Abstract

The study appraised the Cost of governance and Human Development in Enugu State. To achieve these objectives, three research questions were raised while three hypotheses were stated. This study adapted a descriptive survey research design. The study employed secondary and primary sources of data. The population of the study was 1106681. Taro Yamane formula was used to determine the sample size of 400. The collected data was analysed through the use mean score. The z-test analysis technique was applied in testing the hypotheses. The findings revealed that Cost of governance significantly and negatively affected the literacy rates in Enugu State, that cost of governance had a significant negative effect on life expectancy rate in Enugu State and that Cost of governance significantly and negatively affect skill acquisition in Enugu State. The study concluded that cost of governance undermine human development in Enugu State. Notwithstanding to the fact that Human capital development is a critical component of sustainable economic growth and societal progress. The study recommended for prioritizing investments in education, healthcare, and skills development is essential. Allocating adequate funds to these sectors will contribute to the creation of a robust and skilled workforce, fostering human capital development.

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1. Introduction
One of the foundational elements for a nation's social and economic development is effective governance (Kabera, 2022). Health, education, infrastructure, capital market regulation, macroeconomic stability, the availability of safety nets, the legal system, and the creation of a favorable business environment are all areas where governance typically plays a significant role and are fundamental elements of a developed economy (Brautigam, 2015). Therefore, effective government is essential to any country's growth. The social contract that ties each citizen to the state is supported in part by the government. Therefore, having an established government that upholds the social contract is the price a state must pay in order to be wealthy. The state, are required to pay taxes sufficient for the state to perform the tasks allocated to it. According to Afolugbo (2016), the expense involved in maintaining the government constitutes the cost of governance. It is any cost associated with the running of governance, it may be subdivided into recurrent and capital expenditure. It is the price of carrying out political obligations and providing governmental social services. If the cost of governance is reduced, human capital development will improve, leading to skill development, improved quality of life, and improved health, all of which depend on education and the acquisition of technical skills, if not it will retard human development.

In Nigeria, the expenses of maintaining government have skyrocketed over time, leaving an ever-decreasing amount of public resources available to fund and carry out the core responsibilities of government (CBN, 2018). Because state actors at all levels in Nigeria don't appear to recognize the significance of reducing the cost of governance at this time, the current cost of governance in Nigeria is high and has grown to be a very unsettling phenomenon. This has been widely acknowledged by many both inside and outside the corridors of power, and it is capturing our attention (Okeke & Eme, 2015). The fact that the federal budget only spent N10.59 trillion in 2020 but climbed by 100% to N20.51 trillion in just two years serves as an effective illustration of this. The N20.51 trillion budget for 2023 is 500% higher than Goodluck Jonathan's final budget, which was N4.5 trillion for the 2015 fiscal year, to put the budgeting issue in right perspective. Under Buhari, not only did the budget keep growing, but so did the expense of running the country. For instance, N1.8 trillion was approved in 2015 for all of the government's staff expenditures, while in 2023 N1 trillion is only recommended for Ministry of Defense employee costs.

Today in Enugu State, the cost of maintaining governance significantly influences human development. The allocation of financial resources towards governance impacts critical sectors such as education, healthcare, and infrastructure, directly affecting the well-being and development of the populace. In the 2022 Enugu State budget, Personnel was allocated a sum of N40,673,396,812.00, overhead cost was 30,804,053,000.00, total recurrent was 71,477,446,812.00, capital expenditure was 115,157,685,770.00 while total expenditure was 186,635,135,582.00. That same year, the office of governor was allocated the following sum: Personnel was N258,585,468.00, overhead cost was 13,721,210,000.00, total recurrent was 13,979,795,468.00, capital expenditure was 3,736,833,120.00 while total expenditure was 17,716,628,588.0. among others. A critical review of personnel expenditure showed that the administration sector gulped the sum of 11,417,068,021.00 for personnel cost, overhead was 16,299,890,000.00, total recurrent was 27,716,958,021.00, capital expenditure was 0,619,615,270.00 and 38,336,573,291.0. (Enugu State Ministry of Finance, 2022). In Enugu State, as in many parts of Nigeria, the allocation of funds for government functions influences the quality of public services. The current trajectory had continued going by the document on
Enugu State Midterm Expenditure framework that will end in 2024. If a substantial portion of the budget is directed towards administrative costs and less towards essential services, it hampers human development. Limited resources for education can lead to inadequate schools and educational resources, impacting the skill development of the workforce. Similarly, insufficient healthcare funding can result in poorly equipped medical facilities, affecting overall health outcomes.

