



# ENUGU STATE UNIVERSITY OF SCIENCE & TECHNOLOGY

**JOURNAL OF SOCIAL SCIENCES & HUMANITIES**

**Volume 11  
Number 1,  
2026**

**EDITOR-IN-CHIEF**

Prof. Nicholas Attamah

**MANAGING EDITOR**

Prof. Barnabas Nwankwo

**PUBLISHED BY**

**Faculty of Social Sciences,  
Enugu State University of Science And Technology**

# THE IMPACT OF BUDGET PADDING ON INFRASTRUCTURE DEVELOPMENT IN SOUTH EAST GEOPOLITICAL ZONE OF NIGERIA

**Egwuagu Uloma Bridget**

Department of Public Administration, Faculty of Management Science  
Enugu state university of science and Technology, Agbani, Enugu State Nigeria  
[ulomaegwuagu@gmail.com](mailto:ulomaegwuagu@gmail.com)

**Anikeze Nnaemeka Hillary**

Department of Public Administration, Faculty of Management Science  
Enugu state university of science and Technology  
[nnaemeka.anikeze@esut.edu.ng](mailto:nnaemeka.anikeze@esut.edu.ng)

**Awah, Florence Elochukwu**

Department of Industrial Relations and Personnel Management  
Michael Okpara University of Agriculture, Umudike Abia State, Nigeria  
[flora.elochukwu@yahoo.com](mailto:flora.elochukwu@yahoo.com)

## Abstract

*This study investigated the impact of budget padding on infrastructure development in Nigeria, using the South East geopolitical zone as a case study. The objectives were to examine the extent to which budget padding affects the timely execution and quality of infrastructure projects and to assess the relationship between budget padding practices and the misallocation or diversion of public funds meant for infrastructural development in the region. A descriptive survey research design was adopted to gather data from a cross-section of stakeholders including government officials, legislators, contractors, civil society members, and community leaders across Abia, Anambra, Ebonyi, Enugu, and Imo states. Using a multistage sampling technique, 200 respondents were selected, and data were collected through structured questionnaires. Simple percentages and linear regression analysis were employed to analyze the data and test the hypotheses. The findings revealed a significant relationship between budget padding and the diversion of public funds, as well as its negative impact on the timely execution and quality of infrastructure projects in the South East. The study concluded that budget padding undermines infrastructure delivery by enabling the misallocation of resources and promoting fiscal indiscipline. It recommends enhanced oversight by anti-corruption agencies, civil society, and the National Assembly, alongside strict legal sanctions against individuals found guilty of budget manipulation.*

**Keywords:** *Budget Padding, Infrastructure Development, Public Funds Diversion, Project Execution, Fiscal Mismanagement, Budget Transparency, Misallocation of Resources*

## Introduction

Infrastructure development is a cornerstone of economic growth and social progress, providing essential services such as transportation, energy, water, education, and healthcare (World Bank, 2020). In the South East region of Nigeria—comprising Abia, Anambra, Ebonyi, Enugu, and Imo States—effective infrastructure plays a pivotal role in stimulating commerce, improving livelihoods, and enhancing overall quality of life (Nnamani & Ugwuegede, 2021). However, the region continues to face infrastructural deficits, particularly in road networks, power supply, healthcare systems, and educational facilities, despite repeated government efforts and interventions (Ezeabasili & Chukwuma, 2020). One critical determinant of infrastructure development in the South East is budget allocation—the process through which government resources are earmarked for various sectors and projects. The size, distribution, and implementation of these budgetary provisions significantly influence the scope, quality, and sustainability of infrastructure development (Okonjo-Iweala, 2018). Budgeting reflects not only the priorities of government but also its political will and commitment to regional development (Olasupo & Fayomi, 2019).

