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Revenue Generation and Infrastructural Development in Taraba State

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ABSTRACT

The study examined the effect of revenue generation on infrastructural development in Taraba State. The study covered the period of 2010-2019 due to limited availability of data. The study employed secondary data and the data were analysed using regression with Newey-West standard error since the study is time series. The study revealed that IGR has a positive impact on infrastructural development. Similarly, the grant received by the Taraba State Government improved infrastructural development. The study recommended that the Taraba State government should exploit other sources of revenue by making use of the tourism centre in the state such as tourism centred includes Gumti Park, Crocodile Pond of Wukari, tourism centre in Gembu and other parts of the state that has tourism attraction centre should be used to increase IGR of the state. There should be periodic monitoring of project awarded by the executives themselves so as to ensure that contractors do what is expected of them and the issue of political consideration in the awarding of contracts and execution of the infrastructure in the state should be discouraged. The contract should be awarded to a contractor's base on merit.

Keywords: Revenue Generation, Infrastructural Development, Internally Generated Revenue, Statutory Allocation.

1. INTRODUCTION

Revenue generation in state-level of governments is very crucial since state government requires funds in order to fulfil its constitutional obligation. In this regard, the government find the means to generate revenue. Revenue generation in most states in Nigeria is mainly derived from taxes. Tax can be defined as a compulsory levy and obligation imposed on individuals and corporate bodies by the government of a particular country within its territory in order to generate revenue and provide socio-economic service to the citizenry. Government need revenue to provides services to its citizen. For this purpose, not to be frustrated government device a means of generating revenue through taxes, fines, grant, Internally Generated Revenue (IGR) statutory allocation among others in order to get the purpose accomplished.

The constitutional functions of state government are provided in part II of the second schedule of the 1999 constitution of Federal Republic of Nigeria which involves the concurrent responsibilities on which both the federal and state governments ought to act upon. The state government are saddled with the responsibility for the provision of education, healthcare, potable water, roads linking local government and communities within the state and among others (Stuti, 2001). For the State government to fulfil its constitutional functions, the 1999 constitution of the Federal Republic of Nigeria as amended and other Acts empowered the state government to generate revenue through an external and internal source which include statutory allocation, Internally Generated Revenue (IGR), grants, fines among others. The state governments are entitled to 26% from Federation Account as statutory allocation base on the provision in section 162 (2) of the 1999 Constitution of Federal Republic of Nigeria.

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The Taxes and Levies (Approved List of Collection) Degree NO. 22 of 1998 also empowered the state governments to collect taxes and other fines which served as IGR to states government. State government also received grant from international bodies such as world banks and other bodies which can be used in order to provide social amenities for citizen.

Infrastructural development cannot be actualised without finance. Infrastructural development is associated with high demand of funds. In this regard high revenue need to be generated in order to plan, execute, and maintain infrastructures in a state. There is a need for revenue generation for infrastructural development such as construction of accessible roads, building of public schools, healthcare, construction of bridges, among others. Most revenues used by state government to finance infrastructures are either generated from internally source, allocation from federation account or grants and aids from international organisations which may not be adequate or embezzled by corrupt public office holders. Thus, the State government cannot embark on infrastructural development, execute and possibly carryout the maintenance and services of these projects and other responsibilities without sufficient revenue generation. With the declaration by Federal Government in August 2020 that Taraba State is among insolvent state is an indication of poor revenue generation which cannot been use for infrastructural development efficiently. In addition, Taraba State IGR was listed among the poorest state as of July 2020. This shows that revenue generated by Taraba State is poor.

Infrastructural development has been financed with public funds. Government were the main player in this field according to Organisation of Economic Co-operation and Development (OECD). This indicate that government has key role in actualise infrastructure development. The issues of infrastructural development have been neglected by state government in Nigeria and the funds allocated for financing of infrastructure in government budget is inadequate. However, the mean problems of infrastructure financing could be poor revenue generation? Total dependence on statutory allocation? Corruption and embezzlement of public funds? It is as a result of poor internally generated revenue drive? These may be the basic reason why infrastructural development is poor in Nigeria. The issue of poor revenue generation and poor infrastructure is not exceptional to Taraba State. This has been a challenge which needs to be tackled.

