

# Assessing Fiscal Policies' Impact On Economic Recovery in African Nations Amid Financial and Pandemic Crises

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**ABSTRACT:** *This study investigates the impact of government fiscal policies on economic recovery in African nations amidst financial and pandemic crises. Through regression analysis and empirical evidence synthesis, it explores the dynamics of taxation revenue, non-taxation revenue, and government capital formation expenditure in driving resilience and growth. The findings underscore the critical role of effective fiscal policies in navigating crises, highlighting the need for evidence-based strategies to enhance economic recovery and development. Theoretical underpinnings rooted in Keynesian Economic Theory provide a robust framework for understanding the efficacy of fiscal interventions in fostering sustainable growth. The study contributes to theoretical refinement and offers practical insights for policymakers seeking to formulate adaptive fiscal strategies tailored to the unique socio-economic dynamics of African countries. Recommendations include prioritizing revenue generation strategies, enhancing tax compliance, optimizing non-tax revenue sources, and strategic investments in capital formation to foster long-term growth and resilience.*

**KEYWORDS:** fiscal policies, economic recovery, financial crises, pandemic crises, taxation revenue, non-taxation revenue, government capital formation expenditure

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## INTRODUCTION

Fiscal policies have emerged as a pivotal factor influencing economic recovery across various African nations amidst financial and pandemic crises. The economic landscape of the continent, marked by both significant opportunities and challenges, underscores the critical role of government interventions in fostering resilience and sustainable growth. Effective fiscal policies can serve as a stabilizing force, mitigating the adverse impacts of economic downturns and paving the way for recovery and development (Ogbonna & Appah, 2021).

Globally, numerous studies and reports have highlighted the essential role of fiscal policies in economic stabilization and recovery (International Monetary Fund, 2021). Governments that strategically leverage revenue from taxation and non-taxation sources, coupled with targeted public investment, tend to navigate crises more effectively, ensuring economic resilience and growth (Mbaye, Coulibaly & Fosu, 2023). This is particularly evident in African countries, where the interplay of financial, health, and structural challenges necessitates robust and adaptive fiscal measures.

At the continental and national levels, research has increasingly focused on the impact of fiscal policies on economic recovery within African economies. In regions where economic volatility and external shocks are frequent, understanding the dynamics of government revenue and expenditure is crucial for policy formulation and implementation (Ndikumana, 2022). Countries such as Nigeria, Ghana, and South Africa, with diverse economic structures and revenue sources, offer valuable case studies on the effectiveness of fiscal policies in addressing economic crises.

The dimensions of fiscal policy-taxation revenue, non-taxation revenue, and government capital formation expenditure-are intricately linked and mutually reinforcing, forming a cohesive framework that enhances economic resilience. Taxation revenue, as a primary source of government funding, is essential for maintaining public services and social safety nets, which are critical during crises (Adedeji & Oyedele, 2023). Non-taxation revenue, particularly from natural resources like oil, provides additional financial buffers that can be pivotal in times of economic distress (Kanu, Udo & Amadi, 2024). Furthermore, government capital formation expenditure drives infrastructure development and public investment, fostering long-term economic stability and growth (Okeke, Eze & Nnadi, 2024). By addressing these dimensions collectively, African governments can enhance their capacity to respond to crises and drive economic recovery, ensuring sustainable development and improved living standards.

The economic context of African nations, characterized by diverse revenue streams and developmental challenges, highlights the importance of assessing the impact of fiscal policies on economic recovery. This study seeks to address notable gaps in the literature by focusing on the unique experiences and fiscal strategies of selected African countries during financial and pandemic crises. While existing research such as Raji, Adebayo and Lawal, (2023) provides insights into general fiscal strategies, there remains a significant gap in understanding how these policies specifically affect economic recovery in the African context. For instance, while global studies may offer broad policy recommendations, they often overlook the unique fiscal structures and socio-economic dynamics of African countries, which are crucial for effective policy implementation.

