

Internally Generated Revenue (IGR) and Infrastructural Development in Akwa Ibom State

Dr. Michael Nnanseh^{1*} Sunday S. Akpan²

1. Department of Business Management, University of Uyo, P.M.B 1017, Uyo, Nigeria
- 2.. Department of Banking and Finance/Insurance, University of Uyo, P.M.B 1017, Uyo, Nigeria

*Email of corresponding author: mp.mike8@yahoo.com

Abstract

Revenue generation is the nucleus and the path to modern development. This study assessed the effects of internally generated revenue on infrastructural development in Akwa Ibom State. This is because the State as the second tier of government needs revenue to provide basic social amenities to the people. Thus, the study specifically sought to ascertain the extent to which IGR has contributed to the provision of such infrastructures as water, electricity, and road. An ex-post facto research design was adopted and the data used were obtained from secondary sources. The data were analyzed with simple percentage statistics while simple regression statistics was used in testing the hypotheses. It was found that IGR contributed significantly and positively to the provision of water, electricity and roads. However, these contributions were skewed more to roads than electricity and water. It was concluded that IGR has made positive, but uneven contribution to the development of infrastructures in the State as some aspect of infrastructure like road was found to receive more boost from IGR than other infrastructures. Consequently, a balanced approach to IGR appropriation for infrastructural renaissance in the state was recommended. By this, IGR allocation would be redirected to such infrastructures as water that is directly and away from such infrastructures like roads that are not directly linked with the life of the common people who incidentally are the majority. It is by this that the people will fully benefits from their contributed revenue that form the bulk of internally generated revenue for the government.

Key words: IGR, infrastructural development, fiscal federalism, state development, government

1.1 Introduction

In most emerging economies, infrastructures, whether social or economical, are one of the many areas with air of expectation and great curiosity. The reason for such curiosity, in summary is that, infrastructure is the oil in the wheel of progress of a nation's economy; be it economic, political, social, cultural or socio-cultural progress. According to Oteh (2010), infrastructure, which is the physical assets and services, are fundamental to the growth and development of an economy. By this assertion, infrastructure is considered a necessary facilitator of the growth and development process vis-à-vis industrial transformation of a country. It therefore follows that, any nation that wants to grow and developed, must make infrastructure a priority and policy issue. The importance of infrastructure to any economy become evidential when Akwa Ibom State government allocated about 80% of the State budget for 2012 to capital expenditure which is about 70% infrastructures and only 20% for recurrent expenditures, (AKSEED, 2012).

However, it is one thing to place much emphasis on the development of infrastructure and another thing to have enough funds to finance infrastructural development. Although there are several sources of revenue (federal government allocation, corporate donations, individual donation, etc.), internally generated revenue (IGR) is one source which every state is expected to fully exploit to complement other. Commenting on the importance of IGR in infrastructural financing, the Nigerian, Dr. President – Goodluck Ebele Asikiwe Johnathan in his speech during the 1st International Tax Conference held in Abuja on 27th October, 2008 to said that:

There is no better time but now for Nigeria to put the issue of diversification of revenue away from oil on the front burner...for a nation to carry out basic functions of government, pursue and implement her development programmes like our "vision 202020"...it requires a stable, predictable and sustainable sources of revenue. This leaves us with a very limited choice other than to subscribe to international best practices and make 'IGR' (taxation) the primary source of revenue of government...this is crucial in view of the fact that the so called diversification from dependence on oil as the principal source of revenue is applicable to the three tiers of government as State and LGAs should henceforth depend less on handouts from FAAC and intensify their IGR drive

Akpo (2009) further highlighted the importance of using IGR to fund infrastructures. According to the authors, IGR does not develop hyper-inflation, it is free and does not carry any burden of repayment and interest like

domestic borrowing and loan; through tax, IGR serves as the nerve centre of the social contract, it makes government more responsible and more responsive to the needs of the people, it serves as a tool for economic development, it is an important consideration in the planning of savings and investment and a powerful fiscal weapon to plan and direct the economy. IGR also serves as a tool for social engineering, it goes a long way to keep the society moving, because as government gets more revenue and commission more projects, more money is put in circulation, more employment opportunities arise and more business opportunities are created which impact positively on generality of the society. And above all it serves as tool for infrastructural development.

