

Fiscal Crisis and the Politics of Non-Oil Revenue Drive in Nigeria

Abubakar Oladeji, PhD
Research Fellow 1

Public Sector Group, Social and Governance Policy Research Department
Nigerian Institute of Social and Economic Research, NISER, Ibadan

Abstract

Over the years, Nigeria's heavy dependence on the crude oil as the main source of export earnings has made it vulnerable to market vagaries and other conditions associated with international oil politics. The current oil slump being experienced may have started taking its toll on Nigeria as the Federal Government has announced some austerity measures aimed at cushioning its impact on the economy. Some of the measures announced by the Minister of Finance/Coordinating Minister for the economy are payment of tax on luxury goods by Nigerians, and reduction in public expenditures and international travels by public servants. Given that price volatility, arising mainly from decline in crude oil prices (and production), exacts heavy costs in terms of incomes, indebtedness, poverty and development on the country, there is the need to focus on other revenue sources. Using mainly secondary data, this paper examines the prospects of non-oil revenue drive in Nigeria. The paper evaluates not just the extent of contemporary fiscal crisis and its effects on socio-economic development in Nigeria; it also reviews government policy responses to the crisis; as well as suggesting policy options for overcoming the fiscal crisis in Nigeria. The paper concludes that although the contributions of the non-oil sector, particularly telecommunications, construction, wholesale and retail trade, hotel and restaurant services, manufacturing and agriculture, to Nigeria's economic growth has been tremendous over the past decade, yet the economic growth has not reduced poverty nor created jobs as about two thirds of the population lives on less than 1 US dollar (USD) per day and the unemployment rate in 2013 was 27.3%. As a major challenge for the economy is the dilapidated state of infrastructure and the over-dependence on the oil and gas industry, the paper recommends that private sector involvement in infrastructure development and in the development of the non-oil sector holds more promise for Nigeria's economic rejuvenation.

Introduction/Background to the Study

Developing countries must increase efforts to mobilize domestic resources to transform their economies and meet the needs of their citizens (UNRISD, Project Brief 1/July 2012).

The above quotation underscores the need for all the three tiers of government in Nigeria to look inward and generate resources to ensure sustainable development and meet the welfare needs of their citizens. This becomes imperative especially with the dwindling revenues from the federation account. Nigeria, once a major exporter of agricultural commodities, is now a net importer of practically everything owing largely to its dependence on the capital-intensive oil-and-gas industry which contributes about 95% of export earnings and some 75% of federally-collected revenue derived from the export of crude oil (Akande, et al (2010: 8). Louis Chete and Gabriel Falokun (2010:39-40) provide the trend in crude oil dominance from 1961 to 2009. The trend reveals a continuous slide in the contribution of the Non-oil export in the period under review (Table1). Although Nigeria is universally acknowledged a country well endowed in human and natural resources, yet the focus of government since independence has been more on crude oil exploration and exportation to the detriment of other economic activities that could bring in the much desired foreign exchange earnings. The reliance on one source of economic activity by the country is a carry-over from colonial rule in Africa in which each of the colonising countries was made to produce a single cash crop or two, with no attempts made to diversify the economic base. But it is uncharitable to blame the colonial government for the development since the imperial government left more than five decades ago.

At independence in 1960, Nigeria's tax revenue constituted the major source of government revenue. The share of tax revenue was 72.6 % in 1962, from where it rose to 81.2% in 1970. Indirect taxes contributed the highest proportion of tax revenue in the first decade of independence (import duties being the major component), followed by export duties, while excise duties were the least. The share of direct taxes increased from 8.7 % in 1961 to 28.1% in 1970. The contribution of company income tax rose from 5.4% in 1961 to 13 % in 1968, while personal income tax to the federal government was virtually marginal since it was classified under the jurisdiction of state government (Bogunjoko, 2004: 83). Between 1970 and 1980, tax yield structure changed significantly in favour of direct taxes as the share of direct tax revenue rose from 22.8% in 1970 to 60.1 % in 1980. Conversely, indirect tax revenue declined from 58.3% to 11.9% during the same period. The shift was accounted for by the contribution of petroleum profit tax to direct tax revenue, which increased from 18.5% in 1970 to 78% in 1980.

Table 1: Nigeria: Composition of Exports, 1961-2013 (%)

| Component | 1961 | 1966 | 1970 | 1977 | 1981 | 1987 | 1990 | 2003 | 2007 | 2009 |
|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Oil Exports | 7.98 | 23.57 | 67.0 | 96.3 | 98.54 | 92.1 | 98.18 | 98.35 | 97.91 | 98.14 |
| Non-oil exports | 92.02 | 76.43 | 33.0 | 3.70 | 1.46 | 7.90 | 1.82 | 1.65 | 2.09 | 1.86 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

Source: Louis Chete and Gabriel Falokun (2010:39-40).

On Thursday 18 December, 2014, Nigerian Minister of Finance and Coordinating Minister for the Economy, Dr. Ngozi Okonjo-Iweala tabled a 4.3 trillion naira budget before members of the House of Representatives and the Senate at a joint sitting. The minister estimated that Nigeria, which produces an average of two million barrels of oil daily will earn an average of 65 dollars on each barrel of crude oil. The budget details were contained in the “Medium Term Expenditure Framework (MTEF) and Fiscal Strategy (FS) document. In spite of this projection however, crude oil prices have continued its downward trend. Two days before the budget presentation, on Tuesday, 16 December, the price of oil crashed below 60 dollars per barrel in the international market. In fact, the International Brent crude oil price dropped to \$59.83 per barrel on Tuesday. It used to be about \$112 in June this year. It has now gone down by about 50 percent.

To underscore government frustration on the issue, on 30 September 2014, just about three months before, the government had proposed a benchmark of \$78 per barrel of crude oil, with an exchange rate of N160 to a dollar. In other words, the government was estimating that Nigeria in 2015 would earn \$78 per barrel of oil every day at an exchange rate of N160 to a dollar. The total budget figure then was 4.8 trillion naira. But when oil price began to crash, the government reduced what it calls the “budget benchmark” from the earlier proposed \$78 to \$73 per barrel, with an exchange rate of N162 to a dollar. The total budget figure in that proposal was 4.7 trillion naira. As the oil prices continued to fall, on 2 December, the benchmark was reduced to \$65 per barrel, with an exchange rate of N165 to a dollar for the 2015 fiscal year. That budget was 4.3 trillion naira. With oil prices now below \$60 per barrel, it is uncertain if that budget is now realistic.

Although Nigeria has the capacity to produce 2.5mbp, this target is far from being realised as the country’s crude oil production has not risen to two million barrels since the first quarter of 2014. This shortage has been attributed to crude oil theft, low investment in exploration as a result of the delay in the passage of the Petroleum Industry Bill (PIB) and insecurity in the Niger Delta area (The Guardian, 4/12/2014: 1). The minister apparently realised this fact when she said that “though the drop in oil prices was a serious challenge, it was also an opportunity for the country to refocus efforts towards the non-oil sectors in preparation for a future with less oil revenue”. The foregoing underscores the need for increased domestic-revenue mobilisation from the non-oil sector, particularly through value added taxes (VAT) and company income taxes (CIT).