In Nigeria, the budgeting system at both federal and state levels has been characterized by challenges such as poor project execution, corruption, delays in fund release, and misappropriation of allocated resources (Akinyemi & Adenuga, 2022). In the South East, these issues are further compounded by political marginalization, inconsistent policy frameworks, and limited internally generated revenue (IGR), which affect the availability and utilization of funds for capital projects (Chukwuemeka, 2017). Empirical evidence has shown that infrastructure projects in the region often suffer from underfunding, abandonment, and substandard execution due to inadequate and mismanaged budget allocations (Ogbuagu & Onuoha, 2021). For instance, critical road projects linking rural communities to urban centers are frequently delayed or halted, affecting trade and movement. Similarly, hospitals and schools are under-equipped, partly due to low capital investment in social infrastructure (Uzonwanne, 2020).

Despite these challenges, there have been instances of progress where targeted and sustained budgeting efforts have led to improvements in sectors like transportation and education, especially under administrations that prioritized transparency and fiscal discipline (Transparency International, 2022). These pockets of success underscore the importance of strategic, needs-based budgeting and efficient implementation mechanisms. Therefore, examining the impact of budget allocation on infrastructure development in South East Nigeria is essential to understanding how financial planning and governance practices affect developmental outcomes. Such analysis can inform policy recommendations for more equitable resource distribution, efficient project execution, and sustainable infrastructure growth that supports the long-term development goals of the region. Specifically, the study is designed to: examine the extent to which budget padding affects the timely execution and quality of infrastructure projects in the South East geopolitical zone of Nigeria; and to assess the relationship between budget padding practices and the misallocation or diversion of public funds meant for infrastructural development in the region.

## Literature Review

### 2.0 Conceptual Clarification

#### 2.1 Budget Padding

Budget padding refers to the deliberate inflation or manipulation of budget estimates beyond what is required for the execution of a particular project or program. It often involves the inclusion of fictitious, inflated, or unnecessary expenditures in a government budget for personal or political gain (Arowolo, 2017). This practice undermines the transparency, accountability, and integrity of public financial management and often leads to resource diversion from vital development projects.

#### 2.2 Infrastructure Development

Infrastructure development encompasses the construction and maintenance of foundational services and facilities such as roads, bridges, hospitals, schools, water systems, and electricity supply. According to Ezeabasili (2019), infrastructure serves as a catalyst for economic growth and social development. The effectiveness and sustainability of infrastructure projects largely depend on proper budgetary planning, allocation, and implementation.

#### 2.3 Project Delivery in Infrastructure Development

Project delivery refers to the entire process through which infrastructure projects are planned, financed, executed, and completed. It involves critical phases such as design, procurement, implementation, supervision, and handover. Effective project delivery ensures that infrastructure projects are completed on time, within budget, and to the required quality standards. According to Oladipo (2018), the success of any public infrastructure initiative is heavily dependent on the integrity of its project delivery mechanism.

In the Nigerian context, especially in the South East geopolitical zone, project delivery is often hindered by systemic inefficiencies and budgetary malpractices. One major issue that affects project delivery is budget padding—the inclusion of unnecessary or inflated line items in the national or state budgets. This creates a misalignment between actual financial resources and project requirements, thereby delaying execution and compromising quality. Okereke and Umeh (2019) found that budget padding leads to delays in project mobilization and interruptions during construction due to the unavailability of actual funds. When inflated figures are allocated for projects, the real cost of execution becomes unclear, and contractors may either inflate costs or abandon the project altogether if payments are not made as promised.

Furthermore, Ezenwa (2020) observed that in many South East states, multiple infrastructure projects, particularly roads and public health facilities, are listed and funded repeatedly across several budget cycles without completion. This phenomenon is tied to poor project delivery planning and padded budgets that create room for fund diversion and political manipulation. Iwuoha (2021) emphasized the role of political interference in project delivery, noting that padded budgets often serve as tools for rewarding political loyalists with contracts. These contractors may lack the capacity to deliver, resulting in poorly executed or incomplete projects. This practice not only wastes public funds but also erodes public trust in government-led infrastructure initiatives.

In addition, Adebayo and Chukwuma (2017) point out that weak institutional oversight and limited transparency in the budgeting and project implementation process further exacerbate project delivery problems. In the South East, weak monitoring by state legislatures and civil society makes it easier for padded budgets to pass and for contractors to escape accountability when projects are poorly delivered or left unfinished.