On the other hand, IGR inspite of its benefits is not without challenges. It lack the capacity for revenue base data collection and analysis; lack register of revenue customers and information system; prone to unrealistic fees and tariffs, poor collection and analysis of performance data, lack performance evaluation against targets; poor method (being cash-based only) of generation; poor internal control and financial reporting; lack transparent accounting; non reconciled cash books and bank accounts; irregular returns to the Office of the Accountant General; irregularly audited account; lack a documented action plan for improving its collections; limited resources for its generation; poor coordination within and between organizational units; inadequate training of staff in revenue administration; low morale in the area of revenue administration; poor work environment in which tasks are performed; poor internal organizational arrangement for revenue generation; poor business process among others (Eze, Omole, Onyinka and Okonji, 2004). This plethora of problems may, in one part account for the government's neglect of IGR in favour of the revenue from oil as noted by Akpo (2009).

Against these problem and the apparent devastative effect of the global financial meltdown on all economic activities that has reduce the strength of every economy to generate an appreciable level of revenue internally and the less attention to IGR collection by government, there is a growing debate on how much IGR accrue to Akwa Ibom State and what such amount is used for, given the inefficient methods or strategies with which state government show towards the collection of IGR. Despite the seemingly poor collection of IGR in the state, the general feelings of the populace are that the state is very buoyant considering the about N25 billion monthly receipts from the Federation account. People like Essien (2012) believed that much should have been achieved given such receipts; especially in terms of youth empowerment, industrialization, social security and general poverty reduction.

In the opinion of these researchers, the above postulations are based on intuition and figment of publics' imagination. There have not been any known empirical investigation to further substantiate these claims; instead, there are problems, differences, doubts, disappointment, dissatisfaction in the social contract between government and its citizens in carrying out their constitutional and civic responsibilities. It is against this background that this study sought to empirically:

- i. ascertain IGR's contribution to the provision of water in Akwa Ibom State.
- ii. investigate the contribution of IGR to the provision of electricity in Akwa Ibom State.
- iii. assess the extent to which IGR has affected the provision of roads in Akwa Ibom State.

2.0 Literature and Theoretical Review

Revenue generation in Nigeria has been one of the topical issues in recent times especially with the drastically and phenomenal shift from agriculture to crude oil exportation. The occasional dwindle in the price of crude oil and the various predictions of the running out of oil wells in Nigeria in the near future time has rekindled government interest in agriculture and other non-oil sources of revenue to the country and its constituent states. The emphasis has always been on how to boost internally generated revenues so as to be less reliance on oil and other statutory allocations to states and the last tier of government. Besides, it has been a popular believes that a state with strong internally generated revenue can cater for the social and infrastructural needs of its citizens.

The term revenue has been defined by various authors in different ways (Hamid, 2008; Adam, 2006; Bhatia, 2001; Pearce, 1986 and Osagie, 1985 etc). In all revenue is the fund required by the government to finance its activities. It is said to be the total amount of income accruing to a state from various sources within a specified period of time. Osisami (1994) identified two types of revenue that accrues to state governments to include internally generated revenue and revenue allocated from the Federation Account.

The concept of internal revenue generation is not strange or absence in many management and economic literatures. The understanding of this concept as investigated in this study lies not only on knowing what it stands for but also on knowing other relevant concepts that are linked to it by way of inference or reference. In other words, an understanding of the concept of internal revenue generation in relation to its role in infrastructural development lies on several other relevant concepts which merit their inclusion in this discussion. Internally

generated revenue are those revenues that are derived within the state from various sources such as taxes (pay as you earn, direct assessment, capital gain taxes, etc), and motor vehicle license, among others. While the statutory allocation from Federation Account, Value Added Tax constitute the external source. Most states of the federation get the bulk of their revenue in form of statutory allocation from the federation account to finance their expenditure programmes (Mukhtar, 1996; Isyaku, 1997; Abdulkadir, 1998; Ibrahim, 2002; Ishaq, 2002 and Hamid, 2008). States derive their revenue depending on the resources available to them (Anyafu, 1996; Daniel, 1999; and Adam, 2006).