Furthermore, a conspicuous knowledge void exists regarding the mechanisms through which various dimensions of fiscal policy impact economic recovery in African nations. Despite the increasing emphasis on fiscal interventions, research has yet to fully uncover the intricate

relationships between taxation revenue, non-taxation revenue, and government capital formation expenditure and their effects on economic recovery in this context. While some studies have explored the overall impact of fiscal policies on economic indicators, there remains a dearth of empirical evidence elucidating the underlying processes and interrelationships among these dimensions. This gap in knowledge poses a significant challenge for policymakers seeking to implement targeted fiscal strategies that effectively enhance economic recovery and address the specific needs of their economies (Olayinka, Adeoye & Agboola, 2024).

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 African nations. This entails conducting methodologically rigorous research that addresses the unique economic dynamics and knowledge voids specific to the local context while offering actionable recommendations and evidence-based strategies to empower policymakers in fostering economic resilience and achieving sustainable development.

### **Objectives of the Study**

- i. To assess the influence of government revenue from taxation on economic recovery in selected African countries amidst financial and pandemic crises.
- ii. To examine the impact of government revenue from non-taxation sources, particularly oil, on economic recovery in the context of financial and pandemic crises.
- iii. To evaluate the significance of government investment, specifically Government Capital Formation Expenditure (GCFC), in driving economic recovery in selected African countries facing financial and pandemic challenges.

### **Hypotheses of the Study**

H<sub>01</sub>: Government revenue from taxation does not significantly influence the economic recovery of selected African countries from financial and pandemic crises.

H<sub>02</sub>: Government revenue from non-taxation sources, such as oil, does not significantly impact the economic recovery of selected African countries from financial and pandemic crises.

H<sub>03</sub>: Government Investment, as represented by Government Capital Formation Expenditure (GCFC), does not significantly contribute to the economic recovery of 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

## **LITERATURE REVIEW**

### **Conceptual Clarification**

#### **Fiscal Policies**

Fiscal policies refer to government strategies implemented through revenue collection and expenditure to influence a country's economy. These policies are crucial during financial and pandemic crises, as they can stimulate economic recovery and growth. Effective fiscal policies involve a balanced approach to taxation, non-taxation revenue sources, and government expenditure, ensuring sustainable economic stability and development (Smith, 2024).

#### **Government Revenue from Taxation**

Government revenue from taxation is a primary source of funding for public services and infrastructure. It involves levying taxes on individuals and businesses to generate income for government activities. High taxation revenue indicates effective tax policies and compliance, which are essential for maintaining public services, social safety nets, and economic stability during crises (Lewis, 2023). Effective tax policies can support economic recovery by providing the necessary funds for government interventions and public investments that drive growth .

#### **Government Revenue from Non-Taxation Sources**

Non-taxation revenue sources include income from natural resources, government-owned enterprises, and other non-tax activities. In many African countries, oil revenue constitutes a significant portion of non-taxation income. This revenue is crucial for economic stability, especially during financial and pandemic crises, as it provides additional financial resources that can be used to support public services and stimulate economic activity (Kanu, Udo & Amadi, 2024). Effective management of non-taxation revenue can enhance economic resilience and recovery efforts.

#### **Government Capital Formation Expenditure (GCFC)**

Government Capital Formation Expenditure (GCFC) refers to government spending on infrastructure, public facilities, and other capital projects that contribute to long-term economic growth. GCFC is vital for driving economic recovery, as it creates jobs, stimulates investment, and enhances productivity (Okeke, Eze & Nnadi, 2024). Effective capital expenditure policies can foster economic resilience by addressing infrastructure gaps and promoting sustainable development.

## **Empirical Review**

Empirical Review The impact of fiscal policies on economic recovery has been extensively studied across various regions. This empirical review synthesizes findings from multiple studies to highlight how government revenue from taxation and non-taxation sources, as well as government capital formation expenditure, influence economic recovery in African nations amid financial and pandemic crises.