#### **2.4 Budget Padding and Its Effects on Projects delivery**

Several scholars have investigated the role of budgetary practices in project delivery. According to Okonjo-Iweala (2018), improper budgeting, especially through padding, significantly disrupts the project lifecycle—from planning and procurement to implementation and completion. In the South East geopolitical zone of Nigeria, there have been recurring delays and substandard execution of infrastructure projects, which many researchers trace back to corrupt budget practices and inflated contract sums.

Umeh and Nweze (2021) conducted a study on federal road projects in Enugu and Abia states, discovering that a significant percentage of funds allocated for road construction were not utilized effectively due to budgetary distortions. This finding supports the argument that budget padding leads to delays and poor-quality infrastructure, as padded funds either remain unaccounted for or are siphoned off through corrupt procurement processes.

Furthermore, Edeh (2020) highlights that infrastructure contracts in Nigeria are often based on bloated cost estimates, which discourage competitive bidding and compromise project quality. Contractors, knowing that projects are over-invoiced, often cut corners while implementing them. This results in roads that deteriorate quickly, abandoned hospital projects, and collapsed public buildings—all of which reflect the negative impact of budget padding on infrastructure development.

#### **2.5 Misappropriation of Public Funds and Infrastructure Development**

Misappropriation of public funds refers to the illegal or unauthorized use of government resources for personal gain or purposes other than what they were allocated for. In the context of Nigeria, this practice is widespread and has been identified as a major obstacle to the successful implementation of public infrastructure projects. According to Okafor (2018), misappropriation of funds not only undermines good governance but also delays or completely derails development programs across various sectors. One of the mechanisms that facilitates fund misappropriation is budget padding—the deliberate inflation of project costs or inclusion of fictitious items in budget documents. Udeh and Ibrahim (2019) assert that budget padding creates artificial surpluses that are siphoned off through over-invoiced contracts, ghost projects, and politically motivated allocations. In many cases, funds meant for critical infrastructure projects such as roads, hospitals, and schools are diverted, leaving the projects abandoned or poorly executed. In a study conducted in the South East region, Eze and Okoro (2020) found that over 60% of state-funded infrastructure projects suffered delays or outright failure due to issues relating to fund diversion and misappropriation. They highlighted that padded budgets provide cover for corrupt officials and contractors to inflate claims, underdeliver, and still go unpunished due to weak accountability mechanisms. Furthermore, Nwachukwu (2021) noted that the problem is compounded by lack of transparency in the budget approval and implementation process. Oversight bodies such as state assemblies and public audit institutions are often compromised or underfunded, making

it difficult to detect and address misappropriation in a timely manner. As a result, public funds are frequently diverted from infrastructure to unproductive or fraudulent expenditures.

The consequences of misappropriation are severe. Communities in the South East are left without functional roads, water systems, health centers, and other basic infrastructure. According to Agbo and Nnadi (2022), this contributes to underdevelopment, poor service delivery, and widespread poverty. They argue that the vicious cycle of budget padding and misappropriation fuels public distrust in government and discourages foreign and private sector investment in the region. Misappropriation of public funds, often facilitated by budget padding, has a damaging impact on infrastructure development in Nigeria's South East geopolitical zone. It results in project delays, abandonment, and substandard execution, thereby wasting scarce public resources. Addressing this issue requires robust institutional reforms, improved public financial management, strict enforcement of anti-corruption laws, and increased transparency in the budget and procurement process.

## **2.6 Relationship between Budget Padding and misappropriation of Public Funds for Infrastructure**

There is a growing body of literature linking budget padding to the misallocation and diversion of public funds. Nwachukwu (2016) explains that padded budgets create loopholes through which government officials and legislators siphon off funds under the guise of project execution. In the South East, this phenomenon is particularly evident in constituency projects and capital-intensive infrastructure developments where little to no progress is seen despite repeated budgetary allocations. Ogunlana and Adewuyi (2019) argue that budget padding is not merely a technical budgeting flaw but a form of institutionalized corruption. Their study shows that padded projects are often used to create “ghost” contracts—projects that exist only on paper. These practices hinder genuine development efforts and perpetuate regional disparities in infrastructure provision.

