BUDGETING AND ECONOMIC DEVELOPMENT OF
EKITI STATE, NIGERIA (2000-2012)

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Abstract

This study investigated budgeting and economic development of Ekiti State, Nigeria using a time frame of 2000 to 2011. Secondary sources of data were used for the study. Descriptive analysis of variables, correlation and regression analysis were employed for the estimation of the model for testing the hypotheses. The result of the study revealed that the ratios of expenditure to all the sector exert positive influence on the level of development driven capital projects save for the ratio of expenditure on environmental sector to total expenditure that negatively influence the measure of economic development in the state. Coefficient estimate of 33687137, 17687437, 2.17E+08 and -1.91E+08 for ESE/TE, SSSE/TE, ASE/TE and ENSE/TE respectively. Finally, the result showed that as more expenditure are earmarked through budget to the economic sector, social service sector and administrative sector of the state, the more the economic development of the state will be while, the more the government expenditure channelled to the environmental sector of the economy the lesser the development prospect of the economy. The study therefore recommended that state government should ensure rational allocation of sectoral expenditure based on the developmental needs and projection of each of the sector to foster systematic and spontaneous development across the state.

Keywords: Budgeting, Public expenditure, Economic development, Public Administration

INTRODUCTION

A budget is an important economic instrument of national resource mobilization, allocation and economic management. It is an important economic instrument for facilitating and realizing the vision of government in a given fiscal year. A budget has to be well-designed, effectively and efficiently implemented, adequately monitored and its performance well evaluated. According to Olurankise (2012), budget can also be viewed as a framework for revenue and expenditure outlays over a specified period usually one year. It is an instrument stipulating policies and programmes aimed at realizing the development objectives of a government. Meigs and Meigs (2004) defined budget as a comprehensive financial plan, presenting the expected route for achieving the financial and operational goals of an organization. Earlier before then, Omolehinwa (2003) viewed budget as the plan of dominant individuals in an organization expressed in monetary terms and subject to the constraints imposed by other participants and the environment indicating how the available resources may be utilized to achieve whatever the dominant individual agreed to be the organization's properties. Recently, budgeting in Nigeria has continued to spring up various controversies as to the modality for preparation and administration in the country due to continuous change in government and consequential change in policy and ideology. Most especially with the understanding that a large percentage of the country population has gotten, this has made them advocate the need to review the size of governance in order to push up the provisions available for more necessary projects. Budgeting and its process in Nigeria continues to be problematic both in the areas of preparation and implementation, hence, the need for adequate control aimed at improving effective resources utilization at the budget implementation stage. Olomola (2009) was of the opinion that the budget process has always been fraught with monumental abuses. The most visible bottlenecks are associated with budget implementation. Frequently the complaint is about non-release, partial release and delay in releasing approved funds for budgeted expenditures. It has been well observed that a quarter to which funds are related may end before the related funds are made available. Clearly, this has negative implications for institutional planning and management as well as the overall impact of the budget on development and welfare of the people.

It is about five decades since Nigeria has been involved in annual budgeting as an independent country. A look at the performance of Ekiti-State's previous and current budgetary estimates shows that they have not helped the state achieve or maintain a better economic climate despite the fact that it is a developing state. The country's successive budgets have been in most cases recording deficit. Even when they were expected to be balanced or surplus budget, they end up disappointing their operators and economic observers by recording deficits.

This contributes immensely in worsening the socio-economic problems in Nigeria. Some of the problems include high inflation, poverty, unemployment, income inequality, adverse balance of payments, low standard of living and so on. Although, it should be noted that at times deficit financing is deliberately undertaken by the government, so as to stimulate economic activities in the country which it controls, establish more industries to absorb those who are unemployed, provide more social amenities to the people and in fact improve the general well being of the populace. But Nigeria and Ekiti State in particular, instead of the afore-stated benefits to be the case, the reverse is what is being witnessed. Thus, there is a serious need to dig deep into the effects of budgeting on Ekiti state's economic development and growth; hence this study.

Research Questions

From the available gap in literature, it is expedient for this research paper to address the following questions:

a) What relationship exists between budgeting and economic development?
b) What is the impact of sectoral expenditure allocation on economic development of Ekiti-state?
c) What are the problems associated with budgets implementation in Ekiti State?

Objectives of the study

a) To examine the relationship between budgeting and economic development.
b) To analyse the impact of sectoral expenditure allocation on economic development of Ekiti- state.
c) To determine the problems associated with budgets implementation in Ekiti State.