Over the years, Nigeria’s heavy dependence on the crude oil as the main source of export earnings has made it vulnerable to market vagaries and other conditions associated with international oil politics. The current oil slump being experienced may have started taking its toll on Nigeria as the Federal Government has announced some austerity measures aimed at cushioning its impact on the economy. Some of the measures announced by the Minister of Finance/Coordinating Minister for the economy are payment of tax on luxury goods by Nigerians, and reduction in public expenditures and international travels by public servants. Given that price volatility, arising mainly from decline in crude oil prices (and production), exacts heavy costs in terms of incomes, indebtedness, poverty and development on the country, there is the need to focus on other revenue sources.

Statement of Research Problem

Consistent with the Global Economic Prospects (GEP) 2012 report, which predicted a declining commodity prices globally (Businessday, 23/01/2012 pg 17), the current fiscal crisis effectively became pronounced two years ago. On Saturday 7 January, 2012 President Goodluck Jonathan announced in a Television broadcast that government officials’ salaries, including his own would be cut by 25%. The president also hinted that additional expenses such as travel would be reduced to the barest minimum. The simple message is that this is the time when austerity measures are needed across every sector of the economy. Across the world, governments continue to implement cost-cutting policies needed to weather out the financial recession. For Nigeria, this becomes imperative given the persistent fall in global price of its dominant revenue source, the crude oil, and the fact that recurrent expenditure (salaries and other expenses) still accounts for about 75% of the budget.

In 2004, the Revenue Mobilization, Allocation and Fiscal Commission, (RMAFC), as part of its mandate, organised a seminar with the theme “Guaranteeing Nigeria’s Future through Diversification of the Economy”. Presenting the report of the seminar to the Vice President, Atiku Abubakar, RMAFC Chairman Engineer Hamman Tukur said the seminar identified some fundamental problems that have negative consequences for economic growth and diversification of the Nigerian economy. Among others, the seminar observed that (i) there exists among Nigerians some fundamental attitudes and practices that are not investment-friendly such as fraud, corruption, dishonesty, lack of transparency in business relations, excessive taste for

foreign goods, and poor work attitudes, (ii) there is pervasive fiscal indiscipline at all levels of government with the macroeconomic parameters indicating negative signals among which are deficit budgeting, extra-budgetary expenditure, high debt overhang, high exchange rates,, double-digit inflation rate, etc (iii) Nigeria is endowed with a wide variety of agricultural and industrial raw materials which are too numerous to mention. But how to develop and process these natural resources for economic development and welfare of the citizenry remain the greatest challenge facing the Nigerian leadership (iv) policies and strategies for the development of local raw materials remain largely uncoordinated, resulting in lack of private sector participation, poor funding of research institutes, lack of linkages between research institutions and manufacturers and other users and (v) the development and utilization of local raw materials is a critical factor in aiding and sustaining industrial growth in the country(RMAFC, 2004).

We are in full agreement with all these observations. Indeed, albeit Nigeria is richly endowed with abundant and significant natural resources including solid minerals and agricultural produce yet, many of these products are exported in their primary form with no value added prior to exportation. With poor infrastructure, particularly, electricity, and finance still posing additional challenges that impede the development and growth of these sectors, Nigeria is in dire need of re-focusing and re-strategizing through diversification of the economy to non-oil exports. In 2013, a NISER study reports that although economic diversification has featured prominently in the Development Plans and broad policy agenda of Nigerian governments since independence, yet after about four decades of the diversification efforts, the contribution of primary and secondary sectors to real GDP stands at an average of 63 per cent and 11 per cent, respectively. Agriculture's share of GDP has been overriding while manufacturing share has remained at single-digit (NISER, 2014).

Public revenue mobilisation is one of the most keenly contested issues in Nigeria. Scholars (Kayode, 1993; Emenuga, 1993; Ekpo, 1994; Suberu, 2001; Aiyede, 2009; Oladeji, 2014) have embarked on a comprehensive review of the reports of the various commissions and government policies from the 1946 Phillipson commission to the activities of the National Revenue Mobilisation, Allocation and Fiscal Commission (NRMAFC) established in 1989. Essentially, revenue mobilization and allocation among the three tiers of government in Nigeria has remained problematic. In the words of Mbanefoh and Egwaikhide (1998: 213), the issue of revenue allocation has been a recurring decimal in Nigeria's fiscal federalism. For Obi (1998:262), "the issue strikes at the very basis of the existence of the Nigerian federation and the rules of entry and exit from the ruling class".

In virtually all federal systems, including Nigeria, expenditure responsibilities at the sub-national level usually exceed the units' revenue raising capacity, leading to both vertical and horizontal fiscal imbalances. The imbalance occurs for various reasons, the most obvious of which is that they arise from the allocation of taxing and expenditure responsibilities under the constitution. They could also result from "first move" advantage in which while the states may have adequate capacity to raise revenue but may have to share the major sources of revenue with the federal government, which has pre-emptively occupied these tax areas (Courchene, et al, (2000:105). It was perhaps on the basis of this fact that Phillips (2000) recommended the scrapping of the concurrent legislative list for given the federal government an opportunity to institute a take-over of the functions meant for the lower tiers and consequently taking over the corresponding financial resources.

The federal constitutions often lay out the division of revenue responsibilities between national and provincial governments. Revenue responsibilities too can evolve over time because of external changes, conventions or judicial decisions. The fiscal centralism in Nigeria reflects the fact that Nigeria is 'the most oil dependent of all established federations', with the centrally controlled oil and gas sector contributing 99% of export revenues, 85% of government incomes and 52% of Gross Domestic Product (GDP) (Anderson, 2007:5).

Nigerian fiscal federalism is characterised by the overwhelming concentration of tax jurisdiction and collection at the level of the federal government (Table 2). All the major sources of government revenue-petroleum profits tax, import duties, excise duties, mining rents and royalties, and companies income tax-are controlled by the federal government. State and local governments have jurisdiction only over minor and low-yielding revenue sources, with the exception of personal income tax at the state-level and property tax at the local level. Even at that, the issue of mobilization of these taxes (personal income tax (state) and property tax (local) have been problematic. Federal dominance in tax mobilization was such that between 1993 and 1997, federally collected revenue amounted to an overwhelming 95.62 percent of total government revenues (Phillips, 1997:11). During this period, state governments' tax collection accounted for less than 4 per cent, and local governments less than 1 per cent. In this same period, expenditures by state governments averaged about 21 percent, and by local governments about 7 percent of total government expenditure. Hence, sub-national expenditures are largely financed out of federal transfers. This revenue dominance of the federal government not only invests the Nigerian federation with instability, but also questions the appropriateness of inter-tier distribution of tax jurisdiction (Phillips, 1997: 12)