Several studies have examined the role of taxation in economic recovery. For instance, Adewale and Ojo (2022) investigated the impact of tax policies on economic growth in Nigeria during the COVID-19 pandemic. Their findings indicated that effective tax collection and utilization significantly supported economic recovery by funding critical health and social interventions. Similarly, Nwosu and Kalu (2023) found that robust taxation policies in South Africa helped mitigate the economic impact of the pandemic by ensuring continuous funding for public services and infrastructure projects.

The role of non-taxation revenue, particularly from oil, has also been explored. Kanu, Udo, and Amadi (2024) studied the impact of oil revenue on economic recovery in Nigeria during financial crises. They found that efficient management and utilization of oil revenue were crucial for stabilizing the economy and supporting public investments. In another study, Owusu and Mensah (2023) examined the role of natural resource revenue in Ghana's economic recovery post-pandemic, highlighting that prudent use of non-tax revenue sources significantly bolstered public health responses and economic resilience.

The significance of GCFC in driving economic recovery has been highlighted in numerous studies. Okeke, Eze, and Nnadi (2024) explored the impact of government capital expenditure on economic growth in Kenya. Their findings revealed that increased spending on infrastructure projects significantly stimulated economic activity and job creation, contributing to a faster recovery.

Recent studies further contribute to understanding the role of fiscal policies in economic recovery in African nations. For instance, a study by Tunde et al. (2024) delved into the impact of tax incentives on economic recovery in Nigeria, revealing that targeted tax breaks stimulated investment and accelerated recovery post-crisis. In Zambia, Mwamba and Banda (2023) examined the effectiveness of resource mobilization strategies in enhancing fiscal resilience and promoting economic recovery, highlighting the importance of diversifying revenue sources beyond traditional taxation.

Furthermore, research by Asante and Mensah (2023) focused on the role of government spending efficiency in driving economic recovery in Ghana, emphasizing the need for prudent allocation of resources to maximize the impact of fiscal interventions. Similarly, a study by Ibrahim et al. (2024) explored the impact of infrastructure investment on economic resilience in Senegal, revealing that

targeted public spending on infrastructure projects enhanced productivity and facilitated post-crisis recovery.

Moreover, the study by Kamara and Conteh (2023) investigated the role of foreign aid in supporting economic recovery in Sierra Leone, highlighting the potential benefits of international assistance in complementing domestic fiscal efforts during crises. In Tanzania, Ngowi and Mkude (2024) examined the effectiveness of tax reforms in promoting economic recovery and fostering sustainable development, emphasizing the importance of a comprehensive policy framework to address structural challenges and enhance revenue mobilization.

Furthermore, a study by Diop and Sow (2023) explored the impact of debt management policies on economic recovery in West Africa, highlighting the importance of sustainable debt practices in maintaining fiscal stability and resilience. In Uganda, Kato and Nsubuga (2024) investigated the role of public-private partnerships in financing infrastructure projects and driving economic recovery, underscoring the potential of collaborative approaches to address infrastructure gaps and stimulate growth.

Additionally, research by Musa et al. (2023) examined the impact of social protection programs on economic recovery in Nigeria, revealing that targeted welfare initiatives supported vulnerable populations and contributed to overall resilience. In Rwanda, Uwizeye and Bizimana (2024) investigated the role of innovation policies in promoting economic recovery and enhancing competitiveness, emphasizing the importance of fostering a conducive environment for entrepreneurship and technological advancement.

The empirical evidence highlights the multifaceted nature of fiscal policy interventions in driving economic recovery in African nations. Effective taxation policies, prudent management of non-tax revenue sources, strategic government spending, and international assistance play crucial roles in supporting resilience and fostering sustainable development amidst crises.

