Fiscal Policies and Economic Recovery from Financial Crises and Pandemic Crises of Selected African Countries

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Abstract: *Fiscal policies play a pivotal role in navigating economic recovery, particularly amidst financial and pandemic crises in African countries. This study evaluates the influence of the unemployment rate, government expenditure, and government capital expenditure on economic recovery in selected African nations. The objectives include assessing the significance of these factors in the context of crises and testing hypotheses regarding their relationships with economic recovery. Drawing from the Keynesian economic theory and Structural Adjustment Theory, the study provides a theoretical framework for understanding the efficacy of fiscal interventions. Using a deductive approach and multiple regression analysis, data from ten African countries spanning from 1981 to 2023 are analyzed. The findings underscore the critical role of the unemployment rate and government capital expenditure in driving economic recovery, while general government expenditure shows minimal direct impact. Policymakers are urged to focus on targeted investments in capital projects and initiatives to address unemployment rates, thereby fostering sustainable economic growth and resilience.*

INTRODUCTION

Fiscal policies have emerged as critical tools in steering economic recovery, particularly in the aftermath of financial and pandemic crises. The unprecedented disruptions caused by these crises have underscored the necessity for strategic governmental interventions to stabilize economies and foster sustainable growth. In the context of African nations, characterized by diverse economic

landscapes and varying levels of resilience, the role of fiscal policies becomes even more pivotal. Effective fiscal management can mitigate the adverse effects of crises, stimulate economic activity, and lay the groundwork for long-term development (Ajakaiye & Fakiyesi, 2024).

Globally, numerous studies have highlighted the significant impact of fiscal policies on economic recovery. By analyzing government spending, taxation, and public investment strategies, researchers have demonstrated how these measures can drive economic revitalization, reduce unemployment, and enhance public welfare (IMF, 2020). Successful examples from various countries illustrate the crucial role of government expenditure in stabilizing economies during times of crisis and fostering a robust recovery (Ribeiro & Esteves, 2024). These insights are particularly relevant for African countries, where effective fiscal policies are essential for addressing the dual challenges of financial and pandemic-induced economic disruptions (Bako & Nwokoye, 2024).

At the continental and national levels, the study of fiscal policies and their impact on economic recovery has gained considerable attention. In regions like Africa, where economic vulnerabilities are pronounced, understanding the dynamics of fiscal interventions is crucial. Countries such as Nigeria, South Africa, and Kenya have implemented various fiscal measures to combat the repercussions of financial and pandemic crises. These measures include increased government spending, targeted capital investments, and fiscal reforms aimed at enhancing economic resilience and growth (Moyo, 2021). By examining these efforts, researchers can uncover best practices and provide insights into the most effective strategies for promoting economic recovery (Ndung'u, 2019).

Three critical dimensions of fiscal policy-unemployment rate, government expenditure, and government capital expenditure-are intricately linked and mutually reinforcing, forming a comprehensive framework that enhances economic recovery. The unemployment rate serves as a key indicator of economic health, with high levels of unemployment signifying economic distress. Addressing unemployment through targeted fiscal policies can stimulate economic activity and improve social stability (Aminu & Anono, 2024). Government expenditure, encompassing both current spending and investments, is a vital tool for injecting liquidity into the economy, supporting businesses, and safeguarding public welfare (Kale & Owonikoko, 2024). Furthermore, government capital expenditure, focused on infrastructure development and public assets, plays a crucial role in laying the foundation for sustainable economic growth and enhancing productivity (Adedeji, 2024). By analyzing these dimensions collectively, policymakers can develop holistic strategies that drive economic recovery and resilience.

The economic landscape of selected African countries, including Nigeria, South Africa, and Kenya, is marked by significant challenges and opportunities. Rapid urbanization, fluctuating commodity prices, and evolving global economic trends influence these nations' economic trajectories. In this context, fiscal policies aimed at reducing unemployment, boosting government

expenditure, and enhancing capital investments are critical for fostering economic recovery. These policies not only address immediate economic challenges but also contribute to long-term development and competitiveness.

Despite the extensive research on fiscal policies and economic recovery, a notable gap exists in understanding the specific impacts of these policies within the context of African countries. While studies such as Adekunle, Fakunle, and Bello (2021), and Ekeocha, Nnamdi, and Odozi (2021) have explored fiscal interventions in various global contexts, the unique economic conditions and policy environments of African nations often go overlooked. This oversight limits our understanding of how fiscal policies can be tailored to address the specific challenges faced by these countries. For instance, insights derived from other regions may not fully capture the nuances of African economies, where issues such as informal employment, diverse economic structures, and social factors play significant roles. As a result, there is a pressing need for research that specifically addresses the impact of fiscal policies on economic recovery within the African context, providing actionable insights and tailored strategies.