Based on the above questions and if they are reasons for reduction in the level public funds allocated to infrastructural development, it is clear that the execution and maintenance of infrastructure will be a serious problem. Hence, the study is concern with finding out the effect of revenue generation on infrastructural development in Taraba State.

2.   LITERATURE REVIEW

2.1. Concept of Revenue Generation

Many scholars have interpreted and defined revenue in numerous dimensions. Nightingale as cited in Samuel and Gabriel (2016) posited that revenue is the resources needed by government in the public sector for the purpose of governance. Revenue can also be considered as income that accrued to an entity. Therefore, the Taraba State government revenue is generated from taxation, the sale of government properties and external source. Ishola (2005) seen revenue as resources through which government of a country use to finance its activities. State government can generate her revenue either through taxes, vehicle haulages, mining, grant and aids, royalties, among others. Otunbala (2011) postulated that government revenue includes the total fund generated from oil and non-oil sources which includes taxes, fines, rates, grants, and income other than funds raised from issue of debt instrument.

Base on the above definitions, it can be considered that the total amount of cash-inflows accruing to Taraba State government from internal and external sources within a stipulated period

constitutes her revenue. Osisami (1994) in Adesoji and Chike (2013) opined that revenue that accrued to state and local governments in Nigeria is categorized into internally generated revenue and external revenues, the latter is obtainable from the distributable pool that is statutory allocation and aids and grant from international donor. Internally generated revenue are revenues generated within the state, which includes taxes, motor vehicle licensing, royalties, among others.

2.2. Concept of Infrastructural Development

The Readers Digest Universal Dictionary defines the term infrastructure as a supporting structure, the basic facilities, equipment, services, and installations needed for the growth, development and functioning of a country. Gianpiero (2009) defines infrastructure as material, institutional and personal facilities that are available to the economic agents and which contribute to the development of a country. Infrastructural development can be considered as any assets, equipment, structures, basic amenities among others in an economy that serve the purpose for transport service, telecommunications basic needs of a community, local government, state and a country as a whole and serve the functions for transport, buildings and installations of public administration, education, research institutes, healthcare and social welfare of the citizen. Infrastructural development may include economic infrastructure which includes roads, railway, shipping ports and harbours.

2.3. How infrastructural Development will help Taraba State

2.3.1. Infrastructural Development will Increases Agricultural Production and Productivity:

Infrastructural development can enhance agricultural production and productivity of Taraba State since Taraba people engage more in agriculture. Infrastructure development can increase the comparative advantage of Taraba State if infrastructural investment is made available. If government of the state can provide good infrastructure such as good road for people to easily move their farm products to market and other states, this will increase agricultural production and productivity. If there are tractors, if there are water supply channels to give ground for dry season farming which will be provided by government and aid is being provide by state government to farmers this will enhance agricultural production. When Taraba State gains comparative advantage in terms of agricultural activities, the outcome will be an upsurge in the production and productivity of agricultural goods and services.

2.3.2. Infrastructural Development Accelerates Industrial Growth

Industries activities require not only raw material, machinery and equipment but also need infrastructure to aid movement of products. Private investors will not establish an industry without good and sound infrastructure in a particular location. Infrastructure facilities like transport, good roads, production machinery, among others served as a booster for industrial development. If there is availability of infrastructure in Taraba State, it will attract investment and industry to be establish in the state. A sound infrastructure also increases the competitiveness advantage of the industrial sector over competitor and it also save time and effort.

2.3.3. Infrastructural Development Increases the Flow of Foreign Capital

The world now is a global village, in this globalised and computerised generation that we found ourselves it is important for infrastructural facilities to be in place in Taraba State. Infrastructure facilities have a vital function to attract foreign investors. Foreign direct investment as well as portfolio investment will flow to any state or country where there are adequate infrastructures facilities for utilization.