Table 2: Nigeria's Tax Jurisdiction, 1999

| S/N | Federal Government | State Government | Local Government |
|-----|--|---|---|
| 1 | Companies income Tax | Personal Income Tax (On residents of the state) | Tenement rate |
| 2 | Petroleum Profit Tax | Capital gains Tax (on individuals only) | Shops and kiosks rates |
| 3 | Value added Tax | Stamp Duties (on Individuals Only) | Liquor Licence Fee |
| 4 | Education tax (on companies Only) | Road Taxes e.g. vehicles Only | Slaughter slab fee |
| 5 | Capital gains Tax(On co-corporate bodies and Abuja residents) | Betting and Gaming Taxes | Marriage, Birth, and Death registration fees |
| 6 | Stamp duties (on corporate bodies) | Business Premises and registration levies | Street Name registration fees (excluding state capitals) |
| 7 | With-holding tax (on companies) | Development levies (Maximum of #100 per annum on taxable individuals only.) | Markets/ Motor part fees (excluding state-owned Markets) |
| 8 | Personal Income Tax (on Personnel of the Armed Forces, Police, External affairs Ministry and residents of Abuja) | Street Naming registration fees (State Capital Only) | Domestic Animal Licence Fees |
| 9 | Mining rents and royalties | Right of Occupancy fees(State Capital Only) | Bicycles, Trucks, Canoe, Wheel barrow, Carts and Canoe fees |
| 10 | Customs Duties(i.e Import Duties and Export Duties) | Market Fees (where Markets is financed by state Government) | Right of Occupancy fees (excluding state Capitals) |
| 11 | Excise Duties | Miscellaneous Revenues (e.g. Farming from oil states rents on Property) | Cattle Tax |
| 12 | Miscellaneous Revenues (e.g. farming From Oil states, rents on property) | | Merriment Fees |
| 13 | | | Radio and TV. Licence fees |
| 14 | | | Vehicle Parking fees |
| 15 | | | Public Convenience , sewage and refuse disposal fees |
| 16 | | | Burial Ground and religious places permit fees |
| 17 | | | Signboard and billboard advertisement permit fees |

Source: Federal Ministry of Finance

This over-centralized mobilization of revenue has thus given the federal government an undue advantage, which remains largely unsatisfactory to the states and local governments. This is compounded by the fact that in Nigeria, the state and local governments have never really had freedom to introduce new taxes. On the contrary, they have always lost tax jurisdiction to the federal government, as happened in 1975 when Personal Income Tax came under federal legislative jurisdiction; and as happened in 1993 when Sales Tax, which was a state tax, was abolished and replaced with VAT which was enacted as a federal tax (Phillips, 1997: 13). As a way of compensating for this, Nigeria's federal sub-units, much like their African counterparts in Ethiopia and South Africa, receive some 80% or more of their revenues from central transfers as against only 20% in Canada, 22% in USA, 28% in Switzerland, 31% in Brazil, 51% in Australia and 52% in India (Rodden and Wibbels, 2002:804).

More than any period, Nigeria is facing an acute fiscal crisis. Indeed, all the three tiers of government in Nigeria currently face a huge challenge of shortages in revenue, which has resulted from dramatic and continuous fall in global crude oil prices from above \$147/barrel to below \$50/barrel. Expectedly, this revenue shortfall has continued to undermine revenue projection and resulted in a reduction of the statutorily revenue allocations to the three tiers of government. Naturally, it has also undermined their capacities to execute

developmental programmes. All the three tiers of government in Nigeria now face a number of fiscal related problems. These include a widening gap between requirements for provision of services and revenue generation; precarious dependence on external, especially federal sources of revenue (while the LG relies on state and federal government, the state government relies on FG, and the FG relies on the FA). This reliance on exogenous sources to execute assigned functions is potentially destabilising just as massive/pervasive property tax evasion and sub-optimal tax recovery; and high rate of tax evasion by individual and corporate bodies characterise the Nigerian tax system.

In July 2013 Minister of Finance, Ngozi Okonjo-Iweala had revealed that the country was losing 400,000 barrels of crude oil per day to illegal bunkering and vandalism of oil pipelines. According to her, this development was part of the reasons why Nigeria's revenue projection for the 2013 fiscal year was not realized. Expectedly, the first implication of the drop in revenue was a decrease in revenue accruing to the three tiers of government through the federation account continuously for more than six months in 2013. During the period, federation account allocation was augmented with billions of Dollar drawn from the Excess Crude Account (ECA).

In 2012, a former minister of state for finance, Mr. Remi Babalola, had hinted that Federation Accounts Allocation Committee (FAAC) might have to consider other options to ease the continued drop in revenue into the Federation Account. The new options considered then included: expenditure reduction, non-oil revenue enhancement and tolerable deficit/borrowing. These suggestions, hard as they were, were almost irresistible and became politically expedient given that in general, governments cannot spend what they do not have unless they can borrow or receive assistance from domestic and external sources. However, even for rich countries, excessive borrowing can lead to unsustainable debt, which may compromise future growth and well-being (UNRISD, 2012:1)

Over the years, drop in revenue accruals to the federation account is always attributable to two main issues, one domestic and the other, external. On the domestic front, there was a constant drop of revenue due to activities of illegal oil bunkers leading to loss of several thousands of crude oil daily. On the external, there is the drastic decline in the price of oil in the international market, with implications for socio-economic development especially given that oil proceeds remain the major source of foreign exchange earnings for the country. In the light of the foregoing, the following questions are pertinent: what is the magnitude of fiscal crisis in Nigeria?, how adequate is the government's policy response to the crisis?, what is the prospects of non-oil revenue mobilization in Nigeria?, and what policy options are available for Nigeria to overcome the fiscal crisis?.

Research Objectives

The overall objective of this study is to examine the magnitude of fiscal crisis in Nigeria with a view to suggesting policy options towards resolving the crisis. The specific objectives of the study include:

- a. Evaluate the extent of contemporary fiscal crisis and its effects on socio-economic development in Nigeria;
- b. Review government policy responses to the crisis;
- c. Examine the prospects of non-oil revenue mobilization in Nigeria;
- d. Suggest policy options for overcoming the fiscal crisis in Nigeria

Methodology

This study largely derives from my Ph.D thesis as the bulk of materials used is taken from different chapters of the thesis. Desk research was therefore employed and secondary data were essentially used. Supplementary data were however sourced from library search and archival records. Data generated were content analysed.

Conceptual Issues

A fiscal crisis occurs when a government cannot finance its regular activities, including providing social services and managing other government functions as a result of unanticipated shortfall in its revenue receipts. Essentially, governments in a state of fiscal crisis cannot balance their budgets. They do not take in enough in tax revenues to cover their expenses and they cannot raise funds by floating government debt. There are a number of ways nations can attempt to address a fiscal crisis and they often involve hardship for many citizens. It is also possible for lesser units of governments, like states, provinces, and municipalities, to experience their own fiscal crises. These may occur as part of a larger economic problem or an independent issue.

Non-Oil Revenue

All revenue types not covered by oil resources are grouped as non-oil revenue. Basically, they include company income tax, customs and excise duties, value-added tax, which are the three most important non-oil revenue sources.

NATURAL RESOURCE AND ECONOMIC UNDERDEVELOPMENT: THE RESOURCE CURSE THESIS

According to Roberts et al (2013), 'resource curse' is a phenomenon that results when an economy relies almost exclusively on natural resources. Generally, economists believe that reliance on natural resources has adverse consequences for economic growth. In the words of Heston (2003) 'what has been discovered in the past fifty years is that the blessings of natural resources can be a curse in disguise'. The 'resource curse' thesis therefore posits that there is a negative relationship between endowment with natural resources and social and economic development. Alan Gelb (1988) noted that countries that have deposits of natural resources in abundant quantities tend to perform worse than those not similarly endowed on virtually every social and economic indicator. Indeed, Ross (2001) linked higher mineral and oil dependence to a high level of poverty, disproportionate military expenditures by governments and a higher level of authoritarianism. Whenever the natural resource governance mechanism fails to function up to speed, a country suffers 'development in reverse'. This is particularly so in federations, where some areas lack natural resources and other areas have resource abundance. More importantly, where the central government's responsibility is mediated and undermined by the strong influence of ethnicity and regionalism and where the state does not acquiesce to local demands for socioeconomic justice, aggrieved communities tend to resort to militancy (Roberts, et al 2013).