The high cost of governance in Enugu State, Nigeria, may be attributed to factors such as bureaucracy, inflated public sector salaries, and administrative inefficiencies. Research by World Bank (2016) highlights the challenges of bureaucratic complexity and wage bill pressures in many Nigerian states, contributing to elevated governance costs. Additionally, studies like those by Adegbite et al. (2020) emphasize the need for improved fiscal discipline and transparency to mitigate the economic burden associated with governance expenditure. The broader implications for Nigeria are profound. A misallocation of resources in governance can contribute to regional disparities, exacerbating socio-economic inequalities. It underscores the need for transparent and efficient governance structures that prioritize human development. The financial decisions made in governance significantly shape the trajectory of human development, not only in Enugu State but throughout Nigeria. Strategic resource allocation is paramount to fostering inclusive growth, reducing disparities, and enhancing the overall well-being of the population. In light of this, the study looked at the cost of governance and the growth of human development in Enugu State.

1.1 Statement of the Problem
Low human development in the economy is caused by a lack of cost-effective governance (World Bank, 2016). There are many issues with Nigerian governance, and many Nigerians may easily identify with this. Notably, however, one of the issues plaguing the nation's governance is the enormous expense involved in maintaining the government. Many government officials still receive allowance while their allowances are already monetized. The majority of Nigerians, who suffer the brunt of this exorbitant expense daily, are aware of and affected by its detrimental effects. Because of the high cost of government, Enugu State may not be developing its human capital as much as it could.

Currently, data from 2022 Enugu State Budget has that the office of the governor were allocated the sum of 13,434,888,400.00 as total recurrent expenditure while total capital expenditure was 3,471,800,000.00, Office of the Deputy Governor were allocated a sum of 334,547,068.00 in capital expenditure and 47,100,000.00, Office of the Secretary to the State Government was allocated the sum of 1,055,585,395.00 in capital expenditure and 1,710,302,050.00 in capital expenditure, Enugu State House of Assembly (The Legislature) was allocated a sum of 1,846,317,432.00 in recurrent expenditure while 3,079,850,000.00 was received as capital expenditure etc. while Ministry of Human Capital Development and Poverty was allocated the sum of 60,136,552.00 in recurrent expenditure and 109,650,000.00 in capital expenditure. Given the widespread knowledge of the negative effects of high governance costs, it is surprising that little study has been done on the relationship between high governance costs and human capital development in Nigeria.

The implications of high cost of governance in Enugu State, Nigeria, pose significant challenges for human development. With limited resources diverted towards administrative expenses, essential sectors such as education, healthcare, and infrastructure suffer. The bloated bureaucracy may hinder effective service delivery, impacting the quality of public services. As
funds are disproportionately allocated to maintain the government machinery, social and economic development initiatives may be neglected, perpetuating poverty and limiting opportunities for the populace. Consequently, the human development index in Enugu State might stagnate or decline, reflecting in areas like education attainment, healthcare access, and overall well-being. A more streamlined and efficient governance structure is essential to redirect resources towards critical sectors, fostering sustainable human development and improving the standard of living for the people of Enugu State. Addressing the cost of governance is imperative for creating an environment conducive to robust socio-economic growth and improved human development indicators.

This demonstrated the necessity of investigating the cost of administration and the growth of human capital in Enugu State.

**Objectives of the Study**

i. Evaluate the effect of cost of governance on the literacy rates in Enugu State.
ii. Evaluate the effect of cost of governance on life expectancy rate in Enugu State.
iii. Evaluate the effect of cost of governance on skills acquisition in Enugu State.

**Statement of Hypotheses**
The following null hypotheses were formulated for the study:

Ho: Cost of governance does not significantly affect the literacy rates in Enugu State.

Ho: Cost of governance has no significant effect on life expectancy rate in Enugu State.

Ho: Cost of governance does not significantly affect skill acquisition in Enugu State.

2. Review of Related Literature

**Cost of Governance**
The phrase "cost of governance" often refers to the monetary outlays a government makes in order to run its affairs and offer public services. These expenses can be broadly divided into a number of different components, and they may differ from one nation to the next (Adeolu & Evans, 2019). The total costs incurred by a government or other organization are referred to as the "cost of governance." It comprises spending for maintaining law and order, building infrastructure, providing public services, and other relevant costs that are associated with the administrative and operational tasks of the government. Any expense related to the operation of government is considered a cost of governance. In other terms, it refers to the expenses incurred by the government when it provides citizens with products and services. Recurrent and capital expenditures are two possible divisions (Afolugbo, 2016).

