manipulation of the budgeting process to favour elite interests further entrenched regional inequality and weakened trust in public institutions. The study underscored the urgent need for more transparent and participatory budgeting frameworks to curb elite dominance.

Bamidele (2020) adopted a quantitative survey design using data from civil servants across Ondo and Enugu States. The study examined how power asymmetries between political appointees and career bureaucrats affected fiscal discipline. Results from regression analysis showed that where political actors had unchecked power, there was significant deviation between approved and actual expenditure. The study also identified that ministries that were closely monitored by donor agencies exhibited higher levels of discipline and transparency. Bamidele concluded that strengthening the autonomy of budget departments and shielding them from political manipulation could improve the credibility of state budgets.

Akinrinade and Ojo (2023) used a mixed-methods approach involving surveys of ministry staff and key informant interviews with political advisers. Their study highlighted that budget reforms such as Medium-Term Expenditure Frameworks (MTEF) were selectively applied depending on the political benefits they offered. Ministries with 'strategic' political roles such as Works, Health, and Education were prioritized not based on social needs but on the visibility of their projects during election cycles. The research confirmed that reform initiatives were often captured by political actors, undermining their intended outcomes of transparency and strategic planning.

Umeh and Adamu (2021) used structured interviews and budget document analysis in Kano and Kaduna States. The study uncovered a pattern where budgetary allocations were negotiated during political caucus meetings and reflected promises made during election campaigns rather than evidence-based needs assessment. Ministries were often under informal instruction to prioritize projects in areas controlled by powerful political figures, regardless of actual service delivery priorities. The authors argued that until budgeting is depoliticized and made more participatory, it will remain a vehicle for patronage rather than development.

3.0 Methodology

This study employed an exploratory research design to investigate the politics of budgeting in Nigerian state ministries. The approach relies on a qualitative synthesis of existing literature, government budget documents, audit reports, and policy papers from 2019 to 2025. The goal is not to test hypotheses but to generate a rich understanding of how power relations manifest in budget processes.

A systematic review of relevant studies was conducted, focusing on peer-reviewed journals, official state publications, and independent policy research. Using thematic content analysis, patterns and narratives were extracted around issues such as political interference, bureaucratic discretion, elite capture, and transparency challenges.

This method allows for the integration of diverse perspectives, revealing how institutional weaknesses and political priorities jointly shape the outcomes of budgeting in state government ministries. It also provides a basis for drawing practical policy implications, grounded in both theory and real-world experience.

4.0 Research Results

The findings from this exploratory study indicate that the budgeting process within Nigerian state government ministries is significantly shaped by entrenched political dynamics rather than guided by evidence-based policy analysis or developmental priorities. A key revelation is the overwhelming dominance of political office holders in determining budgetary allocations. Governors, commissioners, and other elected or politically appointed officials often assert discretionary authority over budget content, marginalizing formal planning mechanisms. This concentration of decision-making authority in the hands of a few political elites undermines institutional checks and balances and skews budgetary outcomes towards personal or party interests rather than public welfare (Eze & Udu, 2022).

Technocrats and professional civil servants those best positioned to ensure data-driven, rational budget formulation are frequently sidelined in the decision-making process. Budget officers and financial controllers across several ministries have expressed frustration over their limited influence during key budget deliberations, often being tasked with rubber-stamping decisions that have already been politically negotiated (Ajayi & Fagbemi, 2023). This marginalization not only weakens institutional capacity but also distorts the allocation of resources, leading to inefficiencies in service delivery and a mismatch between budgeted items and actual needs on the ground.

The implementation phase of the budget also reflects this politicization. Although formal budgets are passed by state houses of assembly and assented to by governors, the execution of these budgets deviates substantially from approved plans. Recurrent cases of informal reallocation of funds during execution often without due process highlight the manipulation of fiscal processes to serve short-term political gains. Such practices have led to growing discrepancies between budget proposals and actual expenditure patterns, further weakening public trust in government budgeting (Ibrahim & Aliyu, 2021).

Additionally, the absence of effective accountability mechanisms allows this dysfunction to persist. Oversight institutions such as state audit departments, budget monitoring units, and legislative finance committees are either too weak, underfunded, or politically compromised to perform their roles effectively. In many instances, audit reports are either delayed, suppressed, or ignored altogether, while budget performance reports are selectively disclosed. This lack of accountability fosters a culture of impunity among

political actors, enabling elite capture of public resources with minimal consequences (Olaoye & Adewunmi, 2022).

4.1 Policy Implications of findings

The findings carry several important implications for public financial management reform in Nigeria. First, there is an urgent need to depoliticize the budget process by clearly delineating the roles of technocrats and political actors. This would involve enforcing existing fiscal responsibility frameworks that mandate stakeholder consultation and professional inputs in budget preparation.