Theoretically, this study adopted the fiscal federation theory as the basis for discussion. In other words, discussions about internally generated revenue of sub-national or state government are located within the framework of the theory and practice of fiscal federalism. This theory has its foundation on the theory of public goods which establish the framework and explains the role the state in the economy (Arrow, 1970 and Musgrave, 1959). These roles as identified for the government sector were the roles of government in correcting various forms of market failure, ensuring an equitable distribution of income and seeking to maintain stability in the macro-economy at full employment and stable prices. The role of interest in this study is government's role in correcting market failures. In this role the government is expected to step in where the market mechanism failed due to various types of public goods characteristics. Economics teaches us that public goods will be underprovided if left to private market mechanisms since the private provider would under-invest in their provision because the benefits accruable to her or him would be far lower than the total benefit to society. Governments and their officials were seen as the custodians of public interest who would seek to maximize social welfare based on their benevolence or the need to ensure electoral success in democracies.

The theoretical framework in question is basically a Keynesian one which canvassed for an activist role of the state in economic affairs. Thus once we allow for a multi-level government setting, this role of the state in maximizing social welfare then provides the basic ingredients for the theory of fiscal federalism. Each tier of government is then seen as seeking to maximize the social welfare of the citizens within its jurisdiction. This multi-layered quest becomes very important where public goods exist, the consumption of which is not national in character, but localized. In such circumstances, local outputs targeted at local demands by respective local jurisdictions clearly provide higher social welfare than central provision. This principle, which Oats (1972) has formalized into the "Decentralization Theorem" constitutes the basic foundation for what may be referred to as the first generation theory of fiscal decentralization (Oats, 2004). The theory focused on situations where different levels of government provided efficient levels of outputs of public goods "for those goods whose special patterns of benefits were encompassed by the geographical scope of their jurisdictions" (Oats, 2004). Such situation came to be known as "perfect mapping" or "fiscal equivalence" (Olson 1969).

Nevertheless, it was also recognized that, given the multiplicity of local public goods with varying geographical patterns of consumption, there was hardly any level of government that could produce a perfect mapping for all public goods. Thus, it was recognized that there would be local public goods with inter-jurisdictional spillovers. For example, a road may confer public goods characteristics, the benefits of which are enjoyed beyond the local jurisdiction. The local authority may then under-provide for such a good. To avoid this, the theory then resorts to traditional Pigouvian subsidies, requiring the central government to provide matching grants to the lower level government so that it can internalize the full benefits. But in the face of dwindled matching grant from the central government and the assignment of social welfare maximization through public goods to the lower sub-national government, same government must have to raise fund internally to complement such grant in order to carry out its functions effectively.

2.1 Empirical Review

Empirical evidence on the impact of IGR on developing countries points to varying experiences. For instance IGR (i.e. taxation powers) among other two aspects of decentralization namely expenditure assignments, and intergovernmental fiscal transfers have been investigated in such countries as Argentina (Schwartz and Liuksila, 1997), Colombia (Ahmad and Baer, 1997), Ethiopia (Brosio and Gupta, 1997), South Korea (Chu and Norregaard, 1997) and Mexico (Amieva-Huerta, 1997). The outcome of these studies generally was that developing countries do not reap the full benefits of IGR in terms of development. In nearly all cases, there were concerns about the sub-national governments not having enough taxing powers in a manner that balances their expenditure assignments to revenue sources available to them. Often, the case is for the former to be larger than the latter, making them largely dependent on intergovernmental fiscal transfers especially from the central government.

Moreover, a number of studies have been conducted on Nigeria's fiscal federalism. These range from analyzing revenue and expenditure decentralization and financial autonomy of the different tiers of government, (Agba and

Obi, 2006; Ekpo 2004; Adesopo and Asaju, 2004; Jimoh 2003) to Local Government Financing. In Nigeria, the term ‘resource control’ has almost come to assume a life of its own, defining the contention between proponents of increased revenue devolution and federalists who fear that accountability is still too weak at the sub national level to allow for such high devolution. Agba and Obi (2006) for example analyzed data on the federation account in relation to the unending contention about allocations to the different tiers of government. They calculated indices of revenue and expenditure decentralization and financial autonomy of the three tiers of government and concluded that expenditure power is concentrated at the federal government. They identified the usual non-correspondence between revenue and expenditure assignment especially to other tiers apart from the federal government and recommended conscious effort to allocate more revenues to the sub-national governments.