The size and complexity of the government, the degree of bureaucracy, the effectiveness of the public services, and the general economic health of the nation can all have an impact on the cost of governance. If high costs of governance lead to inefficiency, corruption, or an unfair distribution of resources, this may be cause for concern. To make sure that tax dollars are used effectively and efficiently, governments frequently work to monitor and optimize the cost of governance.

**Human Development**

Human development, a concept integral to economics and social sciences, refers to the comprehensive improvement in the well-being and capabilities of individuals within a society. It extends beyond economic growth, encompassing factors such as education, healthcare, social
inclusion, and political participation. Amartya Sen, a Nobel laureate in economics, has been a key proponent of a broader understanding of development, emphasizing the centrality of enhancing people's freedoms and opportunities. Sen's Capability Approach argues that development should be assessed based on individuals' ability to lead a life they value, considering their capabilities to function effectively in various aspects of life. Furthermore, the United Nations Development Programme (UNDP) has been a leading entity in defining and measuring human development through the Human Development Index (HDI). The HDI integrates indicators like life expectancy, education, and income to provide a holistic assessment of development progress. The notion of human development underscores the importance of empowering individuals, reducing inequalities, and fostering an environment where people can actively participate in shaping their destinies.

In sum, human development transcends economic metrics and emphasizes the multifaceted enhancement of people's lives. It draws from scholars like Amartya Sen and practical frameworks such as the HDI to offer a comprehensive understanding of societal progress that goes beyond material prosperity.

**Human Development and Literacy Rates**

The percentage of a population that can read and write at a given age is known as the literacy rate. It is a crucial measure of the educational attainment of a population and is frequently given as a percentage. Literacy rates are frequently used to gauge a population's general level of education and to monitor changes in education over time. The usual method for calculating literacy rates is to divide the entire population of a given age group by the number of literate people in that group, multiply the result by 100, and then convert the result to a percentage.

**Human Development and Life Expectancy Rate**

According to current mortality rates, life expectancy is the average number of years that a person can be anticipated to live. It is a crucial sign of a population's general health and wellbeing. Based on current mortality rates, life expectancy is a statistic that estimates the typical number of years a person will live. The life table at its core lists the probabilities of dying, death rates, and survival rates for various age groups. Life expectancy at birth, as defined by WHO (2006), is the average number of years that a newborn is anticipated to live, taking into account the overall mortality rate and pattern of mortality across various age groups. According to Esteban (2017), life expectancy is the number of years that a person can reasonably anticipate to live given the average age at which people in a certain population group pass away. It is crucial to remember that life expectancy statistics can alter over time as a result of things like improvements in living conditions, changes in lifestyle, and developments in healthcare.

**Human Development and Skill Acquisition**

The process through which people hone and enhance their capacity to carry out particular tasks or activities is referred to as skill acquisition. It entails learning new skills, honing existing ones, and adjusting to different circumstances. A major component of human learning is the development of skills, which may be applied to a variety of fields such as sports, music, art, language, and professional competence (Anosa, 2021).
Theoretical Framework

Political Leadership Theory

By Mintzberg (1985), the political leadership theory was first put forth. In a word that is capable of capturing institutions as political regions, he sees a political approach to institutions and their leadership. One of the earliest and most active fields of research in the behavioral sciences is the study of leadership. We must define leadership and organizational politics in order to construct a model of political theory of leadership.

First, we used the definition of general leadership offered by House (1995), which states that "behavior that gives purpose, meaning, and guidance to collector by articulating the collective vision that appeals to ideological values, matured, and self-perceptions of followers" House adds that the results of such behavior include increased awareness of company ideals and an unusual amount of effort that leaders may employ for their own gain.

In this academic discussion, leadership theory is used to the costs of governance and development in order to highlight the importance of a behavioral approach to the study of politics and the functioning of the government. A state's national objectives can be determined and realized in large part by the general conduct of political players in the examination of public policies as well as by their values and missions in the political sphere on a national and international level. The institution of government is a means of formulating, expressing, and enforcing the will of the state. For the sake of society and in accordance with the social contract idea, the political will to authoritatively distribute the common values through the inputs and outputs mechanism process cannot be compromised. The provision of effective governance that would lead to a sustainable socio-economic and political growth and a high standard of living for the populace is the responsibility and liability of the president, who serves as the arrowhead of government in coordination with the legislative and judicial branches.