### **Theoretical Framework**

This study on the impact of fiscal policies on economic recovery in African nations is anchored in the Keynesian Economic Theory. Developed by John Maynard Keynes, this theory posits that government intervention through fiscal policies is essential for stabilising the economy during downturns (Keynes, 1936). According to Keynes, during financial and economic crises, active government spending and investment can stimulate demand, create jobs, and drive economic recovery.

In the context of this study, the Keynesian framework helps to understand how government revenue from taxation and non-taxation sources, along with capital formation expenditure, can influence economic recovery in African nations. By implementing effective fiscal policies,



governments can mitigate the adverse impacts of financial and pandemic crises, supporting sustainable economic growth and development.

## **METHODOLOGY**

### **Research Design**

The study adopts a deductive approach, moving from general theories to specific hypotheses testing, given its quantitative nature and focus on specific variables. This approach facilitates a focused examination of the relationships between government fiscal policies and economic recovery in African nations amidst financial and pandemic crises.

### **Population of the Study**

The target population comprises selected African countries chosen based on their economic significance, trade activities, and overall economic conditions. These countries include Nigeria, Ghana, Ethiopia, Kenya, South Africa, Egypt, Algeria, Angola, Democratic Republic of Congo, and Sudan, representing diverse regions of Africa.

### **Sample Size and Sampling Technique**

A purposive sampling method is employed to select the aforementioned African countries, ensuring representation from various economic backgrounds and exposure to financial and pandemic challenges. Each country serves as a unit of analysis, allowing for a comprehensive examination of the impact of fiscal policies 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, offering a longitudinal perspective on economic trends and recovery dynamics. Specifically, data related to government revenue from taxation (GRT), non-taxation sources (particularly oil) (NTS), and Government Capital Formation Expenditure (GCFC) are extracted for analysis.

### **Model Specification**

The study employs multiple regression analysis to test the hypotheses related to the influence of government fiscal policies on economic recovery. The model evaluates the extent to which government revenue from taxation (GRT), non-taxation sources (NTS) (particularly oil), and Government Capital Formation Expenditure (GCFC) significantly impact economic recovery in the selected African countries. The model is specified as follows:

$$ER = \beta_0 + \beta_1GRT + \beta_2NTS + \beta_3GCFC + \epsilon$$

Where:

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

GRT, NTS, and GCFC denote the independent variables: government revenue from taxation, non-taxation sources (particularly oil), and Government Capital Formation Expenditure respectively.

$\beta_0$ – $\beta_3$  symbolize the coefficients associated with the independent variables.

$\epsilon$  stands for the error term accounting for unexplained variability within the model.

### Variable Measurement

**Economic Recovery (ER):** The dependent variable, representing the overall recovery of the economy, is measured through Real Gross Domestic Product (RGDP): RGDP is a widely used indicator of economic activity and is measured as the logarithm of the real GDP of each country. Real GDP reflects the total value of all goods and services produced within a country's borders, adjusted for inflation. A higher RGDP indicates a stronger economic recovery.

**Government Revenue from Taxation (GRT):** Measured as the logarithm of total tax revenue collected by the government, reflecting its ability to generate income through taxation policies.

**Government Revenue from Non-Taxation Sources (NTS):** Represented by the logarithm of revenue from non-tax sources, primarily oil revenue, indicating the government's income from sources other than taxation.

**Government Capital Formation Expenditure (GCFC):** Measured as the logarithm of government spending on infrastructure and public facilities, highlighting its investment in long-term economic development.

### Validity and Reliability

Given that secondary data are utilized, the study ensures the validity and reliability of the data through rigorous verification processes. Validity is ensured by selecting data from reputable sources such as the IMF and World Bank, known for their comprehensive and accurate datasets. Reliability is enhanced by cross-referencing data from multiple sources to mitigate errors and discrepancies. Additionally, the use of standardized metrics and established databases contributes to the reliability of the findings, ensuring consistency and replicability of the analysis.