However, as per empirical studies on IGR and infrastructural development, a number of authors have attempted to ascertain the relationship using different approaches. A research group, The Initiatives (2008) listed several areas of national development that revenue (i.e. IGR) can impact positively to include but not limited to, social infrastructure such as in education and health with emphasis on continuing education and constantly improving our health care; physical infrastructure to enable private sector investment: that is energy, transportation, security of life and property; access to Property, Capital, and Opportunity for Individual and Communal Development; provision of social amenities for the young, the disadvantaged, the physically challenged and the aged; security of Lives and Property. In their submission, this research group concluded that “a steady flow of revenue (IGR) that would enable Nigeria to lay the foundation for stability and relative self sufficiency would help the country’s quest for national development”.

In the similar study by Adenugba and Ogechi (2013) in Lagos State, the authors found out that the effect of internal revenue generation has led to infrastructural development. The researchers also discovered that the infrastructural development in Lagos state is as a result of adequate internally generated revenue and that revenue generation supports infrastructural development. Furthermore, they found that Lagos state is ahead of other states in the provision of basic infrastructures due to its efficiency in generating revenue internally.

3.0 Methodological Issues and Data Set

As stated earlier, the *ex post facto* research design was employed. Ex post facto (i.e. after the fact) research is a research that is undertaken after the event has taken place and the data are already in existence (Ndiyo, 2005). The methods adopted in collecting data were a combination of archival retrieval method, document investigation/analysis, and extensive library search, Internet and website surfing. In this study, it is postulated that infrastructural development (ID – measured by annual expenditure on water, AEW; annual expenditure on electricity, AEE; and annual expenditure on road, AER) is influence by annual internally generated revenue (AIGR) in Akwa Ibom State. The data collected were analyzed using simple regression statistics. The model for this statistics is given as: $Y = a_0 + b_1 AIGR + e$; Thus, the regression model and its implicit regression equation for each of the objectives are given thus, $ID = f(AIGR)$:

$$\begin{aligned}
 \text{(i)} \quad AEW &= f(AIGR) \\
 &= a_0 + b_1 X_1 + e \\
 &= a_0 + b_1 AIGR + e \dots \dots \dots \text{Eqtn 1} \\
 \text{(ii)} \quad AEE &= f(AIGR) \\
 &= a_0 + b_1 X_1 + e \\
 &= a_0 + b_1 AIGR + e \dots \dots \dots \text{Eqtn 2} \\
 \text{(iii)} \quad AER &= f(AIGR) \\
 &= a_0 + b_1 X_1 + e \\
 &= a_0 + b_1 AIGR + e \dots \dots \dots \text{Eqtn 3}
 \end{aligned}$$

where: Y = the estimate value of the dependent variable, given specific value of independent variables being Infrastructural Development (ID) measured by AEW, AEE, and AER and e =error term, a_0 =estimate of the true intercept of the dependent variables or regression constant; and b_1 = estimate of the true parameters of the independents variables or regression coefficients

However, the data used in this study were collected based on the variables identified in the research objectives. Thus the data were presented to reflect the research objectives and the problems identified. These data are presented in the table that follows:

Table 3.1 Volume and Percentage Changes in AKSG annual internally generated revenues (AIGR) and annual expenditures on water (AEW), electricity (AEE), and road (AER), 2000-2012