Research Hypotheses

Ho: There is no significant relationship between budgeting and economic development of Ekiti State.

Ho: Sectoral expenditure allocation has no significant impact on economic development of Ekiti State.

REVIEW OF RELATED LITERATURES

Conceptual Review

According to the chartered institute of Management Accountants (1982:58), budget was defined as a financial and quantitative statement prepared and approved prior to a defined period of time for the purpose of Today, budget is ascribed a broader meaning and has been defined by

various authors in different ways. Dubnicks (2002) also described the budget of any government as the technical instruments by which commitments are translated into monetary terms. According to Glautior (2000), budget is simply a plan of dominant individuals in an organization expressed in monetary terms and subject to the subject imposed by other participants and the environment indicating how the available resources may be utilized to achieve whatever the dominant individuals agree to be the organization priority. Abduilahi (2011) also explained the procedure for preparing budget as budgeting while the monitoring mechanism as budgetary control. A definition by Omopariola (2003) shows that government during a plan for financing the activities of the government during a fixed period usually a year. Budget has been defined by Reeve and Warren (2008) as an accounting device used to plan and control source of operational department of governments and divisions. Baker (2005) opined that in government circles, budgets are used to assist management control and to provide the legal authority to level taxes, collect revenue and make expenditure in accordance with the budget provision. It is the budget that establish and communicates the objectives and priorities government units. It is asserted by Edmonds (2007) that budgeting promotes planning, coordination, enhance performance measurement and introduce corrective actions. Previous budgets help government to track the level of success and failure achieved over the years. In order to keep track of activities that need to be included in the budget document, many government organizations prepare their budget based on incremental rather than other types of budgeting.

Theoretical Underpinning: Principal-Agent Theory

At the heart of public budgeting are relationships among those who provide agency services and those who allocate resources to service providers. Schick (1988) has referred to these individuals as claimants and conservers, respectively. Others have entitled them more generally as agents and principal respectively (Dernski, 1998). In this relationship, the principals contract with agents to provide services to the public, and the main focus for all those involved is the contract (i.e, the budget) itself. Two key questions for both participants are; what can be done to draw up the most effective contract? and how can the contract be effectively carried out?. While no one has come up with the answer, current research suggests that we should look at the elements that are common to the contract and its enforcement, which are the distribution and management of information and the hierarchical relationships among budget participants. Principal-agent relations also are likely to be affected by the hierarchical relationships between budgetary participants and the resulting asymmetry of information that occurs among the participants. Nearly all government programs and policies are determined and implemented in a hierarchical manner. Agencies report to departments, departments to the chief executive officer

(CEO) and the executive generally to the legislature. Even within a single organization, such as an agency, subordinate positions are designed to be accountable to supervisor positions. In budgetary relationships, agents are most often government agencies and programs. Principals, however, tend to vary according to the nature of the government's budget decision making process. In both cases, principals are assumed to set the policies and overall goals, and agents then implement programs intended to address the principal's policies and goals. To implement the programs, the agents need money or budget authority. Following principal-agent, the amount of budget authority granted as agency should be determined by the relative dominance of one party over the other during budget negotiation. Unfortunately, the negotiation process may yield inefficient results. In the private market place, an efficient allocation of resources is likely to result if there are several suppliers and several consumers, all armed with sufficient information to make rational decisions. In the public sector, however, traditionally there have been relatively few suppliers (agencies) for any one good or service, and either relatively few purchasers of a service (e.g., the legislative, who makes payment in the form of an appropriation or purchasers who have little choice but to purchase from that utility). In turn, because of the complexity of both resource allocation process and the service provision process, and because of the channelling of information that occurs in organizations dependent upon hierarchical relationships, not all parties will likely have equally viable and relevant budgetary information.

Empirical Review

Various scholars have examined the effect of government budgeting on the economies of both developed and developing nations. Wagner in an attempt to prove and defend his ever law of increasing state activities state that the impact of budget on economic development can be of two parts. Firstly the negative impact of the government expenditure size on the factor productivity and secondly on the capital formation which resulted to lower economic development. According to Devarajan (1993), using the OECD countries found that government expenditure on education and defense did not have a positive impact. Also government extra allocation to its officials i.e. allowance for vacation, car allowance etc do not post any positive impact on the economy. They also found a positive and significant influence of the government spending on the economic development. However, Al-Yousif (2000) when investigating the effect of government expenditure on economic development in Saudi Arabia found a direct influence. Fama (1986) using a sample of one hundred countries found government expenditure to have significant positive effect on growth of those economies. But, contrarily, Lin (1994) used

a sample of sixty-two countries and found that non productive spending has no effect on growth in developed countries but a positive effect in less developed economies.