The 'resource curse' thesis tends to validate the theory that the dependence mineral resources is particularly injurious to economic growth in that it often leads to indolence in developing other viable economic resources. It submits that countries that are resource poor (without petroleum) grew four times more rapidly than those that are resource rich. As a matter of fact, Roberts (2010) submits that the extant link between resource dependence and conflict derives, not simply from the mere fact that a nation enjoys natural resource endowment but more from the manner in which natural resource abundance is most often misgoverned. There is thus the issue of bad governance which often results when states are financed from 'unearned income' such as is derived from large mineral resource, like petroleum, rather than by taxing their citizens (Moore, 2001a). Aiyede (2009: 251) rightly observes that reliance by sub federal tiers on transfers and grants from central government to finance most of their expenditure tends to create incentive for these levels of governments to inflate expenditure and engage in perennial negotiations with central government to attract more grants and transfers. This behaviour has entrenched free riding on the part of political elites at sub national level, who are more inclined towards the often-cited 'cake sharing', rather than 'cake baking', and are therefore labeled 'consumerist federalists' especially in a context where central funds are mainly derived from the exploitation of natural resources largely collected by the federal government.

The discovery of oil in Nigeria has been particularly baneful as it re-focused distributive conflicts around a single source of revenue, namely federally-collected petroleum export rents (Suberu, 1999:35). From this period, there is excessive centralization of power and resources in manner which has been described a 'system of unitary federalism' (Suberu, 2008a:34). Again, unitary absolutism in the political scene has been complemented by unitarism in the economic sphere since 1966. Thus, by the petroleum Decree (No. 51) of 1969, the Federal Military Government declared that the entire ownership and control of all petroleum resources in, under or upon any lands in Nigeria was vested in itself (Sagay, 2001). Disappointingly, new orientations, permutations and intrigues were introduced into the Nigerian revenue allocation policies. Majority groups in government commenced the process of reversal of the basis of revenue allocation with regard to petroleum resources, from derivation to Federal Government exclusive ownership.

More specifically, since 1975, the military government effected fundamental changes in the country's tax jurisdiction. Apart from appropriating virtually all buoyant sources of state revenues, the federal military government enacted a number of decrees that tended to make nonsense of the doctrine of federalism in Nigeria. The period also heralded intense contestations from the people of Niger Delta who have continued to demand adequate compensation through acceptable revenue allocation scheme. It is instructive that the period between 1966 and 1979, a period of 13 years of unbroken authoritarian rule, witnessed significant economic, social and political changes, with far reaching implications on the system of intergovernmental relations in Nigeria. Three of the implications of the numerous changes occasioned by developments during this period bare enumeration. These are (1) the fact that government expenditures and revenue patterns were affected by the three-year civil war (1967-1970); (2) the fact that the form of government was further decentralized by the creation of additional states out of the erstwhile regions/states, with implications on the ability of these states to operate as autonomous entities and (3) finally, the creation of additional local governments, and recognitions of these local governments as the third tier of government. All of these developments have had tremendous impact on the future intergovernmental fiscal relations in Nigeria.

Certain problems are normally associated with such a huge dependence on oil revenues. They include:

- Problem of *political accountability* because the federal government raises its revenues from such a narrow base and most states contribute very little to national or their own revenues. Only 6 of Nigeria's 36 states produce petroleum, with 4 being the most important. Thus the large majority of states turn to

the federal government for the vast majority of their revenues and most of those revenues are effectively collected in other parts of the country. The public, for its part, pays little of the cost of government programmes.

- It can be a *source of major tensions* between the producing and other regions of the country. The cry for resource control particularly between 1999 and 2006 is in this line.
- It appears to have led to an *underdevelopment of alternative revenue sources* because it is easier to tax oil than citizens. This has longer-term implications for the economy.
- It creates problems of *stability* in public finances tied to a resource whose value swings widely and that will deplete over time. This poses *short-term issues* about the central government's ability to manage cyclical pressures on the economy as well as *longer-term issues* about the sustainable level of public services. This issue has led a number of countries having it difficult to stabilize financially. Russia is probably the best federal example to be very aggressive in developing revenue stabilization funds.

Comparative Perspective

The current economic meltdown appears to be global in spread. Coming under its bite, Venezuela, another OPEC member country, has gone into austerity measures just as many other countries that are completely dependent on oil. Angola, Algeria, Iran are all under duress as Nigeria because oil price slump has affected their budgetary benchmark. Non- OPEC countries like Russia are not spared either as they already seeing a drop in the value of their ruble.

One of the reasons for the difficulty facing Nigeria is the increase in the U.S production of shale oil and gas. By the year 2000, shale gas was 2% of the U.S. natural gas supply; by year 2012, it was 37%. According to Energy Information Administration (EIA), the U.S. has 300 trillion cubic feet of gas in proven reserves and potentially ten times that amount in unproven reserves, much of which is in shale deposits. By comparison, the U.S. currently consumes about 25 trillion cubic feet of natural gas annually. If current trends continue, EIA estimates that the U.S will be producing more gas than it consumes within the next seven years. The U.S has stopped importation of oil from Nigeria since July, 2014. At its peak (in February 2006), the U.S imported 1.3 million barrels per day from Nigeria. By 2012, Nigeria was selling only 0.5 million barrels per day, but was still one of the top five suppliers to the U.S. In early 2014, this tailed off to around 100,000 barrels per day and, in July 2014, Nigeria oil exports to the U.S stopped completely. Despite the stoppage of Nigeria crude oil to the U.S, Nigerian OPEC production has not dropped as four Asian countries have expanded their Nigerian purchases. China, India, Japan and South Korea, have been responsible for the consumption of about 42% of Nigeria' crude oil export in the first eight months of 2014. The biggest of all was India which imported Nigeria oil during January-August 2014 by 37% on an average of about 367,000 barrels per day.

Another problem with the increased supply of U.S shale oil is also the type of oil required. The high-grade, low-sulphur 'sweet' crudes of Nigeria are very similar to the oil produced in the U.S shale oil extraction. When these U.s shale oils reach the world market as a result of increased U.S exports of crude, this will have a major impact on reducing the premia charged by Nigeria for its sweet crudes. This reduction of the premia, in addition to the reduction in the price of crude oil in general, hovering around the US\$80 per barrel mark, is making Nigerian crude uneconomic. The Nigerian costs of production are relatively high as there are 'social costs' which must be added to the costs of extraction and transport. This ancillary 'social costs' include the loss of almost 150,000 barrels per day of oil(7%) which is stolen from the system. This 'bunkering' of oil is the organised thievery of oil from pipelines and in transit which are taken away to other countries for sale; often smuggled by tankers across the borders or shipped in small vessels to refineries like those in Abidjan, where the crudes are refined.