2.3.4. Infrastructure Contributes to Tourism Development

Tourism has emerged as an industry that contribute as one of the major sources of internal revenue for government. Taraba State has a lot of tourism centre which could generate revenue to the state, but it has been neglected and abandoned by the government of the state. For proper development of tourism centres, infrastructure development is very much required. Thus, infrastructure development plays an important role in tourism development. For example, tourist spots in Taraba State such as Gashaka-Gumti National Park, Mambilla plateau, Donga Rivers Basin Forest, Ngel-Nyaki Forest Reserve, Marmara Crocodile Pond Wukari, Kpombo and Fikyu Rock Formations among others remain unnoticed due to lack of infrastructure facilities and negligent.

2.4. Relationship between the Study Variables

2.4.1. Statutory Allocation and Infrastructural Development

As the second tier of government, the state government receives statutory allocation from the federation account. This share of revenue is fixed by constitution of Federal Republic of Nigeria section 42 based on percentage formula because it is fixed by law, it is not voluntary but mandatory. The present, sharing formula stipulates that the federal government is to be given 52.68%; the state level is to go with 26.60% while the local governments are given 20.60%. This is excluding the 13% derivation which the oil producing states have to share (Oseni, 2013). This can aid state government to finance the execution of infrastructure that will bring development to a state. However, this allocation has been embezzled by most public office holders in Nigeria. This corrupt act has affected the infrastructure development in Nigeria.

2.4.2. Internally Generated Revenue and Infrastructural Development

Internally generated revenue is revenue generated by states governments internally. This is revenue other than statutory allocation and grant. IGR means the revenue generated by states governments from internal sources other than revenue from the federal government and other external sources. IGR encompasses of taxes, fines and fees, licences, sales, and earnings, and rent on government property (Agu, 2010). State government can use IGR to finance infrastructural development in the state if such revenue is high. However, in case of Nigeria is either the IGR is embezzled by few public office holders or those that ought to pay their tax and fines failed to do so. This has affected infrastructure execution and maintenance in Nigeria badly.

2.4.3. Grants and Infrastructural Development

The federal government and international agency provide grants to state government, this is often called grants-in-aid, to enable state government discharge its constitutional functions as a government effectively, particularly in the area of the provision and maintenance of certain basic amenities and infrastructure for the people such basic amenities include water and electricity supply, building of educational arena and health facilities, and infrastructure such as roads.

2.4.4. Revenue Generation and Infrastructural Development

The state government has constitutional responsibility for providing social amenities such as good roads, health, schools, portable drinking water, among others. In Nigeria system of government, government are saddled with the responsibility for meeting the needs of the masses in the terms of infrastructures and social amenities. However, they cannot do this unless they are provided with adequate financial and human resources to effectively discharge their statutory responsibilities, with improved revenue generation base the government would be equipped to provide rural transformation in terms of infrastructural development such as road construction

and maintenance, provision of portable pipe-bore water, building of health centres and maternity homes, as well as educational arena and vocation training centres for the citizens.

Poor revenue generations as well as corruption have been a major problem hindering the efficient performance of the functions of state government and the infrastructural development in states level in Nigeria. Due to poor revenue generation, the state government cannot perform its statutory functions of providing social amenities and infrastructure such as provision of clean water, construction of accessible roads for easy movement, provision of a well-equipped health centres, dispensaries, maternity homes in communities to reduce death rate of people.

There had been inadequate provision and maintenance of post-primary education and good roads which is the sole responsibility of state government. State government cannot adequately provide their people with minimum acceptable international standard of education, which could have ensured excellence improvement in the learning process.

2.5. Theoretical Framework

This study anchor on both development theory and benefit theory. Development theory was developed by Musgrave is also known as Musgrave Theory. Musgrave argued that low level of revenue generation by government will affect development, since the demand and cost for infrastructure tends to be high. This occurred because at the early phases of economic development the revenue level is low, and government is expected to provide the basic infrastructure facilities for economic development and growth of a country. However, as per capita income increase demand for infrastructure will also increase. At high level of revenue if properly utilised there will be economy growth through infrastructural development.

Benefit theory was propounded by Erik Lindahl in 1919. The theory believed that citizens would pay more taxes when they feel they have benefited a lot from the activities of the state. The theory also argued that the services which are provided by government cannot be quantified and measured, after some citizens who pay taxes do not have the opportunity of enjoying them.