Wagner has indicated that it can be verified empirically for a number of developed countries that the per capital output increases overtime the state activities and expenditure growth more than proportionately. Komain and Brahmasrene (2007) examined the relationship between public expenditure and economic development in Thailand, by employing the Pairwise Granger causality test. The result revealed that public expenditure and economic development are not co-integrated which implies that in the long run, a relevant relationship might not lie in between them, but there exists at the short run, a significant positive effect of public expenditure on economic development. Similarly, Loizides and Vamvouks (2005) employed the causality test to examine the relationship between public expenditure and economic development using data set on Greece, United Kingdom and Ireland. They found that government size Granger causes economic development in all countries they studied. The results also indicated that economic development Granger causes public expenditure for Greece and United Kingdom. Barron (1991) in a study of 98 developed and developing economies found a positive but weak relation between public expenditure and economic development over the years 1960-1985. Laudau (1983) studied the effect of government consumption expenditure on the economic growth for a sample of 96 countries and found a negative effect of government expenditure on economic development of real output. Ram (1986) studied the relationship between government budgetary expenditure size and economic development for a group of 115 countries during the period of 1950-1980, using both cross-sectional and time series (panel) data in his analysis, found a positive influence of government expenditure on economic development. Coorays (2009) study of 71 countries revealed that both the size and quality of government expenditure are associated with economic development. Gregoriou and Ghosh (2007) investigated the impact of government expenditure on economic development using panel data an discovered that countries with large government expenditure in terms of budgetary provisions tend to experience higher economic development, but the effect varies from one country to another. In another related study, Abduliah (2000) analyzed the relationship between government expenditure and economic development and found that the size of government expenditure is very important in determining the performance of the economy. He further recommended that government should not only support and encourage the private sector to accelerate economic development, but should also increase its budgetary provision on infrastructure, social and economic activities. Erkin (1998) investigated the relationship between government budgetary expenditure and economic development for New Zealand and found that higher government budgetary expenditure does not diminish consumption, but rather raises private investment

which in turn increases economic development. Gemmel and Kenner (2001) provide empirical evidence on the impact of fiscal policy on long run growth for European economy. Their study required that at least two of the taxation and expenditure deficit effects must be examined simultaneously and they employ panel and time series econometric techniques, including dealing with the endogeneity of fiscal policy. Their results revealed that while some public investment spending impacts positively on economic development, consumption and social security spending have zero or negative growth effects. Mitchell (2005) evaluated the impact of government spending on economic performance in developed countries. He assessed the international evidence, reviewed the latest academic research, cited examples of countries that have significantly reduced government spending as a share of national output and analyzed the economic consequences of this reform. Regardless of the methodology or model employed, he concluded that a large and growing government is not conducive to better economic performance. He further argued that reducing the size of government would lead to higher incomes and improve American's competitiveness.

With the review of literature, budgeting and economic development has been a researchable interest to so many researchers in many economies and it is of an urgent need to bring this study to our local state to deeply examine the effect of budgeting activities on economic development of the state despite the huge amount of funds committed to the planning, preparation and implementation of budget in the state.

METHODOLOGY

Secondary data were collected and analyzed using ratios, descriptive analysis and correlation analysis and test of hypotheses via the use of multiple regression (OLS) statistical tool of inference was used.

The study employed secondary data sourced from the annual budget of Ekiti from 2000 to 2012. A multiple linear model was structure to investigate the causal-effect between sectoral expenditure allocations on economic development as measured in terms of total capital expenditure in the state employing the techniques of ordinary least regression analysis.

Model Specification

This model specification measures the impact of budgeting on the economic development of Ekiti- State.

Generally, the model is;

$Y_t = \beta_0 + \Sigma \beta Z_t + U_t$………………………………………………………… (1)

The functional form; TCE = f (TED)

Explicitly,

$Y_t = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + U_t.$

Where:

TCE = Total capital expenditure which is a proxy of budgeting.

TE= Total economic development.

 U = Stochastic error term.

β_0 = intercept

$B_1, \beta_2, \beta_3,$ and β_4 are the slope coefficients of the variables

X1, X2 , X3 and X4 measures Total economic development.

X1= ESE/TE which is the ratio of economic sector expenditure to total expenditure.