The inability of Nigeria to refine most of its crude locally is perhaps the greatest problem contributory to its economic crisis. The refining capacity of Nigeria constitutes a national disaster as there is almost a total failure of the Nigerian National Petroleum Corporation (NNPC) in terms of refining capacity. Nigeria's theoretical total refining capacity is 445,000 barrels per day in local refineries installed in three stages between 1965 and 1989. A modest capacity of 35,000 bpd was installed in Port Harcourt in 1965 amid the political turmoil which led to the Biafra war in 1966. This was expanded to 60,000 bpd in 1971 preparing for the post-war oil-led economic boom. This was the period that saw an eight-fold crude production increase from 1969 to 1974. Warri and Kaduna refineries were commissioned eight to nine years after with capacities of 125,000bpd and 110,000 bpd respectively, coinciding with the 1979/80 upstream production peak. Production was again on the upsurge when the most modern of the three refineries was commissioned in Port-Harcourt in 1989 with a capacity of 150,000 bpd. Despite all these, Nigeria still relies heavily on imported refined crude.

THE POLITICS OF NON-OIL REVENUE DRIVE IN NIGERIA

In most federal states, allocation of governmental responsibilities and revenue for accomplishing them often remains a critical process because the division of powers and functions is usually associated with critical

imbalance in fiscal terms. Thus, federal political systems are usually confronted with the challenge of the effective management of fiscal imbalance¹, the process which may either be formal or informal², direct or clumsy.

Essentially, the first political issue to be addressed in resource mobilization, especially in a complex and highly divisive society as Nigeria is that of the centralised system of federalism in Nigeria, which has constituted a veritable source of, rather than a credible solvent for, the country's multifaceted crises of unity, democracy, and development. Suberu (2010) observes that contemporary debates about Nigeria's political and socio-economic failures have routinely implicated the presumed pathologies, incongruities and liabilities of the country's federalism. For much of the period of self rule, revenue allocation among the three tiers of government in Nigeria has remained problematic³. In the words of Mbanefoh and Egwaikhide⁴, the issue has been a recurring decimal in Nigeria's fiscal federalism. Thus, despite over a dozen attempts, including the establishment of nine (9) different ad hoc revenue allocation commissions, and a permanent technical fiscal commission-the Revenue Mobilization Allocation and Fiscal Commission (RMAFC)-the sharing of revenue still remains very volatile and sensitive in Nigeria. While it may be possible that the long period of military rule in Nigeria may be contributory to the country's difficulty in evolving acceptable revenue sharing system, it was expected that civil rule which returned in May, 1999 would have liberalized the institutional framework for inter governmental sharing of revenues and responsibilities (Oladeji, 2014).

In the main, the discordance between fiscal capacity of the various levels of government, and their expenditure responsibilities, that is, *the non correspondence problem*⁵, is a striking feature of the Nigerian federal finance⁶. This remains so because, essentially there exists a growing mismatch between mandates and resources among the three tiers, particularly the lower tiers, namely the states and local governments which complain about federal preponderance in fiscal matters as well as the stifling of these lower tiers due largely to inadequate resources to execute constitutionally stipulated functions.

A critical element of Nigeria's fiscal arrangements is the principle of derivation. In fact, it is the only criterion for distribution from the Federation Account where the amount currently 13 per cent of oil revenues is set in the Constitution. Interestingly, there have been conflicting regional positions on the issue of resource control in Nigeria with the northern region consistently opposing the agitations for 'true' federalism in which resource control is embedded. In the main, northern opposition to resource control is based on the argument that before the discovery of petroleum resources, Nigeria and Nigerians depended on the proceeds from agricultural produce of the northern and western regions. It was also argued that it was part of the proceeds from agricultural produce exportation that was utilised for the development of the petroleum industry (Sani, 2001:4)

Indeed, the issue of resource control has been historically controversial in Nigeria. The principle of derivation as a criterion of horizontal revenue allocation in Nigeria was first recommended by the Phillipson Fiscal Commission of 1946. According to that principle, each region making up the Federation then received from the Central Government in proportion to its contribution to the centrally collected revenue. For example, revenue derived from import and excise taxes on tobacco, import duties on motor fuel, salt, spirit as well as export duties and mining rents and royalties were shared on the basis of derivation/consumption of the affected products. Thus the principle of derivation featured prominently such that between 1946 and 1959 the applicable percentage was 100 percent while between 1960 and 1964, it was 50 percent. In the words of Attah (2001), despite the fact that there were dissenting voices against such high percentage for derivation, the principle was fully accepted and fully applicable up till 1967 when oil became the major contributor to the revenue pool.

As already alluded to, federations vary in terms of who owns natural resources. But in several federations (including the USA, Australia and Canada) there are significant revenues associated with the offshore oil and other natural resources owned by the federal government. Indeed, empirically, all successful federations-USA, Sweden, Australia, Canada, etc- are operated on the basis of resource control/principle of derivation. This situation also holds in federations where, due to geographical distribution of natural resources,

¹ Courchene, Thomas et al (2000) "*Principles of Decentralization*" in *Achievements and Challenges of Fiscal Decentralization: Lesson From Mexico*, eds. Marcelo M. Giugale, and Steven B. Webb, Washington, D. C.: The World Bank.

² Boothe, Paul (2003) "Introduction" in *Fiscal Relations in Federal Countries: Four Essays*, edited by Paul Boothe, Ottawa: Forum of Federations.

³ Oladeji, Abubakar (2005:5) *Federalism and the Political Economy of Revenue Allocation in Nigeria*, NISER monograph series No 2, Ibadan: NISER

⁴ Mbanefoh Gini F. and Egwaikhide, Festus O. (1998) "Revenue Allocation in Nigeria. Derivation Principle Revisited" in Kunle Amowo et al (edited) *Federalism and Political Restructuring in Nigeria*, Ibadan. Spectrum Books Limited

⁵ Adedeji A (1969) traces the origin of this problem to the first republic (1960-66) . He observes that there was invariably little correspondence between the assignment of different responsibilities and duties to the federal and regional authorities and their financial resources.

⁶ Mbanefoh Gini F. and Egwaikhide, Festus O. (1998) "Revenue Allocation in Nigeria. Derivation Principle Revisited" in Kunle Amowo et al (edited) *Federalism and Political Restructuring in Nigeria*, Ibadan. Spectrum Books Limited

some federating units are richer while others are poorer, such as in Canada where the very rich Ontario and Quebec still co-exist with less endowed federating units.

There are a preponderance of issues relating to Nigeria's Federal-State Relations, and in particular, its fiscal federalism. The main issues are as follows:

✚ *The discordance between fiscal capacities of the various levels of government, and their expenditure responsibilities, that is, the non correspondence problem.* In Nigeria's fiscal federalism, large revenue-yielding tax heads such as petroleum profit tax, personal income tax, and customs and excise duties are assigned to the centre, while responsibilities for delivering public services over a wide area are assigned to the lower tiers. By virtue of allocation of responsibilities in the Legislative lists in the 1999 constitution, the federal government is very strong and powerful as it holds all the power in the Exclusive List of the constitution. On the Exclusive List, there are 68 items on which only the federal government can exercise power. On the Concurrent List, there are 30 items. But even on this Concurrent List, the state governments cannot exercise power on any item except with the permission of the federal government. This is the basis upon which it is asserted that there is the prevalence of fiscal centralism in Nigeria. It is contended that the federal government has gradually taken over functions and resources for which the lower tiers are constitutionally mandated to perform.