The success or failure of the state is greatly influenced by the actions and inactions, choices, and policies of individuals who hold political power in the many institutions. The behavioural culture of leaders in Enugu State tilts towards cryptoracy, and profligacy hindering human development. A state that does not have savings cannot go into investment. No country’s economy can grow without investment. Therefore, for governance to be effective and efficient, the ideal size of government and the civil service are needed. In a state like Enugu State, when there is an excessively large government cabinet and/or a huge civil service, the cost of governance will increase.

Empirical Review
Cost of Governance and the Literacy Rates
For the years 1970 to 2015, Jeffrey (2018) looked at the connection between educational spending and economic growth in Cote d'Ivoire. He used the causality test and ARDL limits testing methodology. The study revealed proof that government spending on education had a long-term, considerable negative impact on economic growth throughout the time period in question. Additionally, government spending on education had a temporary favorable but insignificant impact on economic growth.

In Nigeria's fourth republic, Abdulrahman & Zuwaira (2019) assessed the high cost of government and the difficulties of national development. The study used a content analytical methodology. The study concluded that there is no denying the reality that Nigeria's cost of governance is excessive and has significantly hampered the country's progress, both socially and economically. Additionally, it explains why corruption has permeated our society on a fundamental level.

The Democracy and Good Governance in Nigeria: Roadmap to Sustainable Development was examined by Shuaibu, Audu, Tyav, and Hamza in 2021. While using a descriptive and content-analytical technique, the paper collected data from secondary sources. According to the report, Nigeria's democratic practices and governance are not aligned with the fundamental democratic principles and values of good governance, which poses an issue of inadequate leadership and terrible governance. Nigeria's aspirations to progress as a country have undoubtedly been hindered by this trend in governance.

Cost of Governance and Life Expectancy rate
The Autoregressive Distributed Lag (ARDL) technique was used in the study by Olowookere et al., (2019), to examine the connection between healthcare spending and health outcomes in Nigeria. The results showed that whereas recurrent health spending had a large negative impact on both life expectancy and infant mortality, health capital spending had a positive and significant influence on both. Life expectancy was not shown to be significantly impacted by out-of-pocket expenses.

In a study published in 2020, Adeoti, Adeoti, and Adeoye examined Nigeria's health spending and life expectancy. The time series data used ranged from 1995 to 2018. They estimated the short-run and long-run connections between health care spending and life expectancy using the Autoregressive Distributed Lag (ARDL) technique. The results showed that while health recurrent spending had a large and negative influence on life expectancy, health capital expenditure and out-of-pocket health expenditures had a considerable and favorable impact.

In a related study, Bankole, Ajayi, and Oladapo (2021) used the ARDL technique to examine the effect of health spending on life expectancy in Nigeria from 1986 to 2016 and found that total health spending, along with capital and recurrent spending, has a significant positive impact on life expectancy in both the short- and long-term. The average life expectancy increased by 0.13% in the short run and by 0.28% in the long run for every 1% increase in total health spending.

Iyakwari, Awujola, and Ogwuche (2023) used time series data from 1990 to 2021 and the ARDL and ECM models to assess the impact of health spending on life expectancy in Nigeria. According to the short-run analysis, the model would need to go from the short to the long run at an adjustment speed of 71%, suggesting that it would take some time for health spending to affect life expectancy. In the long run, the study discovered a negative
association between health capital and recurrent spending, but out-of-pocket medical expenses had a favorable correlation with life expectancy.

**Cost of Governance and Skill Acquisition**
Ademola-John (2019) analyzed trends and patterns in Nigeria's economic development, poverty, and education between 1986 and 2015. The World Bank's World Development Indicators, the Central Bank of Nigeria's (CBN) annual reports, statement of accounts, and statistics bulletin were the sources of secondary data used in the study. Descriptive analysis and correlation analysis were both used to analyze the data. The end result is a long-term association between economic development in Nigeria, poverty, and education.

From 2002 to 2016, Afolabi (2019) looked at how governance affected sustainable development in West Africa. It uses the system GMM methodology. The findings demonstrate a positive relationship between voice and accountability, political stability, government effectiveness, and rule of law. Government effectiveness is found to have the greatest impact, while short-term regulatory quality and corruption control are shown to be indirectly related to development. Long-term, however, all governance metrics are closely linked to growth in West African nations, with political stability and regulatory strength having the biggest effects.

The Effect of Government Expenditure on Standard of Living in Nigeria (1981–2018) is examined by Ogundipe and Adeshola (2022). Since the Augmented Dickey Fuller (ADF) test has more advantages than other unit root tests, it was chosen for the investigation. According to the findings, government spending on agriculture and education is statistically significant at the 10% level, whereas spending on health care is statistically significant at the 5% level. According to the study's findings, government spending on health and education is a significant factor in determining Nigeria's standard of life. The education and health sectors both require more funding.