X2 = SSSE/TE which is the ratio of social service sector expenditure to total expenditure.

X3= ASE/TE which is the ratio of administrative sector expenditure to total expenditure.

X4 = ENSE/TE which is the ratio of environmental sector expenditure to total expenditure.

EMPIRICAL FINDINGS AND DISCUSSION

This section presents results of series of analysis carried out to empirically analyze the nexus between budgeting and economic development in Ekiti state. The presentation entails the descriptive analysis of variables, correlation analysis and regression analysis showing the causal-effect relation between budgeting and economic development in the state. A concise discussion of findings was also presented in the sub section.

Descriptive Analysis of Variables

The descriptive analysis consist of the mean, standard deviation, minimum, maximum, skewness, kurtosis and Jarque- bera statistics corresponding to each of the variables.

Table 1. Descriptive Statistics of Variables (n=13)

	TCE	ESE/TE	SSE/TE	ASE/TE	ENSE/TE
Mean	9970733.	0.210729	0.084760	0.046617	0.023482
Median	7574944.	0.223333	0.060935	0.041163	0.011813
Maximum	43774192	0.414958	0.247531	0.110197	0.149322
Minimum	1432881.	0.066053	0.041798	0.001273	0.000593
Std. Dev	11573731	0.111626	0.054972	0.035967	0.039508
Skewness	2.041838	0.404023	2.195670	0.219508	2.740647
Kurtosis	6.706739	2.085699	7.079927	1.767099	9.330921
Jarque- Bera	16.47551	0.806478	19.46191	0.927756	37.98446
Probability	0.000264	0.668152	0.000059	0.628840	0.000000

The descriptive statistics presented in table 1 gave a glimpse of the central tendencies, measure of dispersion, minimum and maximum values, degree of peakedness, asymmetric value , and the Jarque-bera statistics of all the series used in the study. The analysis revealed the location of the center of distributions of the series via the average values (mean), the minimum values, maximum values as well as how individual variable values are spread on each side of the centre via the root mean squared deviation (standard deviation), thus revealing the uniformity of the items in the distribution of each variable. The peakedness of each variable is given by the kurtosis statistics, the symmetric nature of the series given by the skewness value while the normality condition of each of the series is given by the Jarque-Bera statistics. The table showed average values of 9970733.0, 0.210729, 0.084760, 0.046617, and 0.023482 for TCE, ESE/TE, SSE/TE, ASE/TE, ENSE/TE respectively.

The minimum and maximum values of total capital expenditure are 1432881 and 43774192 respectively. For ratio of economic sector expenditure to total expenditure the table revealed minimum and maximum values of 0.066053 and 0.414958 respectively. Minimum and maximum values of Ratio of social service sector expenditure to total expenditure reported in table 1 stood at 0.041798 and 0.247531 respectively. The table reported minimum value of 0.110197 for ratio of administrative sector expenditure to total expenditure while the maximum value stood at 0.110197. As reported in table 1 the minimum and maximum values for the ratio of environmental sector expenditure to total expenditure are 0.000593 and 0.149322 respectively.

From the table it was observed that all the variables are skewed to the right, given the corresponding skewness statistics of 2.041838, 0.404023, 2.195670, 0.219508, 2.740647 for TCE, ESE/TE, SSSE/TE, ASE/TE, ENSE/TE respectively. Notably the kurtosis statistics revealed that TCE, SSSE/TE and ENSE/TE are leptokurtic while ESE/TE ASE/TE are platykurtic, going by the reported kurtosis statistics. The Jarque-bera statistics reveals that the normality hypothesis does not stand for TCE, SSSE/TE and ENSE/TE while there is evidence that variables like ESE/TE and ASE/TE are normally distributed given their corresponding probability values of 0.668152, and 0.628840 respectively.

The above analysis is meant to only reveal the descriptive statistics of each of the variables. Therefore no inference was drawn from the characteristics observed.