Furthermore, a conspicuous knowledge void exists regarding the mechanisms through which unemployment rates, government expenditure, and government capital expenditure impact economic recovery in African countries. While some studies such as Fashola, Odetola, and Awogbenle (2023), and Yusuf, Olufemi, and Ibrahim (2023) have explored the overall impact of fiscal policies on economic metrics, there remains a dearth of empirical evidence elucidating the intricate relationships between these dimensions. This gap in knowledge poses a significant challenge for policymakers seeking to implement effective fiscal interventions that address the specific needs of their economies. Closing this knowledge gap is essential for developing evidence-based strategies that optimize fiscal policies and drive sustainable economic recovery in African countries.

Against the backdrop of these research gaps, the overarching problem revolves around the need to bridge the disconnect between theoretical conceptualizations of fiscal policies and their practical implications for economic recovery within selected African countries. This entails conducting methodologically rigorous research that addresses the unique economic dynamics and policy environments specific to these nations while offering actionable recommendations and evidence-based strategies to empower policymakers in fostering sustainable economic recovery and growth.

Objectives of the Study

i. To evaluate the extent to which the Unemployment rate significantly influences the economic recovery of selected African countries from financial and pandemic crises.
ii. To evaluate the extent to which Government expenditure significantly influences the economic recovery of selected African countries from financial and pandemic crises.

iii.   To evaluate the extent to which Government capital expenditure significantly influences the economic recovery of selected African countries from financial and pandemic crises.

Hypotheses of the Study

H_{01}: There is no significant relationship between the Unemployment rate and economic recovery in selected African countries from financial and pandemic crises.

H_{02}: There is no significant relationship between Government expenditure and economic recovery in selected African countries from financial and pandemic crises.

H_{03}: There is no significant relationship between Government capital expenditure and economic recovery in selected African countries from financial and pandemic crises.

This paper is organized into seven distinct sections: Introduction, Literature Review, Methodology, Results and Findings, Discussion, Implications for Research and Practice, and Conclusion.

LITERATURE REVIEW

Conceptual Clarification

Fiscal policies refer to government strategies used to influence economic activity, primarily through taxation and public spending. These policies are crucial in managing economic stability, especially during periods of financial and pandemic crises. By adjusting spending levels and tax rates, governments aim to achieve economic objectives such as controlling inflation, reducing unemployment, and fostering economic growth (Auerbach, 2020). In the context of economic recovery, fiscal policies are designed to stimulate demand, support employment, and enhance the resilience of the economy (Blanchard & Leigh, 2013).

Economic recovery is the process through which economies rebound from periods of downturn or recession. This recovery involves a return to positive growth rates, increased employment, and improved public and private sector confidence. Key indicators of economic recovery include GDP growth, unemployment rates, and levels of investment. Effective economic recovery strategies often involve a combination of fiscal policies, monetary policies, and structural reforms aimed at restoring economic stability and growth (Reinhart & Rogoff, 2014).

The unemployment rate is a critical indicator of economic health, representing the percentage of the labor force that is jobless and actively seeking employment. High unemployment rates indicate economic distress and can slow down recovery efforts by reducing consumer spending and overall economic demand (Feldmann, 2020). In the context of crises, understanding the relationship between unemployment and economic recovery is essential for designing policies that can

effectively stimulate job creation and support vulnerable populations (Mankiw, 2019).

Government expenditure includes all spending by the public sector on goods and services, social benefits, and public works. It is a vital tool for influencing economic performance, particularly during crises. Increased government spending can stimulate economic activity by injecting liquidity into the economy, supporting businesses, and maintaining employment levels (Romer, 2020). The effectiveness of government expenditure in promoting economic recovery depends on its size, composition, and the efficiency with which resources are allocated (Gali & Perotti, 2003).

Government capital expenditure refers to spending on physical assets such as infrastructure, buildings, and machinery. This type of expenditure is crucial for long-term economic growth as it enhances productive capacity and improves the overall infrastructure of the economy. During crises, capital expenditure can play a pivotal role in economic recovery by creating jobs, boosting demand for goods and services, and laying the foundation for future growth (Aschauer, 1989). The impact of capital expenditure on recovery is influenced by factors such as project selection, implementation efficiency, and overall economic conditions (Heintz, 2010).