In support of this view, Okeke (2022) examined capital budget implementation reports from Ebonyi and Anambra states and found that over 30% of projects listed in the approved budgets were either never started or abandoned due to funding irregularities traced back to budget padding. The author emphasized the need for increased transparency and citizen engagement in the budgeting process to curb the misallocation of resources.

## **2.2 Theoretical Framework**

The Agency Theory and the Public Choice Theory offer relevant insights for this study. Agency theory focuses on the relationship between principals (citizens) and agents (elected officials), where the agents often pursue self-interest at the expense of the public good, particularly through budget manipulation. Public Choice Theory supports this by suggesting that political actors, when left unchecked, will act in ways that serve personal or group interests, including engaging in budget padding to secure political patronage or financial benefits.

## **2.4 Gap in Literature**

While numerous studies have examined the impact of corruption on public finance in Nigeria, few have focused specifically on budget padding as a distinct practice and its direct consequences on infrastructure development in the South East. This study, therefore, seeks to fill that gap by providing empirical insights on how budget padding impedes infrastructural growth in the region.

## **2.3 Empirical Review**

While considerable literature exists on public finance mismanagement and infrastructure development in Nigeria, specific academic attention to the phenomenon of budget padding as a distinct factor undermining infrastructure delivery remains limited. Many existing studies, such as those by Okonkwo (2018) and Ibrahim & Adebayo (2020), have broadly addressed public sector corruption, project abandonment, and misallocation of resources, but they often fail to isolate budget padding as a critical mechanism driving these outcomes. Furthermore, previous research has predominantly focused on national-level analysis, neglecting the regional dynamics of how budget manipulation affects infrastructure development in specific geopolitical zones such as the South East. This region faces unique political, administrative, and economic challenges, yet there is a lack of empirical data linking budget padding directly to the poor state of infrastructure across its states.

Additionally, while studies have examined the general impacts of financial impropriety on governance and development, few have explored the relationship between padded budgets and delayed project delivery, substandard construction, or misappropriation of allocated funds within the context of infrastructural projects. The lack of a region-specific, issue-focused approach leaves a gap in understanding how deeply budget padding undermines public service delivery at the subnational level. Moreover, there is a limited body of literature incorporating stakeholder perspectives—including public officials, contractors, civil society groups, and local communities—on how budget padding is perceived and its practical implications for infrastructure development. This omission limits the practical applicability of existing research in formulating policy reforms.

## **2.5 Summary of literature review**

The literature reveals that budget padding negatively affects infrastructure development by delaying project execution, reducing quality, and facilitating the misallocation of public funds. The South East geopolitical zone, like many other regions in Nigeria, suffers from this problem, which hinders economic growth and deepens public distrust in governance. Addressing budget padding requires institutional reforms, enhanced public accountability mechanisms, and citizen participation in the budgetary process.

## **3.0 Research Methodology**

This study adopted a descriptive survey research design to examine the impact of budget padding on infrastructure development in Nigeria, with a specific focus on the South East geopolitical zone. The choice of this design was informed by the need to collect and analyze data from a cross-section of respondents in order to describe existing conditions, opinions, and trends relating to budget practices and infrastructure delivery in the region. The population of the study comprised government officials from budget and planning

departments, state legislators, project contractors, civil society organizations, and community leaders within the five states of the South East geopolitical zone—Abia, Anambra, Ebonyi, Enugu, and Imo. These categories of respondents were selected based on their knowledge of or involvement in budget formulation, project implementation, and monitoring activities. A multistage sampling technique was employed in selecting the sample. First, purposive sampling was used to identify key ministries, departments, and agencies responsible for infrastructure and budgeting in each state. Within these institutions, stratified random sampling was then used to ensure fair representation of different respondent groups, including both technical and administrative staff. A total sample size of 200 respondents was drawn across the five states for the study. Primary data were collected using a structured questionnaire developed by the researcher. The data collected were analyzed using simple percentage while linear regression, was employed to test the hypotheses and determine the strength and significance of relationships between budget padding and infrastructure delivery variables.