**Method of Data Analysis**

The data analysis focuses on testing the hypotheses using multiple regression analysis. Descriptive statistics are employed to characterize the variables, while regression analysis allows for the assessment of the relationship between government fiscal policies and economic recovery. By employing this methodological approach, the study aims to provide empirical insights into the impact of fiscal policies on economic recovery in African nations amidst financial and pandemic crises.

**RESULTS AND FINDINGS**

**Table 1 Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness	Std. Error	Kurtosis	Std. Error
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
ER	440	.01	20.10	10.7557	4.15300	17.247	-1.976	.116	3.695	.232
GRT	440	.01	12.10	10.9789	4.02633	16.211	-2.000	.116	4.273	.232
NTS	440	.03	21.51	14.0918	4.70529	22.140	-2.364	.116	4.713	.232
GCFC	440	-3.29	10.01	.5207	1.51743	2.303	4.293	.116	23.379	.232
Valid N (listwise)	440									

**SOURCE: SPSS, 2024**

The descriptive statistics provided in Table 1 offer an insightful summary of the variables under study: Economic Recovery (ER), Government Revenue from Taxation (GRT), Government Revenue from Non-Taxation Sources (NTS), and Government Capital Formation Expenditure (GCFC).

The ER variable ranges from a minimum of 0.01 to a maximum of 13.07, with a mean value of 10.7557. This high mean suggests that, on average, economic recovery levels are substantial. The standard deviation of 4.153 indicates moderate variability around the mean. The skewness of -1.976 shows a left-skewed distribution, indicating that lower values are more frequent. Additionally, the kurtosis value of 3.695 points to a distribution that is more peaked than a normal distribution.

The GRT values span from 0.01 to 12.10, with an average of 10.9789. This slightly higher mean compared to ER suggests that government revenue from taxation is generally high in the studied countries. The standard deviation is 4.02633, which implies moderate dispersion. The skewness of -2.000 signifies pronounced left skew, suggesting frequent lower values. The kurtosis of 4.273 indicates a leptokurtic distribution, meaning it has fatter tails and a sharper peak than the normal distribution.

The NTS variable shows a broader range from 0.00 to 21.51 and a higher mean of 14.0918. The larger standard deviation of 4.70529 reflects greater variability in non-tax revenue compared to taxation revenue. With a skewness of -2.364, the distribution is significantly left-skewed, indicating frequent lower values. The kurtosis value of 4.713 suggests a more peaked distribution with heavier tails.

GCFC ranges from -3.29 to 10.01, with a mean of 0.5207, indicating that on average, government capital expenditures are relatively low. The standard deviation of 1.51743 indicates low variability around the mean. The high positive skewness of 4.293 indicates a distribution with a long right tail, meaning occasional very high values. A very high kurtosis of 23.379 suggests an extremely peaked distribution with very heavy tails, indicating occasional extreme deviations from the mean.

The descriptive statistics highlight significant variability and skewness in the data, which have important implications for economic recovery analysis in African nations. The left-skewed distributions for ER, GRT, and NTS suggest that lower values are more common, but higher values, when they occur, can be substantial. The positive skewness and high kurtosis for GCFC suggest occasional high government capital expenditure, which can have significant impacts on economic recovery.

**Table 2 Correlations**

		ER	GRT	NTS	GCFC
ER	Pearson Correlation	1	.804**	.800**	.127**
	Sig. (2-tailed)		.000	.000	.007
	N	440	440	440	440
GRT	Pearson Correlation	.804**	1	.898**	.106*
	Sig. (2-tailed)	.000		.000	.027
	N	440	440	440	440
NTS	Pearson Correlation	.800**	.898**	1	.122*
	Sig. (2-tailed)	.000	.000		.010
	N	440	440	440	440
GCFC	Pearson Correlation	.127**	.106*	.122*	1
	Sig. (2-tailed)	.007	.027	.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 correlations between Economic Recovery (ER), Government Revenue from Taxation (GRT), Government Revenue from Non-Taxation Sources (NTS), and Government Capital Formation Expenditure (GCFC).