Empirical Review

Numerous studies have examined the role of fiscal policies in economic recovery from financial and pandemic crises.

Research consistently shows that high unemployment rates pose significant challenges to economic recovery. For instance, Feldmann (2020) found that high unemployment during crises exacerbates economic downturns by reducing household incomes and consumer spending. This, in turn, hampers economic growth and prolongs recovery periods. Studies by Mankiw (2019) and Blanchard & Leigh (2013) underscore the importance of targeted fiscal policies to reduce unemployment and stimulate economic activity, suggesting that measures such as job creation programs and unemployment benefits are crucial during recovery phases.

Government expenditure has been shown to have a substantial impact on economic recovery. Romer (2020) argues that increased public spending during crises can offset declines in private sector demand, supporting overall economic activity. Gali & Perotti (2003) provide empirical evidence that government spending, particularly on social benefits and public services, can stabilize economies by maintaining consumer confidence and spending power. These findings are supported by studies such as those by Reinhart & Rogoff (2014), which highlight the role of fiscal stimulus in driving recovery during financial crises.

Government capital expenditure is critical for long-term economic recovery and growth. Aschauer (1989) demonstrates that investments in infrastructure and public assets significantly enhance productive capacity and economic efficiency. Heintz (2010) further supports this by showing that well-targeted capital expenditure can generate employment, stimulate economic demand, and lay

the groundwork for sustainable growth. These studies highlight the importance of efficient project selection and implementation to maximize the benefits of capital expenditure on economic recovery.

The specific context of African countries presents unique challenges and opportunities for fiscal policy interventions. Research by Ajakaiye & Fakiyesi (2024) emphasizes that African economies often face structural issues such as limited fiscal space and dependency on commodity exports, which can complicate recovery efforts. However, studies by Moyo (2021) and Ndung'u (2019) illustrate that strategic government expenditure and targeted fiscal reforms can effectively support recovery by addressing these structural issues and fostering economic resilience.

Furthermore, the impact of fiscal policies on economic recovery in African countries is influenced by factors such as governance, institutional capacity, and external economic conditions. Adekunle, Fakunle, and Bello (2021) highlight the importance of good governance and effective institutional frameworks in ensuring that fiscal policies are successfully implemented and yield the desired outcomes. Similarly, Ekeocha, Nnamdi, and Odozi (2021) discuss the role of external factors such as international aid and global economic trends in shaping the effectiveness of fiscal policies in African countries.

Theoretical Framework

The theoretical framework guiding this study is the Keynesian economic theory, which posits that active government intervention is necessary to manage economic cycles and stabilize the economy (Keynes, 1936). According to this theory, fiscal policies such as government expenditure and capital investments are essential tools for stimulating demand, reducing unemployment, and fostering economic recovery during periods of economic downturn (Blinder, 2008).

Additionally, the study incorporates elements of the Structural Adjustment Theory, which emphasizes the need for structural reforms and fiscal discipline to achieve sustainable economic growth (Williamson, 1990). This perspective highlights the importance of efficient resource allocation, governance, and institutional capacity in ensuring that fiscal policies effectively support economic recovery.

By integrating these theoretical perspectives, the study aims to explore the specific impacts of unemployment rates, government expenditure, and capital expenditure on economic recovery in selected African countries. This approach provides a comprehensive understanding of the factors influencing economic recovery and highlights the importance of both macroeconomic and structural considerations in designing effective fiscal policies.

METHODOLOGY

Research Design
The research design encompasses the overarching plan guiding the study's investigation into the variables pertinent to the research objectives. Given the quantitative nature of the study and the focus on specific variables, a deductive approach is adopted, moving from general theories to specific hypotheses testing. This approach allows for a focused examination of the relationships between the selected variables and economic recovery in African countries.

Population of the Study

The target population for this study comprises ten selected African countries: Nigeria (NG), Ghana (GH), Ethiopia (ET), Kenya (KE), South Africa (ZA), Egypt (EG), Algeria (DZ), Angola (AO), Democratic Republic of Congo (CD), and Sudan (SD). These countries represent diverse regions of Africa and are chosen based on their economic significance, trade activities, and overall economic conditions.

Sample Size and Sampling Technique

A purposive sampling method is employed to select the aforementioned ten African countries. This approach ensures the inclusion of countries with varying degrees of economic development and exposure to financial and pandemic crises. Each country serves as a unit of analysis, allowing for a comprehensive examination of the variables' impact on economic recovery.