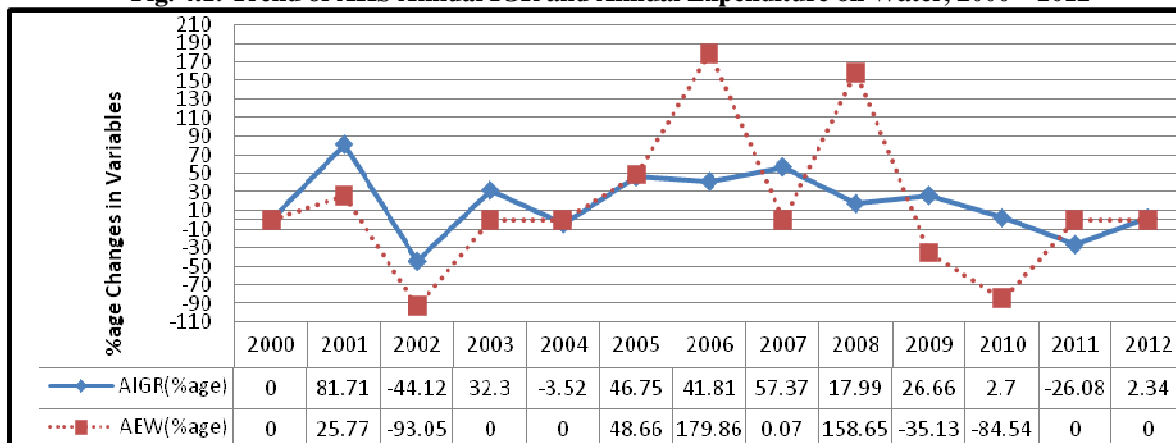
Year	AIGR		AEW		AEE		AER	
	N' Billion	%Δs	N' Billion	%Δs	N' Billion	%Δs	N' Billion	%Δs
2000	1,860,214,675.00	-	189,838,552.27	-	40,825,423.00	-	2,949,833,396.37	-
2001	3,380,190,794.00	81.71	238,760,000.00	25.77	883,978,990.00	2065.27	8,017,435,460.29	171.79
2002	1,888,902,722.00	- 44.12	16,582,899.30	- 93.05	10,083,709.20	- 98.86	2,217,237,327.94	- 72.34
2003	2,499,072,964.00	32.30	n/a	0.00	4,073,553.80	-59.60	719,806,596.23	-67.54
2004	2,411,084,055.00	-3.52	325,947,918.49	0.00	31,099,950.00	663.46	6,890,103,692.19	857.22
2005	3,538,165,559.00	46.75	484,552,942.94	48.66	108,753,882.05	249.69	7,822,430,277.18	13.53
2006	5,017,529,180.00	41.81	1,356,079,861.10	179.86	646,519,529.71	494.48	7,741,912,555.00	-1.03
2007	7,895,963,906.00	57.37	1,357,037,283.00	0.07	175,256,560.00	-72.89	14,566,657,978.00	88.15
2008	9,316,258,637.00	17.99	3,510,000,000.00	158.65	3,113,161,752.27	1676.35	33,041,247,656.18	126.83
2009	11,799,977,299.00	26.66	2,276,937,876.63	-35.13	173,326,943.93	-94.43	37,962,430,893.71	14.89
2010	12,118,365,789.00	2.70	351,961,723.55	-84.54	122,333,000.00	-29.42	76,088,750,711.89	100.43
2011	8,957,326,511.74	-26.08	n/a	0.00	2,345,813,566.32	1817.56	66,111,563,816.83	-13.11
2012	9,167,235,971.31	2.34	n/a	0.00	1,010,143,435.53	-56.94	86,426,183,057.23	30.73

Sources: (i a) Akwa Ibom State Government (AKSG) Annual Budget Appropriation (various yrs), (1. b) SBIR Annual Report and Statement of Accounts (Various yrs),

4.0 Data analysis and discussion of results

Generally, this study sought to examine the relationship between IGR and infrastructural development in AKS. On table 3.1, data on AIGR and the various measures of infrastructural development along with their percentage changes were presented. These include data on annual expenditure on water, electricity, and road. The first analysis is done on the first objective of this study which was to ascertain IGR's contribution to the provision of water in Akwa Ibom State. From table 3.1, it is seen that in year 2001, IGR recorded 81.71% increase in volume/amount. This increment led to 25.77% increase in the expenditure on water for that year. But in the next year (2002) IGR declines by 44.12% and this led to a -93.05% decline in the expenditure on water that year. Other years that IGR recorded a reduction in amount collected and the respective percentage reductions include 2004 (-3.52%), and 2011 (-26.08%); while the years that expenditure on water was less include 2009 (-35.13%) and 2010 (-84.54%). For 2003, 2004, 2011, and 2012, there were no official records for the expenses on water even though there were evidence of IGR and expenditure on water for the period covered in this study as presented in fig. 4.1 that follows.