The correlation coefficients reveal strong positive relationships between Economic Recovery (ER) and both Government Revenue from Taxation (GRT) and Government Revenue from Non-Taxation Sources (NTS), with coefficients of .804 and .800 respectively. These significant correlations suggest that higher government revenue, whether from taxation or non-taxation sources such as oil, tends to coincide with increased economic recovery. This indicates that fiscal policies aimed at enhancing revenue generation can positively impact economic recovery efforts in African countries facing crises.

In contrast, the correlation between Economic Recovery (ER) and Government Capital Formation Expenditure (GCFC) is notably weaker, with a coefficient of .127. While still statistically significant, this correlation suggests a less pronounced relationship between government investment in capital formation and economic recovery. However, it's important to note that even though the correlation is weaker, it does indicate some degree of association between government investment and economic recovery, even though not as strong as with revenue

These correlations carry significant implications for evaluating the effectiveness of fiscal policies in promoting economic recovery amid crises. The strong positive correlations between ER and revenue variables (GRT and NTS) suggest that policymakers should prioritize measures to enhance government revenue streams, whether through taxation or diversification into non-taxation sources like oil. Strengthening revenue bases can provide governments with more resources to support recovery initiatives and mitigate the adverse effects of financial and pandemic crises.

Moreover, while the correlation between ER and GCFC is weaker, it underscores the importance of strategic government investment in driving economic recovery. While revenue generation is crucial, targeted investments in capital formation can complement fiscal efforts by stimulating economic activity, creating employment opportunities, and enhancing infrastructure development, all of which are vital for sustained recovery.

**Table 3 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824 <sup>a</sup>	.679	.677	2.36160

a. Predictors: (Constant), GRT, NTS, GCFC

**SOURCE: SPSS, 2024**

Table 3 presents the model summary statistics derived from the regression analysis conducted to assess the impact of fiscal policies on Economic Recovery (ER) in African nations amid financial and pandemic crises.

The coefficient of determination (R Square) indicates the proportion of variance in ER that is explained by the independent variables (GRT, NTS, and GCFC). In this model, R Square is 0.679, indicating that approximately 67.9% of the variability in ER can be accounted for by the predictors included in the regression equation. This suggests that the fiscal variables under study government revenue and capital expenditure have a substantial collective impact on economic recovery in the selected African countries.

The adjusted R Square adjusts for the number of predictors in the model and provides a more accurate estimate of the proportion of variance explained. In this model, the adjusted R Square is 0.677, which is slightly lower than the R Square. This adjustment considers the complexity of the model and penalizes for the inclusion of additional predictors. Despite the slight decrease from R Square, the adjusted R Square remains high, indicating that the model effectively captures the relationship between fiscal policies and economic recovery while controlling for the number of predictors.

The standard error of the estimate reflects the average deviation of the observed values of ER from the predicted values by the regression model. In this case, the standard error is 2.36160, suggesting that, on average, the predicted values of ER deviate from the actual values by approximately 2.36 units. This measure provides insight into the accuracy of the regression model's predictions, with lower values indicating a better fit of the model to the observed data.

The model summary statistics demonstrate the effectiveness of the regression model in explaining variations in Economic Recovery (ER) based on the selected fiscal predictors. The high R Square and adjusted R Square values indicate that the model adequately captures the influence of government revenue from taxation (GRT), non-taxation sources (NTS), and government capital expenditure (GCFC) on economic recovery in African nations facing financial and pandemic crises.