Sources and Methods of Data Collection

Secondary data from reputable international databases such as the International Monetary Fund's International Financial Statistics (IFS) and the World Bank's World Development Indicators (WDI) are utilized. The data cover the period from 1981 to 2023, providing a longitudinal perspective on economic trends and recovery dynamics. Specifically, data related to the unemployment rate (UR), government expenditure (GE), and government capital expenditure (GCE) are extracted for analysis.

Model Specification

The study employs multiple regression analysis to test the hypotheses related to the selected variables' influence on economic recovery. The model focuses on evaluating the extent to which the unemployment rate (UR), government expenditure (GE), and government capital expenditure (GCE) significantly impact economic recovery in the selected African countries. The model is specified as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

$$ER = \beta 0 + \beta 1 UR + \beta 2 GE + \beta 3 GCE + \epsilon$$

Where:

ER represents the dependent variable matrix, indicative of economic recovery.

UR, GE, and GCE denote the independent variables: the unemployment rate, government expenditure, and government capital expenditure respectively.

$\beta 0$-$\beta 3$ symbolize the coefficients associated with the independent variables.

ϵ stands for the error term accounting for unexplained variability within the model.

Method of Data Analysis

The data analysis focuses on testing the hypotheses outlined in the research objectives using multiple regression analysis. Descriptive statistics are employed to characterize the variables, while regression analysis allows for the assessment of the relationship between the independent variables (UR, GE, and GCE) and the dependent variable (economic recovery). By utilizing this methodological approach, the study aims to provide empirical insights into the determinants of economic recovery in African countries amidst financial and pandemic crises.

RESULTS AND FINDINGS

Table 1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ER	440	.01	20.10	11.7557	4.15300	17.247	-1.976	.116	3.695	.232
UR	440	.00	21.51	14.1073	4.57541	20.934	-2.464	.116	5.235	.232
GE	440	-.92	39.03	.1973	2.63002	6.917	14.729	.116	216.456	.232
GCE	440	.01	20.10	11.9789	4.02633	16.211	-2.000	.116	4.273	.232
Valid N (listwise)	440									

SOURCE: SPSS, 2024

Table 1 provides a summary of the descriptive statistics for four key variables in the study: Economic Recovery (ER), Unemployment Rate (UR), Government Expenditure (GE), and Government Capital Expenditure (GCE).

The Economic Recovery variable ranges from 0.01 to 20.10, with a mean of 11.7557. The standard deviation is 4.15300, indicating moderate variability around the mean. The variance is 17.247,

further highlighting this variability. The skewness of -1.976 suggests that the distribution is left-skewed, implying that most values are clustered above the mean. The kurtosis of 3.695 indicates a leptokurtic distribution, suggesting more outliers and a sharper peak compared to a normal distribution.

The UR ranges from 0.00 to 21.51, with a mean value of 14.1073. The standard deviation is 4.57541, showing relatively high dispersion. The variance is 20.934, reinforcing the spread of values. The skewness is -2.464, indicating a highly left-skewed distribution, where most values are above the mean. The kurtosis of 5.235 suggests a leptokurtic distribution, indicating a concentration of values around the mean with significant outliers.

The GE variable ranges from -0.92 to 39.03, with a mean of 0.1973. The standard deviation is 2.63002, indicating considerable variability. The variance is 6.917, reflecting the spread of data points. The skewness is significantly positive at 14.729, showing a right-skewed distribution with most values clustered at the lower end. The kurtosis is extremely high at 216.456, indicating an extremely leptokurtic distribution with a very sharp peak and heavy tails.

GCE ranges from 0.01 to 20.10, with a mean of 11.9789. The standard deviation is 4.02633, suggesting moderate variability. The variance is 16.211, indicating the degree of spread around the mean. The skewness is -2.000, implying a left-skewed distribution with most values above the mean. The kurtosis of 4.273 suggests a leptokurtic distribution, highlighting a concentration around the mean and the presence of outliers.

The descriptive statistics indicate notable variability and skewness in the distributions of these key variables, which have significant implications for fiscal policy analysis in the context of economic recovery.

The left-skewed distribution of ER suggests that while most countries exhibit strong economic recovery values, a few lag behind significantly. This implies that policy interventions may need to be tailored to address these outliers to ensure a more balanced recovery across the board.

The highly left-skewed UR distribution indicates that most countries have lower unemployment rates, but a few have very high rates, which could impede overall economic recovery. High unemployment can strain public resources and reduce consumer spending, slowing down recovery efforts.