✚ *Inequitable distribution of natural resources and the over-politicization of the allocation of national wealth.* The inequitable distribution of natural resources and the over-politicization of the allocation add to the conflictual relationship and intense scheming among the stakeholders as to how the available resources could be shared in a way that is acceptable to the majority. The sub federal units, namely the 36 state and 774 local governments have continued to complain that not just is the revenue allocation framework too lopsided and centralist to ensure equitable allocation, that they also are seriously shortchanged on the issue of what mandates are expected of them, given the paucity of resources. This refers to vertical equity in fiscal federalism parlance. The history of Nigeria's experience with federalism is as old as that of fiscal-related contestations, with most of the issues (revenue allocation formula; resource control/derivation; local government creation; etc) dragging to the apex court for adjudication.

There are four principal revenue bases in Nigeria. Three are federal: (i) oil and gas royalties, licenses and fees; (ii) corporate income tax; and (iii) the VAT. One is state: the personal income tax. Experience in other federations around the assignment of these revenue bases varies a good deal. Personal and corporate income taxes are typically either exclusively federal or shared. Nigeria is perhaps the only known federation that has assigned personal income taxes exclusively to the states. VAT and sales taxes are also usually exclusively federal or shared. Revenues from oil and gas can come from royalties, licence fees, profits from state oil companies, and export taxes (as well as indirectly from corporate taxes) (Table 1). Royalties and licence fees are associated with ownership of the resource and are typically the major source of revenue from oil and gas. In the older federations, such as the USA, Canada and Australia, onshore resource ownership is normally with the states, though there are substantial 'federal lands' in the Western states of the US and in Alaska.

Table 3: Major Revenue-Collecting Agencies and Types of Revenues Collected

| Revenue Agency | Type of Revenue Collected |
|----------------|--|
| NNPC | <ul style="list-style-type: none"> ◆ Export Crude Sales ◆ Domestic Crude Sales ◆ LPG ◆ NLNG. |
| FIRS | <ul style="list-style-type: none"> ◆ Petroleum Profit Tax (PPT) ◆ Company Income Tax (CIT) ◆ Withholding Tax (WHT) |
| NCS | <ul style="list-style-type: none"> ◆ Import Duty ◆ Excise Duty ◆ Fees |
| DPR | <ul style="list-style-type: none"> ◆ Royalties ◆ Gas Flared ◆ Rental ◆ Miscellaneous Oil Revenues such as oil Prospecting License, Oil Mining License and Lease currently not being paid into the Federation Account |

Source: Oladeji, 2014

Perhaps the most recurrent problem of Nigeria's three-tier system of fiscal federalism is over-dependence of all tiers of government on revenues allocated from the federation account for more than 80 per

cent of their expenditure. This is the result of poor, uncertain, and at times ambiguous revenue generation system. With dwindling revenue from this main source, the problems become pronounced. Essentially, developments since the onset of military rule in Nigeria could be described using concentration process as canvassed by Mbanefoh (1986:6). Citing Peacock and Wiseman (1961: 29-30), Mbanefoh (1986:7) distinguished four ways in which the concentration process may affect the division of governmental functions and resources between higher and lower levels of government:

1. By higher level of government taking greater share of responsibility for expanding types of government expenditure;
2. By shifting responsibility for particular services from lower to higher authorities;
3. By lower authorities losing effective autonomy as they become more dependent on higher authority as a source of revenue (either as a result of a loss of their tax base or failure of their taxes to share in the general expansion of government revenue)
4. By the creation of new authorities under the broad control of federal authority to deal with special problems.

It is instructive that all the above four causes/variants of concentration process easily apply to Nigeria, and collectively they explain why since January 1966, when military rule started in Nigeria, there has been increasing fiscal centralization and why the lower tiers, namely the states and local government councils have become increasingly more dependent on the centre. Effectively, the federal military government did not just take greater share of responsibility for expanding types of government expenditure; it also stripped state governments of their power over some major sources of independent revenue. It also unilaterally usurped a number of functions formerly performed by the states, without any opposition from them (Mbanefoh, 1986:16).

Revenue allocation based on derivation was practiced in Nigeria from 1950s to 1967 when the twelve states federal structure was created. The reason for aborting this principle according to the federal government was to allow for even development of the twelve states. Rather than develop locally based resources; most of the states now wait for largesse from the federal government in the name of allocation from oil revenue (Ige, 1995). Thus, the present state of fiscal federalism stifled local initiative, promote inefficiency and fostered a sense of overdependence on the federal government (Olukoshi, 1991). Indeed, it has created a system that discouraged work by having booty capitalism which is shared every month. Adherents of federalism asserts that this paternalistic form of federalism does not sustain development as it rather encourages crisis and conflict as manifested in the Niger Delta.

The period 1960-66 remains the main pillars of fiscal federalism in Nigeria till date. However, it also coincided with and contained the product of post independence politics, as efforts were made by the powers that be to reduce the earlier emphasis on regional financial independence based on the principle of derivation. It was argued that the financial stability of the federal government was necessary for the stability of the regions. Following from this, the 1960/63 constitutions provided for 50 percent derivation in respect of revenues from all minerals. It was in this phase also that the Distributable Pool Account (the forerunner of today's Federation Account) was instituted. Specified tax proceeds collected by the federal government was paid into this account and then distributed to the regions based on the following criteria: (1) continuity in government services; (2) minimum responsibilities of each government; (3) need based on population size of the region; and (4) the balanced development of the federation.

The point being made is that the revenue allocation formula in use during the first republic in Nigeria made the regions very strong financially and politically. This is because, since the principle of derivation was assigned a very high weight, the regions knew that their revenue fortunes depended on their ability to initiate programmes which would bring them more revenue. Thus, not only were the regions very competitive in revenue generation, they were eventually highly financially and politically strong. This indeed informs the assertion that the practice of federalism in Nigeria's first republic was competitive and developmental.

This appears a good starting point because empirically, all old and successful federations like America, Sweden, Australia or Canada are operated on the basis of local resource control, in which mechanisms are devised to return a sizeable proportion of revenues to states/regions of origin. Even in federations where, because of geographical distribution of natural resources, some federating units are richer while others are poorer, the principle is still upheld so as to sustain lasting association. In Canada for instance, the provinces of Ontario and Quebec still co-exist without experiencing frustrating threats or animosity from the relatively less endowed provinces. In Colombia, oil production is located in only two provinces; the Siberian oblast of Tyumen produces almost two-thirds of total Russian oil; and in Argentina a single province, Neuquen, produces more than one-thirds of total oil output (Brosio, 2003:249-50). It must be stated however that, when oil rents are assigned exclusively to sub national governments, they tend to produce vast horizontal imbalances that is extremely large disparities in per capital revenues of sub national units as in the case of Alaska. But on equity and efficiency grounds, producing areas have to be compensated for exploitation and production costs (Brosio, 2003:252) and for externalities, which are inevitable consequences of natural resource mobilization. Fortunately, the Nigerian

case presents an interesting scenario in which virtually all the 36 states have one form of natural resources or another (Oladeji, 2005:81-83). What is lacking though is the political will to develop these resources.