**Table 4 ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5139.954	3	1713.318	307.202	.000 <sup>b</sup>
	Residual	2431.647	436	5.577		
	Total	7571.601	439			

a. Dependent Variable: ER

b. Predictors: (Constant), GRT, NTS, GCFC

**SOURCE: SPSS, 2024**

Table 4 presents the results of the Analysis of Variance (ANOVA) conducted to assess the overall significance of the regression model in explaining variations in Economic Recovery (ER) based on the predictors: Government Revenue from Taxation (GRT), Government Revenue from Non-Taxation Sources (NTS), and Government Capital Formation Expenditure (GCFC).

The ANOVA results indicate a significant regression model, as evidenced by a large F-statistic of 307.202 with a corresponding p-value of .000, denoted as Sig. This implies that the regression model, which includes GRT, NTS, and GCFC as predictors, significantly explains variations in ER. The sum of squares regression (5139.954) reflects the extent to which the model accounts for variability in ER, while the mean square regression (1713.318) represents the average variability explained by each predictor.

The significant findings from the ANOVA table underscore the effectiveness of the regression model in elucidating the impact of fiscal policies on Economic Recovery (ER) in African nations amidst financial and pandemic crises. By demonstrating the substantial contribution of government revenue and capital expenditure to variations in ER, the regression model provides valuable insights for policymakers seeking to formulate evidence-based strategies to support economic recovery efforts.

The ANOVA results affirm the significance of the regression model in explaining variations in Economic Recovery (ER) based on government fiscal policies in African nations. The model's ability to capture the impact of predictors such as Government Revenue from Taxation (GRT), Government Revenue from Non-Taxation Sources (NTS), and Government Capital Formation Expenditure (GCFC) highlights the critical role of fiscal interventions in fostering economic resilience amidst crises. Moving forward, policymakers can use these insights to design and implement effective fiscal strategies that promote inclusive and sustainable economic recovery in African nations facing financial and pandemic challenges.

**Table 5 Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.282	.363		3.529	.000
	GRT	.455	.064	.442	7.168	.000
	NTS	.353	.054	.400	6.478	.000
	GCFC	.087	.075	.032	1.169	.243

a. Dependent Variable: ER

**SOURCE: SPSS, 2024**

Table 5 presents the coefficients resulting from the multiple regression analysis conducted to assess the impact of government fiscal policies on Economic Recovery (ER) in African nations

amidst financial and pandemic crises.

The constant term represents the estimated value of ER when all predictor variables (GRT, NTS, and GCFC) are zero. In this model, the constant term is 1.282, indicating the baseline level of ER in the absence of any government revenue or capital expenditure. This term serves as a reference point for interpreting the effects of changes in the predictor variables on ER.

The unstandardized coefficients (B) represent the change in ER associated with a one-unit change in each predictor variable, holding all other variables constant. For instance, the coefficient for GRT is 0.455, suggesting that for every unit increase in government revenue from taxation, ER is estimated to increase by 0.455 units, all else being equal. Similarly, the coefficients for NTS and GCFC are 0.353 and 0.087 respectively, indicating the estimated changes in ER for one-unit increases in revenue from non-taxation sources and government capital expenditure.

The standardized coefficients (Beta) represent the relative importance of each predictor variable in explaining variations in ER, while controlling for differences in the scales of the predictors. These coefficients allow for comparisons of the relative strengths of the predictors' effects. In this model, GRT and NTS have higher standardized coefficients (0.442 and 0.400 respectively) compared to GCFC (0.032), suggesting that government revenue from taxation and non-taxation sources exert a stronger influence on ER than government capital expenditure.

The coefficients derived from the regression analysis have important implications for understanding the impact of government fiscal policies on economic recovery in African nations facing crises. The significant coefficients for GRT and NTS highlight the substantial contributions of government revenue from taxation and non-taxation sources, such as oil, to promoting economic recovery. These findings underscore the importance of revenue generation and diversification strategies in supporting recovery efforts amidst financial and pandemic challenges.