**Gap in Empirical Review**
The empirical studies showed that many studies have been conducted in the area of good governance and economic development especially in foreign countries. Only few studies were conducted in Nigeria namely, Ohiomu & Dibie (2017), Adegboyega and Arikewuyo (2020) and Musbahu (2022 but among these studies, none of these was based on good governance and sustainable development of Enugu State. The present study therefore filled the gap.

3. **Methodology**

**Research Design**
The study adopted a descriptive survey research design.

**Population of the Study**
The population of the study was 4,690,100

**Determination of Sample Size**
The sample size was determined through the use of Taro Yamane formula (1967) formular:

\[ n = \frac{N}{1 + Ne^2} \]

Where:

- \( N \) = population
- \( l \) = constant
- \( E \) = Degree of error (i.e 5% or 0.05)

The sample size is computed thus:
\[
n = \frac{4690.100}{1+4690.100} (0.05)^2, \quad n = \frac{4690.100}{1+4690.100} (0.0025)
\]
\[
n = 399.96, \quad n = \text{approximately 400}
\]

Therefore, the sample size is 400

**Sampling Technique**

The study on the effect of the cost of governance on human development in Enugu State, the researcher employed a stratified random sampling technique to ensure representative data collection. Enugu State was divided into strata based on key demographic and geographic variables such as urban and rural areas, income levels, and educational attainment. From each stratum, a proportional number of respondents were randomly selected to participate in the study. Relevant respondents included government officials involved in budgetary allocation and financial management, members of civil society organizations monitoring governance, and residents affected by the policies and resource allocations. Additionally, experts in economics, public administration, and development were included to provide valuable insights. This diverse sampling approach helped to capture a comprehensive understanding of the perspectives and experiences related to the impact of governance costs on human development in Enugu State.

**Method of Data Collection**

The method for data collection was questionnaire. The researcher used the method of on-the-spot administration and collection of the questionnaire. The research structured both open-ended and close-ended questions. In the close ended questions, respondents were given a number of alternatives from which to select options they consider appropriate.

**Methods of Data Analyses**

The collected data was analysed through the use of Mean score while Z-score was used to test the hypotheses.

**Decision Rule for Z-test**

If the calculated Z-value is greater than the critical Z-value (i.e. \(Z_{\text{cal}} > Z_{\text{critical}}\)), reject the null hypothesis and accept the alternate hypothesis accordingly.

4. Data Presentation and Analysis

The data gathered from the field were presented under this section. Mean score were employed in presenting and analyzing the data and Z-score was used to test the hypotheses.

**Research Question 1:** What is the effect of cost of governance on the literacy rates in Enugu State?

**Table 4.1: Effect of cost of governance on the literacy rates in Enugu State**

<table>
<thead>
<tr>
<th>s/n</th>
<th>Response</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
<th>Total</th>
<th>Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High costs of governance negates quality education in Enugu</td>
<td>100</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>40</td>
<td>360</td>
<td>3.3</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>It impacts negatively on the literacy rates in the state</td>
<td>120</td>
<td>120</td>
<td>10</td>
<td>70</td>
<td>40</td>
<td>360</td>
<td>3.6</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Limited resources as a result of cost of governance affect the provision of infrastructure needed for improved literacy</td>
<td>100</td>
<td>110</td>
<td>10</td>
<td>90</td>
<td>50</td>
<td>360</td>
<td>3.3</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>A well-managed and efficient governance structure that prioritizes education spending contribute to improved literacy rates</td>
<td>130</td>
<td>130</td>
<td>10</td>
<td>60</td>
<td>30</td>
<td>360</td>
<td>3.8</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
Excessive government spending,  undermine the effectiveness of educational initiatives.

Source: Field Survey 2023.
Table 4.1 above shows the mean distribution of opinions of the respondents on the effect of cost of governance on the literacy rates in Enugu State (based on tabulated acceptance mean rating of 3.0). With regards to items (1,2,3,4,5), the mean score of 3.3, 3.6, 3.3, 3.8 & 3.8 respectively and Grand Means of 3.56 showed that the respondents agreed that with high costs of governance lead to a situation where a significant portion of the budget is allocated to administrative expenses rather than social services, including education. The relationship between the cost of governance and literacy rates in a state like Enugu, or any other region, is complex and influenced by various factors. The implication of the study is that High governance costs are often associated with corruption.

Research Question 2: How does cost of governance affect the life expectancy rate in Enugu State?

