Title of Article: Public Expenditure and Economic Growth: A Review of Theoretical and Empirical Literature.

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Abstract: Government fiscal operations through public spending are recognized as major tool for macroeconomic management and play a very important role in stimulating economic growth and development. Economic spending has shown that government spending may either be beneficial or detrimental to economic growth The literature has identified three determinants of government expenditure: institutions and government failures(i.e. constitutional arrangement, policy-myopia and political instability), economic fundamentals (i.e. the stage of economic development, demographic forces and country size), and globalization (i.e. trade and financial openness). Theory does not only predict that fiscal policy affects growth by the magnitude of government spending but also by the expenditure structure or composition. The literature is inconclusive about the causal relationship between public expenditure and growth; there is a general tendency for government consumption to be negatively associated with growth performance, although the evidence for this is weaker in studies of developing countries.