2.6. Review of Empirical Studies

Joseph and Omodero (2020) examined the relationship between government revenue and economic growth in Nigeria. The study employed exploratory and ex-post facto research designs. The study used secondary data from 1981 to 2018. The study used Ordinary Least Squares (OLS) regression technique. The result reveals that federally received revenue and Value Added Tax (VAT) have a moderate and positive impact on economic growth. Olayinka and Irewole (2019) studied the relationship between internally generated revenue and infrastructural development in Lagos state. Data was extracted from secondary source. The study employed multiple linear regression. The study revealed a significant and positive relationship between IGR and infrastructural development in Lagos State.

Onwuka and Christian (2019) examined the impact of revenue generation on infrastructural development in Nigeria. Secondary data was adopted in the study. OLS regression analysis was employed in the study from1981 to 2018. The study revealed that revenue generated have significant impact on infrastructural development in Nigeria. In the same vein Ajiteru, Adaranijo and Bakare (2018) assessed the relationship between tax revenue infrastructural development in Osun State. The study used primary data which is obtained through survey. A purposive sampling technique was employed to select a total of 102 respondents for questionnaire administration. The questionnaires were analysed using descriptive statistics. The study found that tax revenue is a very strong tool for infrastructural development in the state. The study revealed that the poor awareness regarding the vitality of tax; the government is not effectively and efficiently utilizing the tax revenue.

Mbah and Onuora (2018) investigated the effect of internally generated revenue on infrastructural development of South East States of Nigeria. The study adopted ex-post facto research design. Data used were secondary data. The study employed descriptive statistics, correlation, and linear multiple regression for data analysis. The study revealed a significant relationship between IGR and the cost of infrastructure in the South East States. Similarly, Omodero, Ekwe and Ihendinihu (2018) examined the impact of IGR on economic development in Nigeria. The study also used ex-post facto research design. The secondary data were employed, the study covered a period from 1981 to 2016. The data were analysed using the multiple regression and t-test. The study revealed that total IGR, state government IGR and local government IGR have significant and positive impact on Real Gross Domestic Product (RGDP), while Federal Government Independent Revenue (FGIR) showed positive and significant influence on RGDP.

Dang and Dashes (2017) analysed the contribution of states' IGR to economic growth of Nigeria using panel data for the period from 2011 to 2016 across the 36 states of the federation. Descriptive statistics and Panel Fully Modified Least Square (FMOLS) technique are used in analysing the data. The study carries out a Kao Residual Cointegration Test and shows a significant cointegration between the variables. The study show that States' IGR has insignificant impact economic growth in Nigeria. In the other hand, Inyiama, Edeh and Chukwuani (2017) explored the important of tax revenue resources to infrastructural development in Nigeria. The study utilized ex-post facto research design and secondary data for the analysis. The study covered ten-year period (2006-2015). Data were analysed using the multiple linear regression technique. The result revealed that tax revenue which includes Company Income Tax (CIT), Value Added Tax (VAT), and Petroleum Profit Taxes (PPT) have positive and insignificant effect on infrastructural development in Nigeria.

Oyetakin and Yahaya (2017) analysed the relationship between IGR and infrastructural development of public universities in Ondo State, Nigeria. The study employed primary data. A total of 50 management staff was used. The study revealed negative and significant relationship between IGR and amount spent on infrastructural in public universities in Ondo State. Ironkwe and Ndah (2016) evaluated the impact of IGR on performance of local government in Rivers State, Nigeria. The study used ex-post facto research design. Ogba/Egbema/Ndoni Local Government Council were purposefully selected for the study. Statistical analysis was performed on secondary data from 2006 to 2013. This statistical analytical tool is t-statistics. The study finds that tax revenue displayed a positive but insignificant influence on road construction and maintenance.