Correlation Analysis

Table 2. Correlation Matrix

	TCE	ESE/TE	SSSE/TE	ASE/TE	ENSE/TE
TCE	1				
ESE/TE	0.3809656	1			
SSSE/TE	-0.1756932	0.1239467	1		
ASE/TE	0.3669921	0.3632089	0.372042	1	
ENSE/TE	-0.0119626	-0.0119626	0.8438575	0.6985605	1

The correlation coefficients between variables included in the model are presented in table 2 above. Table 2 revealed that there is positive correlation between most of the variables used in the study with only SSSE/TE and ENSE/TE having negative relationship with total capital expenditure. Specifically the result reported a correlation coefficient of 0.3809656, -0.1756932, 0.3669921, -0.0119626, 0.1239467, 0.3632089, 0.3049706, 0.372042, 0.8438575, and 0.6985605 for TCE and ESE/TE, TCE and SSSE/TE, TCE and ASE/TE, TCE and ENSE/TE, ESE/TE and SSSE/TE, ESE/TE and ASE/TE, ESE/TE and ENSE/TE, SSSE/TE and ASE/TE, SSSE/TE and ENSE/TE, ASE/TE and ENSE/TE respectively. The reported correlation between the variables does not reflect any evidence for multi-collinearity among the variable as non of the correlation statistics shows perfect correlation value.

Regression Analysis

Table 3. OLS Regression Result

Variable	Coefficient	Standard Error	T- Statistics	Probability
C	-4241973	13677631	-0.310139	0.7644
ESE/TE	33687137	31932581	1.054946	0.0023
SSSE/TE	17687437	1.36E+08	0.129854	0.0099
ASE/TE	2.17E+08	1.54E+08	1.402728	0.1983
ENSE/TE	-1.91E+08	2.47E+08	-0.775133	0.4606

R-square=0.363981 F-statistics=11.14459. Prob(f-statistics)=0.001880

This section presents analysis of the regression model estimated in the quest to investigate the impact of budgeting on economic development of Ekiti state, the linear model regressed ratios of sectoral expenditure to total expenditure on economic development of the state measured in terms of total capital expenditure of government on projects and programs geared toward development. The result presented as reported in table 3 reveals the ratios of expenditure to all the sectors exert positive influence on the level of development driven capital projects save for

the ratio of expenditure on environmental sector to total expenditure that negatively influence the measure of economic development in the state. Specifically the result shows coefficient estimates of 33687137, 17687437, 2.17E+08, -1.91E+08 for ESE/TE, SSSE/TE, ASE/TE, ENSE/TE respectively. Thus the result shows that as more expenditure are earmarked through budget to the economic sector, social services sector and administrative sector of the state the more the economic development of the state will be. While the more the government expenditure channelled to the environmental sector of the economy the lesser the development prospect of the economy.

The result also reported an R-square value of 0.363981 which connotes that about 36% of the systematic variation in the level of economic development can be explained by variation in the ratio of economic sector expenditure to total expenditure, ratio of social service sector expenditure to total expenditure, ratio of administrative sector expenditure to total expenditure as well as ratio of environmental sector expenditure to total expenditure. However the reported f-statistics and the corresponding probability statistics shows that the ratio of total expenditure that is channeled to economic, social service, administrative and environmental sectors of the state jointly and significantly influence the level of economic development in the state.

Discussion of Findings

From the results and analyses presented above in an attempt to trace the interrelationship between budgeting and economic development at state level, it was discovered that rising expenditure of government in economic sector in Ekiti State has the tendency to boost the development prospect of the state. Likewise it was discovered in the study that the higher the ratio of government expenditure through budgeting that goes to social services the higher the development of the state. As pointed in the analysis presented above also ratio of government expenditure in the administrative sector of the state the higher the state tends to developed. Meanwhile the study discovered that expenditure in the environmental sector of the state does not boost the growth prospect of the state. In a nutshell the overall submission of the study is that allocation of resource for expenditures in various sectors of the state through budgeting goes a long way maintaining and sustaining development process in the state. Thus budgeting plays a catalytic role in the development process of as state. Comparing the findings of this study with the discoveries of past researchers, it was noticed that the finding of the study corroborate, as well as contradict the findings of some past researches both in developed countries and developing countries Nigeria inclusive. Notably the study corroborates the findings of researchers such as Al-yusuf (2000), Komain and Brahmasrene (2007), Lin-chin, Hsu, Younis (2008), Gregorous and Ghosh e.t.c. from developed and developing countries. The

study also reaffirmed the submission of Adesopo (2011) who opined that budgeting has gone beyond the annual rituals it use to be, pointing out that it is a strategic and al encompassing tools though which government scarce resources are allocated to programs and services geared towards economic management and development. Notably also the discovery of the importance of budgeting in the discourse of economic development shares border with the assertion of some researchers in Nigeria such as   Ajakaiye (1999), Ogunlade (1997), Gbadamosi (1999), Kayode (1991) and Aluko (2009). However, the discovery of the key role of budgeting in the development structure of Ekiti state, tends to contradict the findings some researches from developing countries such as the work of Ramayandi (2003), Abu-Bader and Abu-Qarn (2003), Laudau (1983) e.t.c Thus the discovery of the study had somewhat contributed to the existing understanding of the crucial role of budgeting in the development process by pointing out that allocation of scarce resources in right ratio through budgeting to the constituent sector of a state is a sine qua non for development.