The extreme right-skewness and high kurtosis of GE suggest that while most countries have low government expenditure, a few spend significantly more. This disparity can indicate inefficiencies or significant differences in fiscal capacity, impacting the effectiveness of recovery measures.

The left-skewed GCE distribution implies that higher capital expenditure is common, which can positively influence economic recovery by enhancing infrastructure and public services. However,

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the presence of outliers suggests that some countries may need to re-evaluate their capital spending to optimise recovery outcomes.

The analysis of the descriptive statistics reveals critical insights into the distribution and variability of the key variables affecting economic recovery in selected African countries. The skewness and kurtosis values highlight the need for tailored fiscal policies that address the specific challenges and opportunities within each country. Understanding these patterns is essential for developing effective strategies to enhance economic recovery and ensure sustainable growth in the post-crisis period.

Table 2 Correlations

		ER	UR	GE	GCE
ER	Pearson Correlation	1	.848**	.033	.804**
	Sig. (2-tailed)		.000	.496	.000
	N	440	440	440	440
UR	Pearson Correlation	.848**	1	.013	.822**
	Sig. (2-tailed)	.000		.781	.000
	N	440	440	440	440
GE	Pearson Correlation	.033	.013	1	.123*
	Sig. (2-tailed)	.496	.781		.010
	N	440	440	440	440
GCE	Pearson Correlation	.804**	.822**	.123*	1
	Sig. (2-tailed)	.000	.000	.010	
	N	440	440	440	440

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
SOURCE: SPSS, 2024

Table 2 presents the Pearson correlation coefficients between Economic Recovery (ER), Unemployment Rate (UR), Government Expenditure (GE), and Government Capital Expenditure (GCE) for selected African countries.

ER shows a strong positive correlation with UR ($r = .848$, $p < .01$) and GCE ($r = .804$, $p < .01$). This suggests that higher unemployment rates and higher government capital expenditure are associated with improved economic recovery. The weak positive correlation between ER and GE ($r = .033$, $p > .05$) is not statistically significant, indicating that general government expenditure does not have a significant linear relationship with economic recovery in this context.

UR is also strongly positively correlated with GCE ($r = .822$, $p < .01$), indicating that higher government capital expenditure is associated with higher unemployment rates. The correlation between UR and GE ($r = .013$, $p > .05$) is weak and not significant, suggesting no meaningful

linear relationship between these two variables.

GE has a weak but statistically significant positive correlation with GCE (r = .123, p < .05). This indicates a slight positive relationship between general government expenditure and government capital expenditure, suggesting that increases in one are somewhat associated with increases in the other.

GCE, as noted, has strong positive correlations with both ER and UR, indicating its critical role in economic recovery and its association with unemployment rates.

The strong positive correlations between ER and both UR and GCE highlight the significant roles of unemployment rates and government capital expenditure in economic recovery. The positive relationship with UR suggests that higher unemployment rates may initially correlate with economic recovery efforts, possibly due to increased government interventions and stimulus packages aimed at reducing unemployment. The strong correlation with GCE underscores the importance of capital investment by governments in stimulating economic recovery, likely through infrastructure development and other long-term projects.

The lack of significant correlation between GE and both ER and UR indicates that general government expenditure does not have a straightforward linear impact on economic recovery or unemployment rates. This could imply that the effectiveness of government expenditure on economic outcomes depends on how the funds are allocated, rather than the total amount spent.

The positive relationship between UR and GCE suggests that higher unemployment rates may drive increased government capital expenditure, possibly as a response to economic crises. However, the lack of significant correlation between UR and GE implies that general expenditure is not directly influenced by unemployment rates in the same way.

The correlation analysis reveals that government capital expenditure plays a pivotal role in economic recovery and is closely associated with unemployment rates in selected African countries. The findings suggest that targeted capital investments are crucial for stimulating economic recovery during and after financial and pandemic crises. Meanwhile, general government expenditure does not show a significant direct impact, indicating the need for strategic allocation of resources to maximise economic recovery and reduce unemployment effectively. These insights are essential for policymakers aiming to enhance economic resilience and recovery in the face of crises.

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Table 3 Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.869[a]	.755	.753	2.06280	.755	447.802	3	436	.000	1.582

a. Predictors: (Constant), UR, GE, GCE
b. Dependent Variable: ER

SOURCE: SPSS, 2024

Table 3 provides a summary of the multiple regression model used to analyse the impact of Unemployment Rate (UR), Government Expenditure (GE), and Government Capital Expenditure (GCE) on Economic Recovery (ER) in selected African countries.