Table 4.2: How cost of governance affect the life expectancy rate in Enugu State

<table>
<thead>
<tr>
<th>s/n</th>
<th>Response</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>DA</th>
<th>SD</th>
<th>Total</th>
<th>Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Excessive government spending result in embezzlement of funds meant to improve life expectancy</td>
<td>110</td>
<td>120</td>
<td>10</td>
<td>60</td>
<td>60</td>
<td>360</td>
<td>3.4</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Limited access to quality healthcare services as a result of high governance costs result in increase in preventable illnesses and a reduction in life expectancy</td>
<td>120</td>
<td>90</td>
<td>10</td>
<td>100</td>
<td>40</td>
<td>360</td>
<td>3.4</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>When funds are not appropriately directed towards disease prevention, the population are more susceptible to health risks, contributing to a lower life expectancy.</td>
<td>100</td>
<td>130</td>
<td>15</td>
<td>65</td>
<td>70</td>
<td>360</td>
<td>3.5</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>Poor investment in healthcare infrastructure and services can contribute to higher mortality rates and lower life expectancy.</td>
<td>90</td>
<td>100</td>
<td>10</td>
<td>100</td>
<td>60</td>
<td>360</td>
<td>3.1</td>
<td>Accepted</td>
</tr>
<tr>
<td>5</td>
<td>High governance costs lead to economic challenges, hindering individuals' ability to access healthcare, afford nutritious food, and live a healthy lifestyle, thereby affecting life expectancy.</td>
<td>100</td>
<td>110</td>
<td>10</td>
<td>70</td>
<td>70</td>
<td>360</td>
<td>3.2</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Grand Mean 3.32

Table 4.2 indicates the mean distribution of opinions of the respondents on how cost of governance affect the life expectancy rate in Enugu State. The grand mean of 3.32, means that respondents agreed that high cost of governance leads to neglect of health sector which help to guarantee life expectancy.

Research Question Three: What effect does cost of governance have on skill acquisition in Enugu State?

Table 4.3: Cost of governance and skill acquisition in Enugu State

<table>
<thead>
<tr>
<th>s/n</th>
<th>Response</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>DA</th>
<th>SD</th>
<th>FREQ</th>
<th>Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The cost of governance leads to underfunding of the Enugu State SMEs center in the state</td>
<td>120</td>
<td>140</td>
<td>20</td>
<td>50</td>
<td>30</td>
<td>360</td>
<td>3.8</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>High cost of governance create room for government to impose multiple taxes to positive skill acquisition centers in the state</td>
<td>140</td>
<td>130</td>
<td>20</td>
<td>60</td>
<td>20</td>
<td>360</td>
<td>3.9</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
When the state’s resources are not efficiently allocated, vocational training initiatives suffer from a lack of equipment.

4. Cost of governance limit access to vocational training program

5. Cost of governance leads to poor skill acquisition sectors needed for self-empowerment in the state

**Grand Mean**

<table>
<thead>
<tr>
<th></th>
<th>130</th>
<th>140</th>
<th>10</th>
<th>50</th>
<th>30</th>
<th>360</th>
<th>3.7</th>
<th>Accepted</th>
</tr>
</thead>
</table>

**Cost of governance limit access to vocational training program**

<table>
<thead>
<tr>
<th></th>
<th>120</th>
<th>120</th>
<th>10</th>
<th>65</th>
<th>25</th>
<th>360</th>
<th>3.5</th>
<th>Accepted</th>
</tr>
</thead>
</table>

**Cost of governance leads to poor skill acquisition sectors needed for self-empowerment in the state**

<table>
<thead>
<tr>
<th></th>
<th>120</th>
<th>140</th>
<th>20</th>
<th>50</th>
<th>30</th>
<th>360</th>
<th>3.8</th>
<th>Accepted</th>
</tr>
</thead>
</table>

**Source: Field Survey, 2023.**

Table 4.3 above shows the mean distribution of opinions of the respondents on how cost of governance affect skill acquisition in Enugu State. Their mean responses were positive. The grand mean of 3.75 revealed that the respondents strongly agreed that High governance costs might divert funds away from infrastructure development, Insufficient infrastructure can hinder the effective delivery of skill acquisition programs.

**Test of Hypotheses**

Z test was adopted for the study. Software Package for Social Science (SPSS Version 23.0 for Student Version) was used to test the hypotheses

**4.2.1 Test of Hypothesis One**

Ho: Cost of governance does not significantly affected the literacy rates in Enugu State.