It is instructive that since the discovery of oil in the 1970s, the Nigerian economy has become largely monocultural and oil-centric, indicating that all other potential sources of national resources have been downplayed. In Nigeria, the dependency on oil and the resultant distortion of the economy have continued to produce what economists call the “Dutch Disease”, whereby the oil and gas export boom has led to the exchange rate being over valued, the local industry and agriculture becoming uncompetitive and the economy being increasingly dependent on imports. This would continue to have negative implications on the development aspirations of the country in years to come. It also confirms the assertion that Nigeria is a *rentier*¹ state (Heinrich Boll Foundation Nigeria in www.boellnigeria.org/index.intml). Indeed, the rentier notion refers to the sharing of a produce or natural stock of wealth without contributing to it.

Given the over-reliance of the economy on petrol-dollar resource, the Nigerian federalism becomes highly centralized, and so is revenue mobilization and allocation in the country. This tendency towards fiscal centralism featured slightly since the time of independence in 1960 and reached a peak during the military era between 1984 and 1998 (Anugwom, 2005: 98). In between this period, the discovery of oil, and its impact on the centralization of the entire system of revenue mobilization and allocation was considerable. This caused considerable distortions in the vertical revenue allocation system and left the sub federal tiers in a state of perpetual financial squeeze (ibid). In other words, the contemporary perennial, and in most cases, conflict-ridden relationship between the Federal and State Governments over revenue allocation is indicative of how the country has deviated from the original idea of federalism (Achebe, 1983).

Main Findings

Origin of the fiscal crisis

The fiscal crisis currently being experienced in Nigeria is as a result of continuous downward slide in the global prices of crude oil, which is Nigeria’s dominant revenue source. For about five years, total receipts of the federation account has been nose-diving with implications for attainment of governmental goals This makes the diversification of sources of revenue imperative. Given that crude oil constitutes Nigeria’s largest revenue source, the problem is better imagined. More worrisome is the fact that both oil and non-oil components of revenue are similarly affected by the decline, making it difficult for revenue targets in the budgets over a five year period to be accomplished. For instance, the trend in non-oil performance over the period 2005 to 2010 is worrisome. In this 6-year period, the actual gross non-oil revenue was N396.07 billion revealing an underperformance of N84.51 billion (or 17.58%) below the projected quarterly estimate of N480.58 billion. The breakdown of the Non-Oil revenue item shows that all the items had negative variances. Also, in the current year, the federal government recorded a decline of N329.79 in gross non-oil revenue receipts in the first six months of 2014 to N1.08 trillion from the half year estimate of N1.48 trillion. In the same vein, the country witnessed a free fall of its gross oil revenue between June and October 2014 as it plunged by N132.5 billion. The estimated receipts was N602.5 billion, while the actual; receipt was N470.0 billion.

Government Policy Response

The immediate government response to the fiscal crisis was to declare an austerity measure, including the freezing of foreign travels for civil servants, slashing of the budget oil benchmark, drop in capital projects financing, and payment of tax on luxury goods (such as private jets, expensive cars, yachts, champagne, etc). Another measure declared by government was the decision to increase internal revenue generation from N75 billion in the current year to N160 billion in 2015, with a focus on non-oil revenue. Although this shift in sources of revenue is commended, there is the palpable fear that the poor may be worse for it through the imposition of a multiplicity of taxes and rates by the various levels of government. Fiscal policies to cut down spending on wastages, luxury goods and conspicuous consumption are not new in Nigeria as the word ‘austerity’ was a household name in the early 1980s when the economy experienced similar recession.

Other measures include full implementation of the provision of the Fiscal Responsibility Act, 2007 relating to MDAs’ timely remittance of their operating surpluses and other Internally Generated Revenue to the Treasury. This becomes imperative given that a major problem of Intergovernmental relations in Nigeria is non-compliance with constitutional provision not just on payment into and disbursement from the federation account, but also on recommendations relating to fiscal adjustment. There is, indeed, deliberate manipulation of rules of engagement and under-reporting and at times, outright non-remittance of revenues (Oladeji, 2014). This issue of non-remittance and underpayment of revenues to the federation account have continued to generate controversies and tensions among tiers of government in Nigeria, and it suggests that nature and character of institutions matter not just for economic development, but also for political stability. One of the implications of departures

¹ A *rentier* state is a state whose major source of revenue does not arise from taxation on productive activities such as agriculture, industry, services, etc undertaken by its economically active population. Instead, the rentier state lives by collecting a convenient income from sources into which it invests little or nothing.

from constitutional provisions regarding the payment into and disbursement from federation account is that states and local government councils receive revenues far below what they should otherwise receive.

Again, government has taken steps to strengthen the capacities both in the MDAs and in the revenue generating and collecting agencies to improve their budget implementation through training. Other areas include a more intensive engagement with revenue generating Agencies and a process audit of their operations. These efforts are expected to have a positive impact on MDAs' performances in revenue collections.

The Federal Government (FG) has continued to implement policies aimed at reviving the ailing economy. These reforms especially in the telecommunications, oil and gas, aviation, banking and insurance and water transport together with rebalancing of the economy toward services and domestic market development contributed in no small measure towards the remarkable growth recorded in gross domestic product (GDP). Some policy initiatives designed to enhance the performance of the manufacturing sector include introduction of a number of tax incentives, comprising: (i) the granting of a pioneer status to export producing enterprises, which opened a new shop or expanded existing facilities; (ii) tax holiday from income tax up to five years, (iii) a tax credit of 20% of cost for a period of five years to engineering companies which use a minimum of 60% locally sourced raw materials for production, and (iv) tax exemption on dividends from small companies in the manufacturing sector in the first five years of their operation. There were also policy interventions in rice mills and bakery with various tariff incentive measures to boost local production of processed rice and cassava bread.

Towards the end of the fourth quarter of 2010 the FG decided to further liberalize trading activities in the country. This was carried out through the review of the import prohibition list. The exercise which was aimed at increasing government's non-oil revenue was criticized by operators in the industrial sector. The implication of the trade liberalization policy was that there would be a boost in the wholesale/retail trade activities as more items would be allowed to be imported into the country in 2011. In addition, this policy would also increase water transport operations at the nation's seaports. However, the impact of policy may adversely affect activities in the manufacturing sector.

The Nigerian Communications Commission (NCC) in collaboration with other relevant stakeholders in the telecommunications sector have continued to make the sector very vibrant and investor friendly by ensuring quality and efficient service delivery. In 2010, the sector recorded significant improvement over its level in 2009 with tele-density soaring above 60% against 53% recorded in 2009.

Government also continued the institutional support measures implemented in 2010 and 2011 targeted at addressing the challenges of rising cost of food, improving access to credit by farmers, promoting commercial agriculture, encouraging bio-fuel production as well as achieving the minimum sectoral growth target of 10.0 per cent as enunciated in the NV 20: 2020 document. Finance has been identified as a critical constraint inhibiting development of the agricultural sector. To ameliorate this challenge, the various agricultural financing schemes which were initiated since 2011 (including the Commercial Agricultural Credit Scheme (CACS) were sustained. The CACS is aimed at providing funds through credit schemes to commercial agricultural enterprises at a single digit interest rate to improve agricultural production and diversify the revenue base of the economy as well as provide inputs for the industrial sector on a sustainable basis.