The R value is .869, indicating a strong positive correlation between the independent variables (UR, GE, GCE) and the dependent variable (ER). The R Square value is .755, meaning that approximately 75.5% of the variance in economic recovery can be explained by the combined effect of unemployment rate, government expenditure, and government capital expenditure. This high R Square value suggests that the model is a good fit for the data.

The Adjusted R Square is .753, slightly lower than the R Square. This adjustment accounts for the number of predictors in the model, providing a more accurate measure of the model's explanatory power. The slight decrease from R Square to Adjusted R Square indicates that the model does not suffer significantly from overfitting, affirming the robustness of the predictors.

The R Square Change value of .755 and the corresponding F Change value of 447.802 indicate that the model's explanatory power is statistically significant ($p < .001$). This means the inclusion of UR, GE, and GCE significantly improves the model's ability to predict economic recovery.

The Durbin-Watson statistic is 1.582, which tests for the presence of autocorrelation in the residuals. Values close to 2 suggest no autocorrelation, while values significantly below 2 may indicate positive autocorrelation. In this case, the value of 1.582 is within an acceptable range, suggesting minimal autocorrelation and validating the independence of residuals.

The high R Square and Adjusted R Square values indicate that the model is highly effective in explaining the variability in economic recovery based on the predictors. This suggests that unemployment rate, government expenditure, and government capital expenditure are significant determinants of economic recovery in the selected African countries.

The significant F Change value confirms that the combined effect of UR, GE, and GCE is substantial and statistically significant in predicting economic recovery. This underscores the importance of these variables in formulating policies aimed at fostering economic recovery.

The acceptable Durbin-Watson value implies that the residuals are independent, indicating that the model's assumptions are met. This enhances the reliability of the regression results.

Table 4 ANOVAᵃ

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5716.366	3	1905.455	447.802	.000ᵇ
Residual	1855.235	436	4.255		
Total	7571.601	439			

a. Dependent Variable: ER
b. Predictors: (Constant), UR, GE, GCE
SOURCE: SPSS, 2024

Table 4 presents the results of the Analysis of Variance (ANOVA) for the regression model assessing the impact of Unemployment Rate (UR), Government Expenditure (GE), and Government Capital Expenditure (GCE) on Economic Recovery (ER) in selected African countries.

The regression sum of squares is 5716.366 with 3 degrees of freedom (df). This represents the variation in ER explained by the model, which includes UR, GE, and GCE as predictors.

The residual sum of squares is 1855.235 with 436 degrees of freedom. This measures the variation in ER that is not explained by the model, indicating the error or unexplained variance.

The total sum of squares is 7571.601 with 439 degrees of freedom. This is the sum of the regression and residual sums of squares and represents the total variation in ER.

The F-statistic is 447.802, which is the ratio of the regression mean square to the residual mean square (1905.455 / 4.255). This high value indicates that the model explains a significant portion of the variance in ER relative to the unexplained variance.

The p-value associated with the F-statistic is .000, which is highly significant. This indicates that the regression model, including UR, GE, and GCE, provides a significantly better fit to the data than a model with no predictors.

The highly significant F-statistic ($p < .001$) confirms that the overall regression model is statistically significant. This means that the combined effect of UR, GE, and GCE on ER is substantial and not due to random chance.

The regression sum of squares (5716.366) is substantially larger than the residual sum of squares (1855.235), indicating that a significant portion of the total variance in economic recovery is explained by the model. This reinforces the high R Square value observed in the model summary, highlighting the robustness of the predictors.

The significance of the model underscores the importance of unemployment rate, government expenditure, and government capital expenditure in driving economic recovery. Policymakers should consider these factors when designing and implementing strategies to enhance economic resilience and growth, especially in the aftermath of financial and pandemic crises.

Table 5 Coefficients[a]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	.283	.328		.863	.388
UR	.521	.038	.574	13.633	.000
GE	-.025	.038	-.016	-.662	.508
GCE	.344	.044	.334	7.859	.000

a. Dependent Variable: ER
SOURCE: SPSS, 2024

Table 5 presents the coefficients of the multiple regression model, which evaluates the impact of Unemployment Rate (UR), Government Expenditure (GE), and Government Capital Expenditure (GCE) on Economic Recovery (ER) in selected African countries.

The constant (intercept) has an unstandardised coefficient of 0.283, indicating the expected value of ER when all predictors are zero. This value is not statistically significant ($p = .388$), suggesting that the intercept is not significantly different from zero and does not provide a meaningful standalone value for economic recovery.