**Table 4.4: Z-test on Cost of governance and the literacy rates in Enugu State.**

<table>
<thead>
<tr>
<th></th>
<th>Cost of governance and the literacy rates in Enugu State</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>360</td>
</tr>
<tr>
<td>Normal Parameters</td>
<td>Mean Standard Deviation</td>
</tr>
<tr>
<td>Most Extreme</td>
<td>Absolute</td>
</tr>
<tr>
<td>Difference</td>
<td>Negative</td>
</tr>
<tr>
<td>Kolmogorov-Smirnnon Z</td>
<td>5.049</td>
</tr>
<tr>
<td>Asymp. Sig.(2-tailed)</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Decision Rule:** If the calculated Z-value is greater than the critical Z-value (i.e Zcal > Zcritical), reject the null hypothesis and accept the alternate hypothesis accordingly.

**Result:** With Kolmogorov-Smirnnon Z – value of -4.096 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. The statistical significance indicates that Cost of governance does significantly affect the literacy rates in Enugu State.

**Decision:** Furthermore, comparing the calculated Z-value of -4.096 against the critical Z-value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis was rejected. Thus, the alternate hypothesis was accepted which states that Cost of governance does significantly and negatively affected the literacy rates in Enugu State.

**4.2.2 Test of Hypothesis Two**

Ho: Cost of governance has no significant effect on life expectancy rate in Enugu State

**Table 4.5: Z-test on Cost of governance and life expectancy rate in Enugu State**

<table>
<thead>
<tr>
<th></th>
<th>Cost of governance has no significant effect on life expectancy rate in Enugu State</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>360</td>
</tr>
<tr>
<td>Normal Parameters</td>
<td>Mean Standard Deviation</td>
</tr>
<tr>
<td>Most Extreme</td>
<td>Absolute</td>
</tr>
<tr>
<td>Difference</td>
<td>Negative</td>
</tr>
<tr>
<td>Kolmogorov-Smirnnon Z</td>
<td>5.215</td>
</tr>
<tr>
<td>Asymp. Sig.(2-tailed)</td>
<td>.000</td>
</tr>
</tbody>
</table>
**Result:** With Kolmogorov-Smirnoff $Z$– value of -5.215 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that Cost of governance has no significant effect on life expectancy rate in Enugu State.

**Decision:** Furthermore, comparing the calculated $Z$- value of -5.215 against the critical $Z$-value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis was rejected. Thus, the statistical significance indicates that Cost of governance has a significant negative effect on life expectancy rate in Enugu State.

### 4.2.3 Test of Hypothesis Three

**Ho:** Cost of governance does not significantly affect skill acquisition in Enugu State

#### Table 4.6: Z-test on Cost of governance and skill acquisition in Enugu State

<table>
<thead>
<tr>
<th></th>
<th>Cost of governance does not significantly affect skill acquisition in Enugu State</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>360</td>
</tr>
<tr>
<td>Normal Parameters Mean</td>
<td>-4.000</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1.078</td>
</tr>
<tr>
<td>Most Extreme Absolute</td>
<td>.309</td>
</tr>
<tr>
<td>Most Extreme Positive</td>
<td>.219</td>
</tr>
<tr>
<td>Difference Negative</td>
<td>-.321</td>
</tr>
<tr>
<td>Kolmogorov-Smirnoff Z</td>
<td>5.983</td>
</tr>
<tr>
<td>Asymp. Sig.(2-tailed)</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Result:** With Kolmogorov-Smirnoff $Z$– value of -5.983 and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that Cost of governance significantly and negatively affect skill acquisition in Enugu State.

**Decision:** Furthermore, comparing the calculated $Z$- value of -5.983 against the critical $Z$-value of 1.96 (2-tailed test at 95% level of confidence) the null hypothesis was rejected. Thus, the statistical significance indicates that Cost of governance significantly and negatively affect skill acquisition in Enugu State.

### Discussion of Findings

**Cost of governance and the literacy rates in Enugu State.**

In the test of hypothesis one, the result showed that the calculated $Z$- value of -5.215 was above the critical $Z$-value of 1.96 (2-tailed test at 95% level of confidence). The findings revealed that Cost of governance does significantly and negatively affected the literacy rates in Enugu State. This is more evident in table 4.1 where the majority of the respondents affirm to the fact. The Grand Means of 3.56 showed that the majority of respondents agreed that high costs of governance lead to a situation where a significant portion of the budget is allocated to administrative expenses rather than social services, including education. We affirmed that if a substantial part of the budget is not directed towards education, it negatively impacts literacy rates, that the cost of governance affect the quality of education provided. If resources are mismanaged or used inefficiently, it results in poorly equipped schools, inadequate teacher training. We can confirm that High governance costs lead to less investment in critical infrastructure, including educational infrastructure and that the cost of governance can impact the overall economic education of a region.