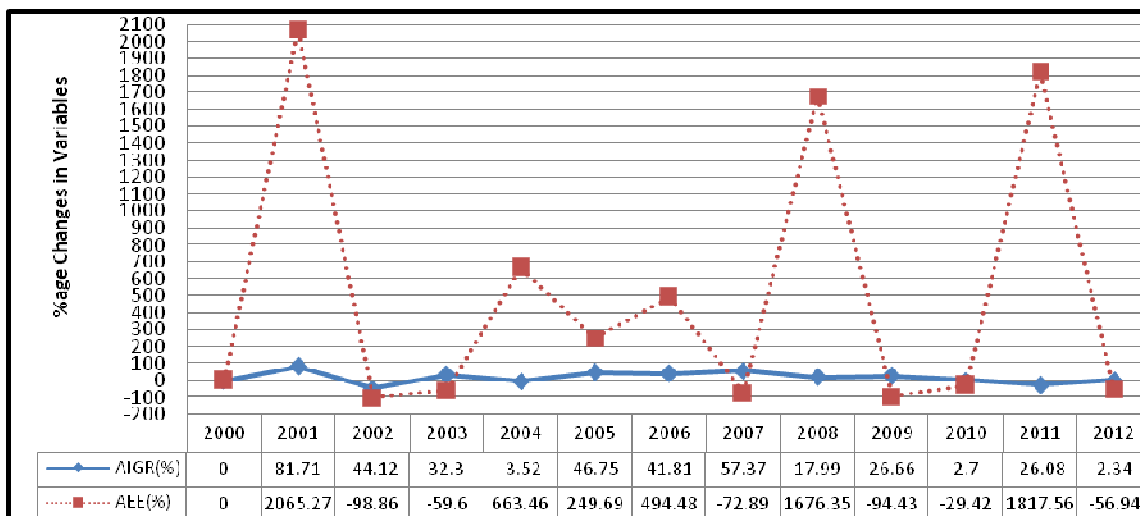
Fig. 4.1: Trend of AKS Annual IGR and Annual Expenditure on Water, 2000 – 2012



Source: Constructed from figures of the percentages in the variables contained in Table 3.1

The second objective of the study was to investigate the degree that the amount of IGR has impacted on the provision of electricity in Akwa Ibom State. Beckoning on the earlier analysis of IGR in the preceding paragraph, it is seen that expenditure on electricity were less in the years 2002, 2003, 2007, 2009, 2010 and 2012 by -98.86%, -59.60%, -72.89%, -94.43%, -29.42% and -56.95% respectively, apparently caused by the low revenue collection and the capital intensive nature of the electricity project. This may also be traced to the global financial meltdown which affected all economic activities and the crude methods with which the IGR collectors adopted. But in other years, 2001, 2004, 2005, 2006, 2008 and 2011, expenditure on electricity improved by 2065.27%, 663.46%, 249.69%, 494.48%, 1676.35% and 1817.56% respectively. We noticed that between 2001 - 2011, government promulgated very robust policy on entrepreneurship that saw many people engaged in economic ventures. The resultant effect of this policy brought remarkable improvement in the capacity to pay tax (IGR) to government thereby energizing government ability to spend on electricity. In Fig. 4.2 that follows, this interactive relationship and the trend of IGR and expenditure on electricity for the period is presented.

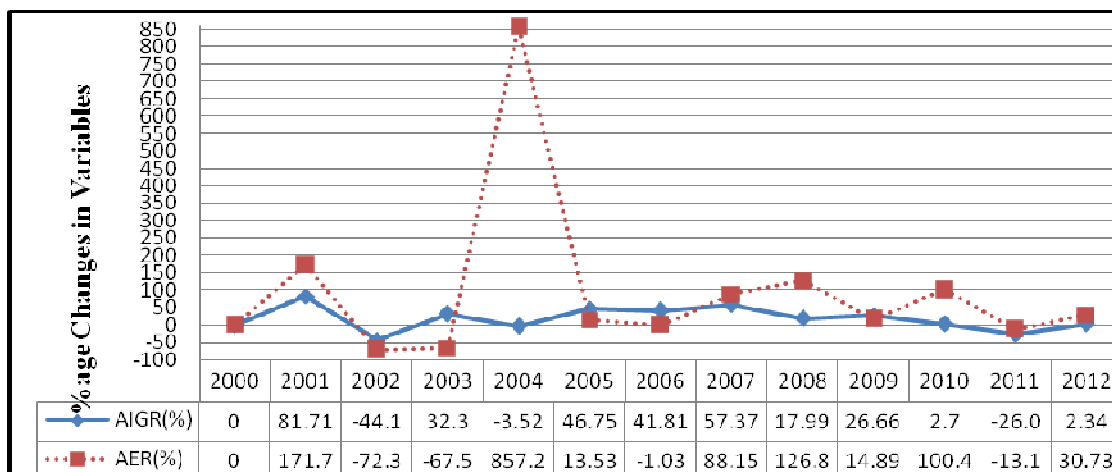
Fig. 4.2: Trend of AKS AIGR and Annual Expenditure on Electricity, 2000 – 2012