The coefficient for UR is 0.521, which implies that a one-unit increase in UR is associated with a 0.521 unit increase in ER, holding other variables constant. This relationship is highly significant ($p < .001$), indicating a strong positive impact of the unemployment rate on economic recovery. The standardised coefficient (Beta) for UR is 0.574, highlighting that UR has the largest impact on ER relative to the other predictors. This underscores the critical role of the unemployment rate in driving economic recovery.

The coefficient for GE is -0.025, suggesting that a one-unit increase in GE is associated with a 0.025 unit decrease in ER. However, this effect is not statistically significant ($p = .508$), implying that government expenditure does not have a significant direct impact on economic recovery. The Beta value for GE is -0.016, reinforcing the minimal and non-significant impact of GE on ER.

The coefficient for GCE is 0.344, indicating that a one-unit increase in GCE results in a 0.344 unit increase in ER. This relationship is highly significant ($p < .001$), demonstrating a strong positive effect of government capital expenditure on economic recovery. The standardised coefficient (Beta) for GCE is 0.334, showing that GCE has a substantial positive impact on ER, second only to UR.

The t-values and p-values provide further insights into the significance of the predictors. The t-value for UR is 13.633 with a p-value of .000, confirming that UR is a highly significant predictor of ER. The t-value for GE is -0.662 with a p-value of .508, supporting the finding that GE is not a significant predictor. The t-value for GCE is 7.859 with a p-value of .000, indicating that GCE is a highly significant predictor of ER.

The regression analysis reveals that UR and GCE are significant predictors of economic recovery, both having positive impacts. UR, with the highest Beta value, is the most influential factor, highlighting the importance of addressing unemployment to stimulate economic recovery. GCE also has a substantial positive effect, emphasising the significance of government capital expenditure in fostering economic growth.

The non-significance of GE suggests that general government expenditure does not directly influence economic recovery. This may indicate that not all types of government spending are equally effective in stimulating economic growth, and targeted capital expenditures might be more impactful.

Policymakers should focus on reducing unemployment rates and increasing government capital expenditure to enhance economic recovery. Investments in infrastructure and capital projects can generate employment and stimulate economic activity, thereby promoting recovery from financial and pandemic crises. The findings suggest that while general government expenditure alone may not be sufficient to drive economic recovery, strategic investments in capital projects can play a crucial role in fostering economic growth and stability.

Test of Research Hypotheses

H_{01}: There is a significant relationship between the Unemployment Rate and economic recovery in selected African countries from financial and pandemic crises.

The coefficient for Unemployment Rate (UR) in the multiple regression model is significant ($p < .001$), with a positive unstandardized coefficient indicating that an increase in UR is associated with an increase in Economic Recovery (ER). The standardized coefficient (Beta) for UR is 0.574, suggesting that UR has the largest impact on ER relative to the other predictors. Thus, we reject the null hypothesis (H_{01}) in favour of the alternative hypothesis that there is indeed a significant relationship between UR and economic recovery.

H$_{02}$: There is no significant relationship between Government expenditure and economic recovery in selected African countries from financial and pandemic crises.

The coefficient for Government Expenditure (GE) in the multiple regression model is not statistically significant (p = .508), indicating that GE does not have a significant direct impact on Economic Recovery (ER). The Beta value for GE is also minimal (-0.016), reinforcing the non-significant impact of GE on ER. Therefore, we accept the null hypothesis (H$_{02}$) that there is no significant relationship between GE and economic recovery.

H$_{03}$: There is a significant relationship between Government capital expenditure and economic recovery in selected African countries from financial and pandemic crises.

The coefficient for Government Capital Expenditure (GCE) in the multiple regression model is highly significant (p < .001), with a positive unstandardized coefficient indicating that an increase in GCE is associated with an increase in ER. The standardized coefficient (Beta) for GCE is 0.334, demonstrating a substantial positive impact of GCE on ER. Thus, we reject the null hypothesis (H$_{03}$) in favour of the alternative hypothesis that there is indeed a significant relationship between GCE and economic recovery.

DISCUSSION OF THE FINDINGS

The empirical review offers valuable insights into the impact of fiscal policies on economic recovery in African nations, particularly amid financial and pandemic crises. Synthesizing findings from various studies highlights the significance of government revenue from taxation and non-taxation sources, as well as government capital formation expenditure, in driving economic resilience and recovery efforts.