Samuel and Gabriel (2016) studied the effect of electronic internally generated revenue on infrastructure development of Ebonyi state from 2011 to 2014. Ex-post facto research design was used in the study. The study uses secondary data which was analysed using regression and Pearson correlation method. The result shows that the relationship between all the independent variables (electronic IGR and statutory allocation) were very low on the dependent variable. While Anyaduba and Aronmwan (2015) investigated the impact of taxes and infrastructural development in Nigeria. The study used secondary data covering a period from 1980 to 2014. Longitudinal research design was used. The data was evaluated using the Error Correction Model. The findings show that CIT and Tertiary Education Tax (TET) have significant impact on infrastructural development while PPT and VAT have insignificant impact.

Adesoji and Chike (2013) studied the effect of IGR on infrastructural development of Lagos State. The study adopted survey research design and purposive sampling methods to sampled respondents from the State Internal Revenue Board (SIRB). The data were collected through questionnaire. Descriptive and inferential (Spearman's Rank) statistical tool was used to analyse the data collected from the respondents. The result shows a positive relationship between the dependent and independent variables. Akabom-Ita (2013) conducted a study on revenue base and social assets creation. Data on social assets and components of revenue base of sampled local

government areas between 1997 and 2011 were collected and analysed with the aid of multiple regression. The study revealed that there is a positive relationship between revenue base and the creation of social assets.

Edogbanya and Jafa'aru (2013) carried out a study on how revenue generation impact on local government development of selected Local Council in Kogi East. The study adopted descriptive research design. The research used both primary and secondary data. Simple least square regression was used to analyse the data. The findings from the study show that there is a significant relationship between revenue generated and development. The study also revealed that there is lack of basic social amenities to the rural people and lack of revenue to maintain the existing infrastructures. Similarly, Nnanseh and Akpan (2013) studied the effects of internally generated revenue on infrastructural development in Akwa-Ibom State. An ex-post facto research design was adopted, and the data used were obtained from secondary source. The data were analysed with simple percentage statistics while simple regression statistics was used in testing the hypotheses. The result showed that IGR contributed significantly and positively to the provision of infrastructures. Oseni (2013) investigated IGR in Nigeria considering a panacea for state development. The study employed secondary data. The study was carried out on the proportions of internally generated revenues to total revenues of states for a five-year period (2007-2011). Descriptive statistics was used, and it was found that states getting additional revenue from the statutory allocations as derivation have lower proportions of IGR to their total revenues.

3. METHODOLOGY

The research design used in the study is descriptive research design which will describe the existing stand of what is being investigated and it will aid to know where the variables are gotten and how the objectives of the study could be achieved. The study used this research design in order to describe the effect of what have occurred. Data used in this study were obtained from secondary source. Data were collected from the National Bureau of Statistics (NBS), Office of Accountant General of Taraba State, Taraba State Planning Commission, Treasury Division in Taraba State Ministry of Finance, Central Bank of Nigeria (CBN) Bulletin, newspapers and Taraba State Board of Internal Revenue (TSBIR). The study covers from 2010 to 2019.

The study used regression model as the following:

INDEV= f(IGR, STA, GRT)
INDEV= β_0+ β_1IGR+ β_2STA+β_3GRT

Where,

INFD=Infrastructural Development for the year (Log of total capital expenditure)
IGT=Internally Generated Revenue for the year (Log of total IGR)
STA=Statutory Allocation Receipt for the year (Log of statutory allocation)
GTR=Grant Receipt for the year (Log of total grant received)
Ut=Stochastic error

There are two variables in this study, the dependent and the independent variables. The dependent variable is the infrastructural development. The independent variables used were statutory allocation receipt (STA), Internal Generated Revenue (IGR) and Grant Receipt (GRT). The technique for data analysis for this study is the Ordinary Least Square Regression Analysis. Ordinary Least Square Regression Analysis is used to determine the relationship between two or more variables. For this study Ordinary Least Square Regressions is used to determine the effect

of independent variables (Revenue generated) on the dependent variables (Infrastructure development).

4. RESULTS AND DISCUSSIONS

The study conducted some regression diagnostic tests which includes normality test. The study used Shapiro Wilk to investigate the outliers in the data. The result shows that the data are normally distributed since the probability values are greater 5% level of significance. The study also filters the data using the Baxter-King. The filter helps separate time series into trend and cyclical components. The trend components may involve a deterministic or a stochastic trend. Similarly, the stationery cyclical component may be driven by stochastic cycles at the period under review. The study used Durbin Watson to check for autocorrelation. The result shows that there is not autocorrelation since the probability value is 0.8487. The study employed Regression with Newey-West standard errors to analyse the data.