Furthermore, while the coefficient for GCFC is not statistically significant, its inclusion in the model provides valuable insights into the role of government investment in capital formation. Although the effect of GCFC on ER appears relatively weaker compared to revenue variables, it still contributes to the overall understanding of fiscal policy effectiveness in driving economic recovery. Policymakers can use these insights to design balanced fiscal strategies that combine revenue generation with strategic investment to maximize the impact on economic recovery.

### **Test of Hypotheses**

H<sub>01</sub>: The analysis reveals that government revenue from taxation (GRT) has a statistically significant influence on economic recovery (ER) in African nations facing financial and pandemic crises. Specifically, the coefficient for GRT is 0.455, indicating that for every unit increase in



government revenue from taxation, economic recovery is estimated to increase by 0.455 units, holding other factors constant. Thus, we reject the null hypothesis ( $H_{01}$ ) and conclude that government revenue from taxation significantly influences economic recovery in these countries during crises.

$H_{02}$ : The regression analysis demonstrates that government revenue from non-taxation sources (NTS), such as oil revenue, also plays a significant role in economic recovery amidst financial and pandemic challenges. The coefficient for NTS is 0.353, suggesting that for every unit increase in revenue from non-taxation sources, economic recovery is estimated to increase by 0.353 units, all else being equal. Therefore, we reject the null hypothesis ( $H_{02}$ ) and conclude that government revenue from non-taxation sources significantly impacts economic recovery in selected African countries during crises.

$H_{03}$ : While the coefficient for government capital formation expenditure (GCFC) is positive (0.087), indicating a potential contribution to economic recovery, it is not statistically significant. Despite this, the inclusion of GCFC in the model provides valuable insights into the role of government investment in capital formation. Therefore, we fail to reject the null hypothesis ( $H_{03}$ ), suggesting that government investment, as represented by GCFC, may not significantly contribute to economic recovery during financial and pandemic crises in the context of the analyzed African countries.

The regression analysis results provide evidence to support the hypotheses related to government revenue from taxation ( $H_{01}$ ) and non-taxation sources ( $H_{02}$ ) but do not strongly support the hypothesis regarding government investment ( $H_{03}$ ) in the economic recovery of African nations facing crises. These findings highlight the importance of revenue generation strategies, including both taxation and non-taxation sources, in promoting economic recovery, while also suggesting the need for further investigation into the effectiveness of government investment during crises.

## **DISCUSSION OF THE FINDINGS**

The empirical review provides valuable insights into the impact of fiscal policies on economic recovery in African nations, particularly amid financial and pandemic crises. The synthesis of findings from various studies sheds light on 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 have emerged as a crucial component 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 highlight 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 pivotal 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.

Theoretical underpinnings of the study are rooted in the Keynesian Economic Theory, which emphasizes government intervention through fiscal policies during economic downturns. This theory provides a framework for understanding how effective fiscal policies, including taxation, non-taxation revenue, and capital formation expenditure, can stimulate demand, create jobs, and drive economic recovery in African nations facing financial and pandemic 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.

## **IMPLICATIONS FOR RESEARCH, PRACTICE, AND THEORY**

### **Research Implications**

The findings from the regression analysis shed light on the critical interplay between government fiscal policies and economic recovery in African nations amidst financial and pandemic crises. Future research endeavors should delve deeper into understanding the nuanced dynamics of fiscal policy effectiveness across diverse contexts and crisis scenarios. Longitudinal studies would offer valuable insights into the sustained impact of government revenue from taxation (GRT) and non-taxation sources (NTS) on economic recovery, providing policymakers with evidence-based strategies for crisis management and resilience building. Additionally, exploring the potential moderating effects of contextual variables, such as governance structures and institutional capacity, would enrich the scholarly discourse on fiscal policy implications for economic recovery in African nations.

### **Practical Implications**

The empirical evidence underscores the importance 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 underscore 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 the tenets of Keynesian Economic Theory, emphasizing the pivotal role of government intervention through fiscal policies in stabilizing economies during downturns. The empirical evidence corroborates 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 highlighting 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 regression analysis 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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