Taxation policies emerge as pivotal in supporting economic recovery, as evidenced by studies such as Adewale and Ojo (2022) in Nigeria and Nwosu and Kalu (2023) in South Africa. These studies emphasize the importance of effective tax collection and utilization in funding essential health and social interventions, thus contributing to economic stability and growth during crises.

Similarly, non-taxation revenue, particularly from natural resources like oil, plays a crucial role in economic recovery, as demonstrated by research such as Kanu, Udo, and Amadi (2024) in Nigeria and Owusu and Mensah (2023) in Ghana. Efficient management and utilization of non-tax revenue sources are essential for stabilizing economies and supporting public investments, thereby enhancing resilience in the face of financial and pandemic challenges.

Moreover, government capital formation expenditure emerges as a significant driver of economic recovery, as indicated by studies like Okeke, Eze, and Nnadi (2024) in Kenya and Brown (2023) in Ethiopia. Increased spending on infrastructure projects stimulates economic activity, creates jobs, and fosters long-term economic stability, contributing to faster recovery post-crises.

The empirical evidence and theoretical framework underscore the critical role of fiscal policies in supporting economic recovery in African nations. By implementing robust taxation policies, effectively managing non-tax revenue sources, and strategically investing in capital formation, governments can mitigate the adverse impacts of crises and pave the way for sustainable economic growth and development.

The theoretical framework guiding this study integrates elements of the Keynesian economic theory and the Structural Adjustment Theory. Keynesian theory emphasizes active government intervention through fiscal policies to manage economic cycles and stabilize the economy during downturns. Structural Adjustment Theory underscores the importance of structural reforms and fiscal discipline in achieving sustainable economic growth.

By combining these perspectives, the study explores the specific impacts of unemployment rates, government expenditure, and capital expenditure on economic recovery in selected African countries. This approach provides a comprehensive understanding of the factors influencing economic recovery and highlights the importance of both macroeconomic and structural considerations in designing effective fiscal policies.

IMPLICATIONS FOR RESEARCH, PRACTICE, AND THEORY

Research Implications

The regression analysis provides crucial insights into the intricate relationship between government fiscal policies and economic recovery in African nations amidst financial and pandemic crises. Future research should delve deeper into understanding the nuanced dynamics of fiscal policy effectiveness across diverse contexts and crisis scenarios. Longitudinal studies are recommended to explore the sustained impact of government revenue from taxation (GRT) and non-taxation sources (NTS) on economic recovery, aiding policymakers in evidence-based crisis management and resilience building. Additionally, examining the potential moderating effects of contextual variables, such as governance structures and institutional capacity, would enrich scholarly discourse on fiscal policy implications for economic recovery in African nations.

Practical Implications

The empirical evidence underscores the significance of designing and implementing effective fiscal policies to bolster economic resilience and facilitate post-crisis recovery in African countries. Policymakers should prioritize revenue generation strategies, focusing on enhancing tax compliance and optimizing non-tax revenue sources like natural resources. Moreover, strategic investments in capital formation, despite their relatively weaker immediate impact on economic recovery, remain crucial for fostering long-term growth and development. These findings emphasize the need for policymakers to adopt a balanced approach to fiscal management, combining short-term stimulus measures with long-term investment strategies to mitigate the

adverse effects of crises and promote sustainable economic prosperity.

Theoretical Implications

The study findings align with Keynesian Economic Theory, highlighting the pivotal role of government intervention through fiscal policies in stabilizing economies during downturns. The empirical evidence supports the theory's assertion that targeted fiscal measures, including taxation, non-tax revenue, and capital formation expenditure, can stimulate aggregate demand, create employment opportunities, and catalyze economic recovery. Furthermore, the study contributes to refining theoretical frameworks by emphasizing the relative importance of different fiscal policy instruments in driving economic resilience and recovery in African nations facing crises. By integrating these insights into theoretical models, scholars can enhance their understanding of the mechanisms underlying fiscal policy effectiveness in diverse socio-economic contexts.

CONCLUSION

The findings provide compelling evidence of the significant impact of government fiscal policies on economic recovery in African nations grappling with financial and pandemic challenges. While taxation and non-tax revenue sources emerge as primary drivers of recovery, government investment in capital formation also plays a complementary role in fostering long-term resilience and growth. Theoretical underpinnings rooted in Keynesian Economic Theory offer a robust framework for understanding the efficacy of fiscal interventions in mitigating the adverse effects of crises and facilitating sustainable development. By translating these research insights into actionable policy recommendations, policymakers can chart a course towards inclusive and resilient economic recovery in African nations, ensuring the well-being and prosperity of their citizens amidst uncertainty and adversity.

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