**Cost of governance and life expectancy rate in Enugu State**

In the test of hypothesis Two, the result showed that the calculated $Z$- value of -4.096 was above the critical $Z$- value of 1.96 (2-tailed test at 95% level of confidence). The findings
revealed that Cost of governance has a significant negative effect on life expectancy rate in Enugu State. Data on table 4.2 revealed that the respondents believe that with good governance in place, human capital development is realizable in Enugu State. The grand mean of 3.32, means that respondents were firm that high costs of governance lead to a situation where a significant portion of the state budget is allocated to administrative expenses, salaries, and other overhead costs, it is affirmed that if a substantial amount of resources is directed towards governance, it can negatively impact the overall well-being of the population. The data in the table established that If a state allocates a smaller portion of its budget to healthcare due to high governance costs, it might result in inadequate medical facilities, personnel, and services. We infer that A lack of healthcare infrastructure and services can contribute to higher mortality rates and lower life expectancy. We can infer that if high governance costs lead to neglect in the education sector, it might contribute to lower health literacy. The life expectancy rate in Enugu State as at 2008 was 1.150%, in 2015 was 0.850%, 0.580% and 0.570% between 2020 and 2023.

Cost of governance and skill acquisition in Enugu State
In the test of hypothesis three, the result showed that the calculated Z- value of -5.983 was above the critical Z- value of 1.96 (2-tailed test at 95% level of confidence). The finding showed that Cost of governance significantly and negatively affect skill acquisition in Enugu State. Data in table 4.3 revealed that the mean responses of respondents were positive. The grand mean of 3.75 revealed that the respondents strongly agreed that good governance offers the windows of opportunity for employment. The findings align with the result in table 4.3 where the respondents affirmed the state that the cost of governance leads to underfunding of the education sector, which in turn affects skill acquisition programs and institutions. The result is a strong indication that high governance costs might divert funds away from infrastructure development, insufficient infrastructure can hinder the effective delivery of skill acquisition programs. We can attest to the fact that high governance costs can impact the quality of public services, including those related to education and skill development. The finding is evident that high governance costs might discourage private sector involvement due to concerns about the overall economic environment and stability and that the effectiveness of skill acquisition programs is closely tied to employment opportunities.

5. Summary of Findings
The following were findings from the study

i. Cost of governance significantly and negatively affected the literacy rates in Enugu State. This implies that high costs of governance lead to a situation where a significant portion of the budget is allocated to administrative expenses rather than education

ii. Cost of governance had a significant negative effect on life expectancy rate in Enugu State. This suggests that if a substantial amount of resources is directed towards governance, it can negatively impact the overall well-being of the population.

iii. Cost of governance significantly and negatively affect skill acquisition in Enugu State. This goes to show that high governance costs might divert funds away from infrastructure development, insufficient infrastructure can hinder the effective delivery of skill acquisition programs.

Conclusion
The study concluded that cost of governance undermine human capital development in Enugu State. Notwithstanding to the fact that Human capital development is a critical component of sustainable economic growth and societal progress. It encompasses the improvement of education, healthcare, skills, and overall well-being of a population. In Enugu State, the quest for robust human capital development is hindered by the escalating cost of governance. The
economic impact of a high cost of governance in Enugu State is profound. A significant portion of the state's budget is allocated to recurrent expenditures, leaving limited resources for capital projects and investments in human capital. Enugu State's budgetary allocations are often skewed towards recurrent expenditures, particularly the payment of salaries and allowances for public officials. This leaves minimal resources for capital projects and critical sectors like education and healthcare. The lack of adequate investment in these areas negatively affects the development of human capital.

**Recommendations**
The following recommendations are made for the study:

i. Implementing fiscal responsibility measures and ensuring strict budgetary discipline is crucial for optimum realization of improved literacy rate. This involves aligning budgetary priorities with human capital development, reducing unnecessary expenditures, and increasing efficiency in resource utilization.

ii. In Enugu State, reforming the public sector is imperative for optimizing governance costs. This includes streamlining government agencies, improving operational efficiency, and adopting modern technologies to reduce administrative overheads, this will bring about improvement in the life expectancy of the citizenry.

iii. The study recommended for prioritizing investments in education, healthcare, and skills development is essential. Allocating adequate funds to these sectors will contribute to the creation of a robust and skilled workforce, fostering human capital development.

**References**


