In the past, Nigeria’s development plans gave priority to physical capital over human capital. Recently, however, the realization that human resources contribute immensely to economic growth has shifted the focus of development planning to human capital.

The study adopted the Mankiw, Romer and Weil (MRW) model to investigate the effect of government spending on education and health services on economic growth. From the analysis, government spending on education and health (GSEH), as well as electricity consumption (EC), were found to be statistically significant and positively relationship with economic growth. They respectively, account for about 0.24% increase in output for a one percent change.

The study recommends that government expand educational training and health facilities, thereby increasing school enrolment and improving health services. Also, an enabling environment and stable power supply will further improve labour productivity.