Table 1 Descriptive statistics (N=10)

Variables	Mean	Std. dev.	Minimum	Maximum
INFD	10.2347	0.1847	9.9404	10.5039
IGR	9.8234	0.3353	9.5243	10.4829
STAT	10.4496	0.3752	9.4483	10.8112
GRT	9.8637	0.4438	9.3547	10.5527

Source: STATA 14 Output, 2020.

From the analysis above, the study discovered that the mean of infrastructural development is 10.2347 and the standard deviation is 0.1847 for the period under study. This indicates that the mean of 10.2347 is considered above average since is within the maximum of 10.5039 and the minimum of 9.940. The standard deviation indicates that there is no significant variation around the mean. This shows that infrastructural development in Taraba State has not improved over years. The maximum value of IGR for the period under review is 10.4829 while its minimum value is 9.5243. The average is 9.8234 while the standard deviation is 0.3353 which means there is no wide variation around the mean. This shows that IGR of Taraba was poorly generated within the period under review since there is a wide variation of increase. On the other hand, the statutory allocation has its maximum value as 10.8112 and the minimum value is 9.4483. The mean value is 10.4496 and standard deviations of 0.3752. The result shows that statutory allocation received by the Taraba State government is higher than the IGR, with no significant variation. Similarly, the grant received by the Taraba State government has a maximum of 10.5527 and minimum of 9.3547. The average grant is 9.8637 and standard deviation of 0.4438. This indicates that there is no wide variation around the mean. The results also show that the grant received by the Taraba State government is higher than IGR of the state in some years.

Table 2 shows the correlation coefficients of the variables. It shows the correlation between revenue generation and infrastructural development. As observed, infrastructural development is positively correlated with IGR (r=0.5553), STAT(r=0.0439) and GRT (r=0.5667). The results show that revenue generation and infrastructural development move in the same direction. This indicates that as revenue generation increases the infrastructural development also increases. A look at the inter-relationship among the explanatory variables shows the absence of multicollinearity.

Table 2 Correlation Matrix

Variables	INFD	IGR	STAT	GRT
INFD	1.0000			
IGR	0.5553	1.0000		
STAT	0.0439	0.3951	1.0000	
GRT	0.5667	0.5054	0.3232	1.0000

Source: STATA 14 Output, 2020.

The result in Table 3 shows that the R² is about 0.3628 which gives the percentage of the total variation in the dependent variable. It indicates that the variation of 36.28% in the dependent variable is caused by revenue generation which includes statutory allocation, internally generated revenue, and grant. While the remaining 63.72% of the total variation in infrastructural development was caused by factors not included in the model. This indicates a good fit of the regression line and the model has a high forecasting power.

Table 3 Regression with Newey-West standard error results

Variables	Coefficient	Newey-West Std. error	t-statistics	p-value
C	8.1726	1.4298	5.72	0.001
IGR	0.1796	0.3977	0.45	0.667
STAT	-0.0960	0.0683	-0.41	0.209
GRT	0.1319	0.3089	0.43	0.684
R²			0.3628	
F-statistics			1.84	
F(prob.)			0.2413	
DWS			0.8487	

Source: STATA 14 Output, 2020

$$8.1726 = \beta_0 + \beta_1 0.1796 + \beta_2 - 0.0960 + \beta_3 0.1319$$

Table 3 shows that IGR has a positive but insignificant impact on infrastructural development at the coefficient value of 0.1726 and p-value of 0 .45. This result is in line with findings of Mbah and Onuora (2018); Adesoji and Chike (2013); and Nnanseh and Akpan (2013). The positive coefficient indicates that when IGR increase by 1%, the infrastructural development will increase by 17.96%. This shows when the government generate more revenue internally and allocate this revenue into infrastructure, there will be development in term of infrastructure. The results also show that statutory allocation has a negative and insignificant effect on infrastructural development. This finding is in agreement with the findings of Samuel and Gabriel (2016). However, the finding contradicts the findings of Joseph and Omodero (2020); and Olayinka and Irewole (2019). The results show that as statutory allocation increase infrastructural development will decrease. However, these results did not occur to us by surprised because most state governments used statutory allocation for recurrent expenditure instead of capital expenditures. There is much dependence on statutory allocation to carry out infrastructural development at the state level in Nigeria. The results also show that the grant received has positive but insignificant effects on infrastructural development in Taraba State. The results documented that when grant received increase by 1%, the infrastructural development will increase by 13.19%.