Source: Constructed from figures of the percentages in the variables contained in Table 3.1

For the third objective which was to examine the level that the amount of IGR has influenced the provision of roads in Akwa Ibom State, the trend of expenditure on road is also non-linear. In the years; 2002, 2003, 2006 and 2011, annual expenditure on roads (bridges inclusive) changes negatively by -72.34%, -67.54%, -1.03% and -13.11% respectively, whereas in the years 2001, 2004, 2005, 2007, 2008, 2009, 2010 and 2012, annual expenditure on road recorded positive changes by about 171.79%, 857.22%, 13.53%, 88.15%, 126.83%, 14.87%, 100.43% and 30.73%. similar factors that gave a boost to high expenditure profile on electricity also affected the spending on roads/bridges construction. The interactive relationship between IGR and annual expenditure on roads and the trend of their interaction is presented in fig. 4.3 that follows.

Fig. 4.3: Trend of AKS Annual IGR and Annual Expenditure on Roads, 2000 – 2012



Source: Constructed from figures of the percentages in the variables contained in Table 3.1

To test for the strength of these interactive relationships, it is hypothesized that IGR has no significant relationship with each of the measures of infrastructural development: water, electricity and road. The results of the tests are presented in Table 4.1 that follows:

Table 4.1: Regression result for the relationship between AIGR and measures of Infrastructural development in AKS

Result for Hypothesis I	Result for Hypothesis II	Result for Hypothesis III
$AEW = a_0 + b_1 AIGR + e \dots \text{Eqtn 1}$	$AEE = a_0 + b_{AIGR} + e \dots \text{Eqtn ii}$	$AER = a_0 + b_{AIGR} + e \dots \text{Eqtn iii}$
$AEW = (N6.443) + 1.563_{AIGR}$	$AEE = (N10.505) + 1.932_{AIGR}$	$AER = (N18.315) + 1.861_{AIGR}$
t-stat = (1.326) 3.114	t-stat = (1.679) 2.995	t-stat = (2.901) 6.582
$r^2 = 54.8\%$	$r^2 = 44.9\%$	$r^2 = 79.8\%$
$F(1,8) = 9.695$	$F(1,11) = 8.969$	$F(1,12) = 43.325$

Source: An SPSS generated result from data on Table 3.1

The result of the first test indicated that AEW decreased by -N6.443bil. Also, a percentage increase in IGR resulted in N1.563 billion naira improvement in annual expenditure on water and that the relationship between IGR and AEW is positive since fc value of 9.695 was greater than the ft value of 5.32 at df_2 (8) under df_1 (1). The result also showed that AIGR was statistically significant since its calculated t-value (t_c) value of 3.114 was greater than critical t-value (t_c) value of 1.83. With $r^2 = 54.8\%$, the regression model shows a goodness of fit. This means that the independent variables in the model explained 54.8% variations in the dependent variable while the remaining 45.2% may be explained by variables not included in the model such as federal allocation, corporation donations etc. Consequently, the null hypothesis was rejected.

For the second hypothesis, the result shows that annual expenditure on electricity (AEE) reduced by about -N10.505bil for the period covered; and that a percentage increase in AIGR led to an increase of about N1.932bil in the provision of electricity in the State. Again, AIGR has positive relationship with AEE as its fc (8.969) was greater than ft (4.84) at df_2 (11) under df_1 (1). And this relationship is significant given that t_c (2.995) is greater than t_c (1.78). This means that AIGR exert a significant effect on the provision of electricity in Akwa Ibom State. With $r^2 = .449\%$, the regression model exhibit no goodness of fit, which means that the independent variable in the model explained only 44.9% of the variations in the dependent variable while the remaining 55.1% may be explained by variables not included in this model as mentioned earlier. What this further means is that the relationship between the variables is a positive one such that increase in AIGR will lead to increase in the provision of electricity in Akwa Ibom State. And consequently, the null hypothesis is also rejected.