Secondly, oversight institutions must be strengthened through legal and financial autonomy, capacity building, and transparency measures. Empowering institutions such as the Office of the Auditor-General, Budget Monitoring Units, and Civil Society Budget Watch platforms would create checks against arbitrary budgetary manipulations.

Thirdly, professionalizing budget offices within ministries and insulating them from political interference can enhance the credibility and effectiveness of budget outcomes. Recruitment, training, and career progression in these offices should be merit-based, supported by reliable data systems and digital tools.

Lastly, enhancing citizen engagement through participatory budgeting will increase transparency and public trust. Budget town halls, digital tracking platforms, and grassroots consultation forums should be institutionalized to give voice to the people and enhance democratic accountability in budgetary governance.

5.0 Conclusion

The analysis of budgeting practices in Nigerian state government ministries reveals a deeply entrenched system where political power dynamics significantly compromise the integrity of public finance management. Rather than serving as an objective tool for resource allocation and policy implementation, budgeting in this context often functions as a political weapon shaped by elite interests, patronage networks, and informal negotiations. This undermines key principles of transparency, efficiency, and accountability that are central to good governance. The marginalization of technocrats, frequent deviation from approved fiscal plans, and the weakening of institutional checks and balances illustrate a fundamental disconnection between budgetary processes and developmental outcomes. These findings underscore that the dysfunction in budgeting is not merely technical but structural, rooted in the political economy of state governance.

At the core of the challenge is the dominance of political office holders particularly governors and their allies who appropriate budgetary power with minimal oversight. This centralization of influence erodes institutional autonomy and fosters a culture of impunity in public financial management. Furthermore, the sidelining of budget professionals and financial controllers limits evidence-based planning, turning budget formulation into a ritual that lacks credibility and responsiveness to societal needs. The absence of robust

enforcement mechanisms and the complicity of oversight bodies further embolden elite actors to use budgeting for personal or political gain. Until these systemic distortions are addressed, budgeting will remain a fragile and manipulated exercise, with limited developmental impact.

The empirical and theoretical evidence in this study confirms that formal rules and procedures are routinely circumvented in favour of informal arrangements that prioritize political expediency. This reality not only weakens institutional capacity but also distorts fiscal discipline and public trust. The implications are far-reaching: public services remain underfunded, capital projects are poorly executed, and citizens become increasingly alienated from the governance process. Moreover, the disconnect between approved budgets and actual implementation compromises accountability, as financial reporting becomes misaligned with original intentions. Without reform, these patterns will continue to produce cycles of inefficiency, corruption, and socio-economic underdevelopment.

It is also evident that elite capture of the budgeting process undermines the principle of inclusivity and equitable resource distribution. When budgets reflect the interests of a few rather than the needs of the majority, public policies become skewed and regressive. This weakens democratic accountability and undermines social cohesion, especially in states where economic inequality and service deficits are already high. In this context, budget credibility is not just a technical indicator it is a litmus test of political will, institutional maturity, and democratic governance. The study therefore affirms that the political economy of budgeting must be confronted head-on through systemic reforms and stakeholder engagement.

Addressing these structural issues will require more than policy rhetoric or administrative adjustments. It demands a deliberate effort to transform the governance culture around budgeting. This includes empowering institutions, professionalizing the civil service, strengthening legal frameworks, and building citizen awareness and engagement. Only by doing so can budgeting become a vehicle for transparent, accountable, and developmental governance in Nigerian states. The findings of this study provide a compelling case for policy makers, civil society actors, and scholars to reimagine budget reform as a broader struggle for democratic consolidation and institutional renewal.

5.1 Recommendations

Based on the findings of this study, the following recommendations are made:

(i) State Houses of Assembly and audit institutions must be adequately empowered-both in terms of legal authority and operational capacity to play their constitutional role in scrutinizing budgets. These bodies should function independently from executive influence to ensure checks and balances are effective and credible.
(ii) Governments should adopt open budget platforms that allow public access to budget documents at all stages; formulation, approval, execution, and audit.

Citizens and civil society should be granted the tools to provide real-time feedback on budget implementation, enhancing accountability.

(iii) The recruitment, training, and operation of budget professionals should be based strictly on merit and guided by ethical codes. Political appointees must not interfere with the work of budget departments, which should enjoy administrative and operational autonomy to conduct evidence-based fiscal planning.

(iv) Government at the state level should institutionalize mechanisms for citizen participation in budget planning and monitoring. Town hall meetings, community consultations, and civil society forums can serve as avenues for articulating public priorities and fostering a sense of ownership in governance.

(v) To deter political interference and elite capture, a legal framework must be established that prescribes clear penalties for unauthorized budget alterations, misappropriations, or violations of fiscal discipline. Enforcement must be consistent and transparent to rebuild public trust in the budget process.

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