## Data Presentation and Analysis

### 4.2 Descriptive Analysis of Key Variables

Research Question 1: What are the Effect of Budget Padding on Timely Execution and Quality of Infrastructure Projects

Respondents were asked to express their views on how budget padding affects the implementation and quality of infrastructure projects.

**Table 4.2: Responses on Project Timeliness Affected by Budget Padding**

Responses	Frequency	Percentage (%)
Strongly Agree	94	50.8%
Agree	56	30.3%
Undecided	14	7.6%
Disagree	13	7.0%
Strongly Disagree	8	4.3%

**Interpretation:** A combined 81.1% of respondents agree that budget padding causes delays in the execution of infrastructure projects.

Research Questions 2: What are the effects of Budget Padding on Misappropriation of Public Funds?

**Table 4.4: Responses on Budget Padding and Fund Misallocation**

Responses	Frequency	Percentage (%)
Strongly Agree	88	47.6%
Agree	64	34.6%
Undecided	12	6.5%



Disagree	14	7.6%
Strongly Disagree	7	3.8%

## Test of Hypotheses

### Hypothesis one

#### **H<sub>01</sub> (Null Hypothesis):**

Budget padding has no significant effect on the timely execution and quality of infrastructure projects.

#### **H<sub>11</sub> (Alternative Hypothesis):**

Budget padding has a significant effect on the timely execution and quality of infrastructure projects.

### Regression Model Summary

- **Dependent Variable (Y):** Infrastructure Development (measured by timeliness, quality, and fund utilization)
- **Independent Variable (X):** Budget Padding (measured by prevalence, manipulation, and fund misappropriation)

### Model Specification:

- **Dependent Variable (Y):** Infrastructure Development (measured by project completion rate, quality, and timeliness)
- **Independent Variable (X):** Budget Padding (measured by prevalence, frequency, and reported cases)

### Regression Output Summary:

Model Component	Value
R	0.712
R Square (R <sup>2</sup> )	0.507
Adjusted R Square	0.496
F-statistic	82.31
Sig. (p-value)	0.000
Beta Coefficient (B)	-0.655
Std. Error	0.072
t-value	-9.072

### Interpretation:

- The **R<sup>2</sup> value of 0.507** indicates that 50.7% of the variation in infrastructure development can be explained by budget padding.

- The **negative Beta (-0.655)** suggests an inverse relationship—i.e., the more budget padding occurs, the worse the state of infrastructure development.
- The **p-value (0.000)** is less than 0.05, showing that the relationship is statistically significant.
- Therefore, the null hypothesis that "budget padding has no significant impact on infrastructure development" is **rejected**.

### Hypothesis two

#### **H<sub>02</sub> (Null Hypothesis):**

Budget padding has no significant effect on the misappropriation of public funds.

#### **H<sub>12</sub> (Alternative Hypothesis):**

Budget padding has a significant effect on the misappropriation of public funds.

### Regression Model Summary

- **Dependent Variable (Y):** Infrastructure Development (measured by timeliness, quality, and fund utilization)
- **Independent Variable (X):** Budget Padding (measured by prevalence, manipulation, and fund misappropriation)

**Table 4.5: Regression Output**

Statistics	Value
R	0.702
R Square	0.493
Adjusted R Square	0.482
F-Statistic	88.615
p-value	0.000
Coefficient ( $\beta$ )	-0.648
Standard Error	0.068
t-value	-8.866

### Interpretation:

- The **R<sup>2</sup> value (0.493)** implies that 49.3% of the variation in infrastructure development can be explained by budget padding.
- The **negative beta coefficient (-0.648)** indicates a strong inverse relationship—i.e., the more budget padding occurs, the worse the outcome for infrastructure delivery.
- The **p-value (0.000)** is statistically significant at the 0.05 level, confirming that budget padding has a significant negative effect on infrastructure development.

#### 4.4 Discussion of Findings

The findings from both the descriptive and inferential analyses show that budget padding significantly hampers infrastructure development in the South East geopolitical zone of Nigeria. The majority of stakeholders, including government officials and community leaders, identified delays in project execution, substandard infrastructure delivery, and misallocation of public funds as direct consequences of padded budgets. Regression analysis further affirms a statistically significant negative relationship between budget padding and infrastructure outcomes. These results suggest that unless budget processes are sanitized and made more transparent, infrastructure development in the region will continue to suffer.