The last result shows the position of AER as - N8.121. It further indicates that with a percentage increment in AIGR, AER improved by N1.861bil. The minus (-) sign before N18.315 million naira signifies that the state of roads on average is undesirable implying that AIGR have aided in the provision of roads in the State. Thus AIGR relate significantly with the provision roads in the state given a higher value of fc (43.325) and a lesser value of ft (4.84). Moreover, this relationship was found to be statistically significant with $t_c = 6.582 >$ (being greater than) the table or theoretical t-test (t_c) value of 1.78. The regression model also shows a goodness of fit with r^2 of .798. It means that the independent variable explained 79.8% variation in the dependent variables, while the remaining 20.2% variation that left maybe explained by other variable not included in the model. In the final decision, the null hypothesis is rejected. Together therefore, the influence of IGR on infrastructural development in the state is positive and uneven as shown in Fig. 4.4 that follows:

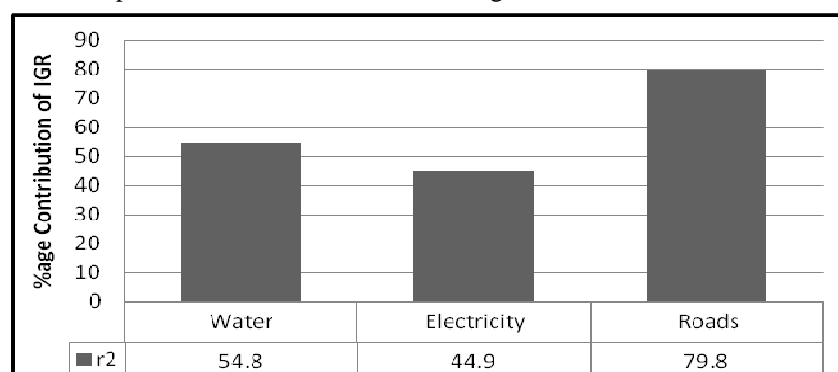


Fig. 4.4 Distribution of IGR to provision of infrastructures in Akwa Ibom State

Source: Constructed from the regression coefficient (r^2)

From fig. 4.4 it is shown that the internal revenue of Akwa Ibom State has been used to build more roads, followed by water, and electricity. This trend is not too good for the people of the state; water would have been more positively influenced than the roads because, of all the infrastructure, water is one need that has to do with the lives of the people than road. Water has a direct link with peoples' good health and longevity. And with good health and long life, the people or even the community, responsible corporate citizens and spirited individuals can provide for themselves other infrastructural needs that government cannot readily provide for them; for it is often said that when there is life, there is hope, and good water can guarantee good health and long life. For there was a time when there was no good road and electricity, yet people still survive, but from time past, there is never a time life was without water.

5.0 Conclusion and Recommendations

In this work, the concept of internally generated revenue and its attendant effects on the provision of infrastructural needs in Akwa Ibom State have been examined. The major objective was therefore to examine the relationship between internally generated revenue (IGR) and infrastructural development in the state. The conduct of this investigation was however motivated by the fact that infrastructures in the state has received serious public debates over its renaissance courtesy of the present administration, and most importantly by the news making round the country and beyond of the total overhauling of these vital needs of the people by the present democratic governance without taking a critical look and empirically justified assessment of the state of infrastructure in the state. Extensive literature was reviewed; data were also retrieved and statistically analyzed with regression statistics. From the various findings made, it is save to conclude that IGR has contributed to infrastructural development in the state, but such contributions are skewed. Based on that we recommend that:

- i. For effective used of IGR, there should be equality in its allocation toward infrastructural development in the state. For instance, more IGR should be allocated to water than road. Good water provision will have a trickledown effect on healthcare because it will forestall and tackle bad water-related sickness like malaria that are commonly suffered by people of the state and extends their life span.
- iii. Every economy requires electricity for domestic and industrial transformation as such, government should also allocate more IGR toward power generation and distribution. They can do this by investing more of the tax payers' money in the Independent Power Plant such as the IPP at Ikot Abasi to generate and distribute power to the people of the state.
- iv. The government should constitute an independent body to monitor the services of all the agencies including the internal revenue service to keep track of the funds generated and make sure such revenue are retired properly and adequately into government account to forestall any fraud in the IGR. This will ensure effective management of IGR in the state for more improve infrastructural renaissance in the state.
- v. since more IGR collection will attract massive infrastructural development in the state, the use of tax consultants is recommended for efficient and effective collection of IGR as the continuous used of unskilled staff of the State Board of Internal Revenue Service can do very little to maximize IGR collection.

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