SUMMARY AND CONCLUSIONS

The study investigated the impact of budgeting on economic development of Ekiti state using expenditure approach. Specifically the study examined the relationship between budgeting and economic development investigated the impact of sectoral expenditure allocation on economic development of Ekiti state and as well analyzed problem of budget implementation in the state. The study hypothesized that there is no significant relationship between budgeting and economic development of the state, and that sectoral expenditure allocation has no significant impact on the development of Ekiti state. Review of conceptual literature in the study focused on the two germane variables on the study. The review covers the meaning of budgeting, reason and objectives of budgeting, budgeting process, organization and administration, as well as types of budgeting techniques. The study also delved into the conceptual analysis of economic development. Theoretical framework of the study covered theories like principal agent theory and the findings from the analysis revealed that:

a. There is positive relationship between budgeting and economic development.

b. Expenditure on economic sector of the state exert significant positive impact on the level of economic development.

c. Social service expenditure allocation influence economic development positively.

d. Administrative expenditure ratio positive affect economic development in the state.

e. Environmental sector expenditure allocation impedes economic development of the state.

Premise on the findings, this paper concludes that effective budgeting and implementation plays a significant role in the development process of Ekiti state. Given that the better expenditure can be allocated across sectors in the state the greater the development process of the state. The paper also submit that expenditure in economic sector of the state as well as social service sector can relatively spur economic development that expenditure in other sector like administrative and environmental sectors as such the need for adequate economic management in the states will focus more on key sectors of the economy if development process will be spontaneous across different quarters of the state. The paper thus pinned in the sand of existing knowledge the fundamental role of effective budgeting and rational allocation of resources across sectors of a state is the process of sustaining economic development.

RECOMMENDATIONS

The following recommendations were made based on the findings and conclusions of this paper:

a. State government should ensure rational allocation of sectoral expenditure based on the developmental needs and projection of each of the sector to foster systematic and spontaneous development cross the state.

b. State government should ensure that attention is shifted to expenditures on projects and programmes that can spur the development process in the state.

c. Structures that will aid adequate budget implementation should be incorporated in the budget design of the state to ensure effective and efficient achievement of budget aims and objectives.

LIMITATIONS OF THE STUDY AND FURTHER RESEARCH AREA

This research work is limited in scope in that it could have vividly examined each sector of the state and generate data from their budget so as to know the effect of each sector on the economic development of the state. This study pooled all the sectors together and brought out data from the previous approved budget of the state.

This research work succinctly evaluated the impact of budgeting on the economic development of Ekiti State using a time frame of 2000-2012. However, up-coming researchers can still examine the impact of budgetary control on the economic development of a state or nation, budgeting role, infrastructural development and economic growth of a state or nation, impact of government expenditure on economic growth, public debt and economic growth, impact of fiscal policy on economic growth.

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APPENDICES

CORRELATION ANALYSIS

	TCE	ESETE	SSETE	ASETE	ENSETE
TCE	1				
ESETE	0.3809656	1			
SSETE	-0.1756932	0.1239467	1		
ASETE	0.3669921	0.3632089	0.372042	1	
ENSETE	-0.0119626	0.3049706	0.8438575	0.6985605	1

REGRESSION ANALYSIS

Dependent Variable: TCE
Method: Least Squares
Date: 11/18/08   Time: 00:37
Sample: 2000 2012
Included observations: 13

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-4241973.	13677631	-0.310139	0.7644
ESE/TE	33687137	31932581	1.054946	0.0023
SSE/TE	17687437	1.36E+08	0.129854	0.0099
ASE/TE	2.17E+08	1.54E+08	1.402728	0.1983
ENSE/TE	-1.91E+08	2.47E+08	-0.775133	0.4606

R-squared	0.363981	Mean dependent var	9970733.
Adjusted R-squared	0.045971	S.D. dependent var	11573731
S.E. of regression	11304573	Akaike info criterion	35.60304
Sum squared resid	1.02E+15	Schwarz criterion	35.82032
Log likelihood	-226.4197	F-statistic	11.14459
Durbin-Watson stat	1.355798	Prob(F-statistic)	0.001880