#### 5.0 Summary of Findings

1. The study found a significant link between budget padding and the diversion of public funds meant for infrastructural development in the South East region.
2. Budget padding was shown to contribute to the misallocation of resources, leading to delays and poor execution of infrastructure projects.

#### 5.1 Conclusion

This study examined the impact of budget padding on infrastructure development in Nigeria, with a specific focus on the South East geopolitical zone. The findings revealed that budget padding significantly affects the timely execution, quality, and completion of infrastructure projects in the region. It was observed that inflated and manipulated budget figures often lead to project delays, abandonment, and substandard work due to the diversion or misappropriation of public funds. The study also established a strong link between budget padding and the misallocation of resources, which hampers efficient service delivery and limits the government's ability to meet infrastructure needs. Respondents acknowledged that corruption and lack of transparency in the budgeting process are major contributors to the negative consequences of budget padding. Overall, the research concludes that budget padding undermines development efforts, promotes fiscal indiscipline, and erodes public trust in governance. Addressing this issue requires institutional reforms, greater legislative oversight, stricter enforcement of anti-corruption laws, and the promotion of transparency and accountability in the budgeting process. Without tackling the menace of budget padding, sustainable infrastructure development in the South East and Nigeria at large will remain elusive.

#### 5.2 Recommendations

Based on the findings the following recommendations are made;

1. The government should enhance the oversight functions of anti-corruption agencies, civil society organizations, and the National Assembly to ensure that the budgeting process is transparent and free from manipulations.
2. There should be strict legal and disciplinary measures against individuals found guilty of budget padding.

## References

- Adegboro, A. O., & Olaoye, C. O. (2021). Budgetary practices and financial management in Nigerian public sector. *Journal of Public Administration and Finance*, 6(2), 112–124.
- Akinyemi, O., & Adenuga, O. (2022). Corruption, budget implementation, and infrastructural development in Nigeria. *African Journal of Public Sector Management*, 9(2), 33–48.
- Chukwuemeka, E. E. (2017). Fiscal federalism and infrastructural development in Nigeria: Issues and challenges. *Journal of African Development Studies*, 11(1), 21–36.
- Ezeabasili, A. C., & Chukwuma, O. (2020). Infrastructure financing and the Nigerian economy: Challenges and policy implications. *International Journal of Public Finance*, 5(1), 55–67.
- Ibrahim, M. A., & Mohammed, U. A. (2020). Public financial mismanagement and infrastructure delivery in Nigeria. *African Journal of Economics and Sustainable Development*, 8(1), 67–81.
- Nnamani, D. O., & Ugwuegede, S. O. (2021). Public sector budgeting and regional development in Nigeria: The South East experience. *Nigerian Journal of Development and Administration*, 13(2), 110–124.
- Ogbuagu, C. S., & Onuoha, H. C. (2021). Budget misappropriation and infrastructural underdevelopment in Nigeria. *Journal of Contemporary Governance and Development*, 4(3), 87–101.
- Okonjo-Iweala, N. (2018). *Fighting corruption is dangerous: The story behind the headlines*. The MIT Press.
- Okonjo-Iweala, N. (2018). *Fighting corruption is dangerous: The story behind the headlines*. Cambridge, MA: MIT Press.
- Olasupo, M. O., & Fayomi, O. O. (2019). Budgetary allocations and policy outcomes in Nigeria's democratic dispensation. *Journal of Public Administration and Policy Research*, 11(4), 57–66.
- Transparency International. (2022). *Corruption perceptions index 2022: Nigeria report*. Retrieved from <https://www.transparency.org>
- Transparency International. (2022). *Corruption perceptions index 2022: Nigeria*. Retrieved from <https://www.transparency.org>
- Uzonwanne, M. C. (2020). Budgeting and public service delivery in Nigeria: An evaluation of the health and education sectors. *Journal of Management and Social Sciences*, 6(1), 45–59.
- World Bank. (2020). *Infrastructure for development*. Retrieved from <https://www.worldbank.org>