5.   CONCLUSIONS

The study examined the effect of revenue generation on infrastructural development in Taraba State. Study in this area is limited, especially in Nigeria. How the effect of revenue generation on infrastructural development in the state particularly has not been extensively explored, hence, this study was carried out. In this study, it is clear that poor financing and poor revenue generation by the Taraba State government have affected the spread of developing infrastructure to all the areas of the state. The study concluded that the revenue generated by Taraba State government which include statutory allocation, internally generated revenue and the grant does not lead to the development of infrastructure in the state effectively as expected. The study observed and concluded that Taraba State government over depending on external sources such as statutory allocation and grant to finance its expenditure, this is based on the fact that statutory allocation accounted higher rate of the total revenue in the state.

The study recommends that Taraba State government should strategically plan on proper measures to generate revenue and allocate higher funds to infrastructure as to meet their constitutional functions as provided by the constitution of the Federal Republic of Nigeria. The government should make efforts to widen the economic base of the state through infrastructure execution and maintenance by constructing Baissa, Kurmi local government road since the local government has abundant natural resources and is one of the richest Local Government in Nigeria this can enhance IGR of the state and this Local Government has attracted the attention of many marketers within and without the state but marketers were scarce to visit that environment because of the poor road network. Taraba State government should exploit other sources of revenue by making use of the tourism centre in the state to generate revenue. Gashaka Gumti park, Marmara Crocodile Pond of Wukari, Mambilla Plateau in Gembu and other parts of the state that has tourism attractive centre should be used to increase the IGR of the state.

State government should encourage people to pay their taxes as at when due by creating programme on enlightening people on why they should pay taxes and government should embark on infrastructural development that would improve the lives of the citizenry this will encourage taxpayers to pay more tax if they received the benefit of their taxes. The state government in partnership with private sectors should exploit solid mineral to enhance the revenue generation of the state. The government should ensure that the revenue generated should be remitted. Failure to remit taxes collected if discover such a person should face the wrath of the law without pardon.

Taraba State government should ensure that there is less recurrent expenditure and higher capital expenditure of not less than 55% and the funds to be allocated to infrastructure should not be less 45% to facilitate infrastructural development of the state. There should be periodic monitoring of project awarded by the executives themselves so as to ensure that contractors do what is expected of them and political consideration in the awarding of contracts and execution of the infrastructure in the state should be discouraged. The contract should be awarded base on merit. There should be adequate monitoring measure of public expenditure in order to avoid deviation of funds meant for infrastructural development, embezzlement of public funds and mismanagement of public funds.

5.1.   Suggestion for Further Study

Further study should consider the impact of revenue generation on infrastructural development in the northern part of Nigeria. The further study expands the scope of the study to the period of 15 years.

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APPENDIX

```
     __  __  __  __  __ (R)
    /_  /  __/  /  __/
   __/  /  /__/  /  /__/   14.0   Copyright 1985-2015 StataCorp LP
   Statistics/Data Analysis       StataCorp
                      4905 Lakeway Drive
   Special Edition            College Station, Texas 77845 USA
                      800-STATA-PC    http://www.stata.com
                      979-696-4600    stata@stata.com
                      979-696-4601 (fax)
```
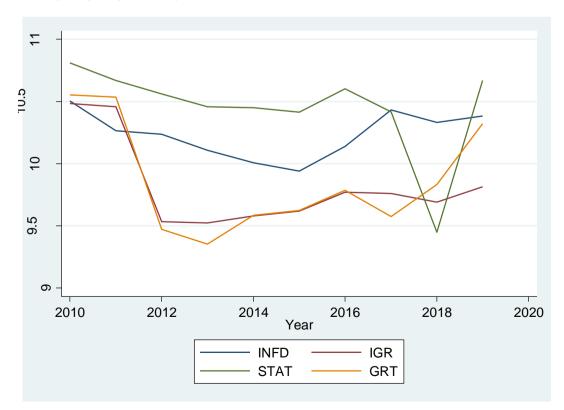
Notes:
    1. Unicode is supported; see help unicode_advice.
    2. Maximum number of variables is set to 5000; see help set_maxvar.

. use "C:\Users\USER\Documents\Revenue and Inf.dta"

. summarize INFD IGR STAT GRT

```
  Variable |    Obs     Mean   Std. Dev.    Min      Max
-------------+---------------------------------------------------
     INFD |    10   10.23473   .1847231   9.940414  10.50388
      IGR |    10   9.823413   .3553314   9.524267  10.48287
     STAT |    10   10.44963   .3751794   9.448271   10.8112
      GRT |    10   9.863761   .4437718   9.354655  10.55269
```

. corr INFD IGR STAT GRT
(obs=10)

```
           |   INFD     IGR    STAT     GRT
-------------+------------------------------------
     INFD |  1.0000
      IGR |  0.5553   1.0000
     STAT |  0.0439   0.3951   1.0000
      GRT |  0.5667   0.5054   0.3232   1.0000
```
. tsset Year
      time variable: Year, 2010 to 2019
           delta: 1 unit

. swilk INFD IGR STAT GRT

```
              Shapiro-Wilk W test for normal data

  Variable |    Obs     W        V       z     Prob>z
-------------+-----------------------------------------------------
     INFD |    10   0.97285   0.418   -1.378   0.91593
      IGR |    10   0.75432   3.786    1.650   0.05303
     STAT |    10   0.73036   4.155    1.869   0.05206
      GRT |    10   0.85910   2.171    1.443   0.07448
```

. regress INFD IGR STAT GRT

```
    Source |    SS      df      MS          Number of obs =      10
-------------+----------------------------------   F(3, 6)     =    1.14
     Model |  .111431644    3  .037143881   Prob > F    =  0.4062
  Residual |  .195672039    6  .032612006   R-squared   =  0.3628
-------------+----------------------------------   Adj R-squared =  0.0443
     Total |  .307103683    9  .034122631   Root MSE    =  .18059


-------------------------------------------------------------------------------
     INFD |   Coef.   Std. Err.    t    P>|t|    [95% Conf. Interval]
-------------+-----------------------------------------------------------------
      IGR |  .1795594  .4127043   0.44  0.679   -.8302917   1.189411
     STAT | -.0959937  .1753477  -0.55  0.604   -.5250542   .3330668
      GRT |  .1319324  .3207817   0.41  0.695    -.652992   .9168569
     _cons |  8.172593  2.023255   4.04  0.007    3.221866   13.12332
-------------------------------------------------------------------------------
```

. estat durbinalt

Durbin's alternative test for autocorrelation

```
---------------------------------------------------------------------------
  lags(p) |    chi2        df         Prob > chi2
-------------+-------------------------------------------------------------
    1   |    0.036        1           0.8487
---------------------------------------------------------------------------
            H0: no serial correlation
```

. newey INFD IGR STAT GRT, lag(0)

```
Regression with Newey-West standard errors     Number of obs   =     10
maximum lag: 0                     F( 3,    6) =    1.84
                        Prob > F     =   0.2413


-------------------------------------------------------------------------------
          |         Newey-West
     INFD |   Coef.   Std. Err.    t    P>|t|    [95% Conf. Interval]
-------------+-----------------------------------------------------------------
      IGR |  .1795594  .3977058   0.45  0.667   -.7935916   1.152711
     STAT | -.0959937  .0682818  -1.41  0.209   -.2630732   .0710858
      GRT |  .1319324  .3089492   0.43  0.684   -.6240391   .8879039
```

```
    _cons |  8.172593  1.429762   5.72  0.001   4.674091   11.67109
---------------------------------------------------------------------
```