Again, through the Rural Finance Institution Building Programme (RUFIN), government is enhancing the capacity of rural financial institutions in providing resources to meet the credit requirements of the rural farm communities. The programme commenced in 12 selected states through a loan of US\$27.2 million from IFAD, a grant of US\$0.5 million from the Ford Foundation and counterpart funding from the Federal Government and the participating states. The policy of Guaranteed Minimum Price (GMP) was sustained during the period under review so as to protect farmers from the effects of produce price volatility. Under the scheme, buying agents were selected and registered to purchase food items at GMP for storage in the National Food Reserves. The deregulation of fertilizer supply and expansion of irrigation infrastructure also continued to be accorded high priority. During the first half of 2011, government continued its involvement in the supply of fertilizers by instituting an effective monitoring and quality assurance framework to ensure that fertilizers get to the intended beneficiaries. In addition, the inter-Ministrial Committee on Trade that was established since 2010 continued to create awareness on the potentials of cocoa production, processing, warehousing and export.

Industrial Policy and Institutional Support-The government intensified efforts to provide the infrastructural backbone across the country in order to improve industrial and economic activities. This involved the reform of the power sector in terms of the upgrading, expansion and re-bailitation of existing power transmission and distribution infrastructure. The Nigerian Electricity Regulatory Authority (NERC) also commenced the implementation of the Multi-Year Tariff Order (MYTO) as an appropriate tariff model for effective pricing to encourage investment in the sector.

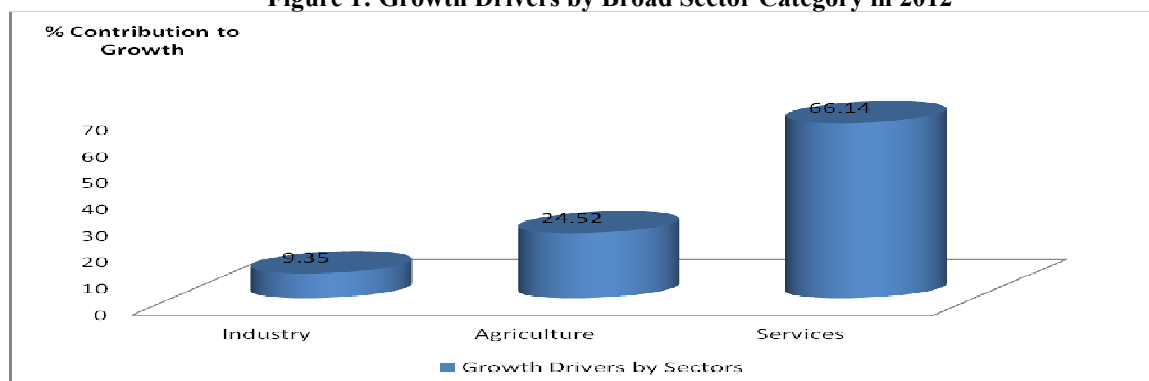
Reform of the Tax System-The tax system has been reformed through measures including the restructuring of the Federal Inland Revenue Service (FIRS) to improve revenue collection, broaden the tax base and address tax evasion and avoidance. Efforts have also been made to strengthen interagency co-ordination on revenue collection as well as to simplify and harmonise tax procedures. The auditing powers of the FIRS have

also been strengthened, and in 2007, a tax-policy unit was also set up in the Ministry of Finance to oversee some of these changes.

In 2010, the government conducted a review of the Import Prohibition List and Tariff Structure in light of existing best practices in order to assess the impact of these prohibitions on government revenue and on local industry. Several measures were pursued in 2010 to block revenue leakages. These included a forensic audit of the Nigerian National Petroleum Corporation (NNPC) and process audits of internally generated remittances from ministries, departments and agencies (MDAs). The government also required MDAs and parastatals to submit their revenue and expenditure estimates. It has enhanced these measures in 2011 by issuing the directive to more than 32 parastatals – including the Nigeria National Petroleum Corporation (NNPC), the Central Bank of Nigeria (CBN), the Federal Inland Revenue Service and other revenue-generating agencies – to submit their budget to the National Assembly, in line with the provision of the Constitution and the Fiscal Responsibility Act. These policy measures have contributed to improving domestic-revenue mobilisation. In 2009, tax revenue rose to 6.9% of GDP and is estimated to have remained stable at about 6.4% of GDP in 2010.

Sources of Growth of the Economy- Analysis of growth drivers by broad sectoral category shows that the robust growth of the economy in 2012 was supported by agriculture, industry and services (Figure 1). Services sector with 19 sub-sectors contributed 4.37 percentage points, or 66.14% to overall growth of the real GDP, largely due to robust growth of telecommunications and wholesale and retail trade. Agriculture, which is the second largest contributor to overall growth of the economy contributed 24.52% to the overall growth of the economy and the growth was largely led crop production. Industrial sector, which is made up of 10 sub-sectors of the economy contributed 0.62 percentage points, or 9.35% to the overall growth of the economy. The contribution of the industrial sector was driven largely and directly by building and construction, manufacturing and electricity. Poor performance of crude petroleum and natural gas mitigated the pace of growth of the economy and was responsible to the low contribution of the industrial sector to the overall growth of the economy.

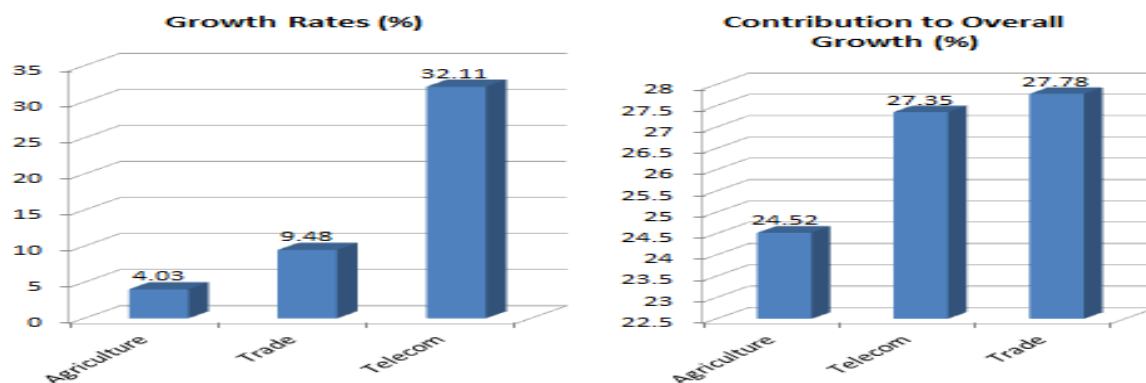
Figure 1: Growth Drivers by Broad Sector Category in 2012



Source: NPC

Telecommunications sector emerged the second largest growth driver of the Nigerian real GDP with a growth rate of 32.11% and contributed 27.37% of the overall growth rate of GDP in 2012. Wholesale and retail trade was the high largest driver of growth, with the contribution of 27.78% to the overall growth of the economy. The growth of wholesale and retail trade was 9.48% in 2012. The third largest sector, following behind wholesale and retail trade and telecommunications, was agriculture with a contribution of 24.52% to the economy-wide growth and a growth of 4.03% in 2012. There is need for government to intensify efforts to ensure the sectors are given maximum support to accelerate growth of the economy and to enhance their inter-sectoral linkages for quick economic development of the country.

Figure 2: The Three Major Drivers of the Economy in 2012

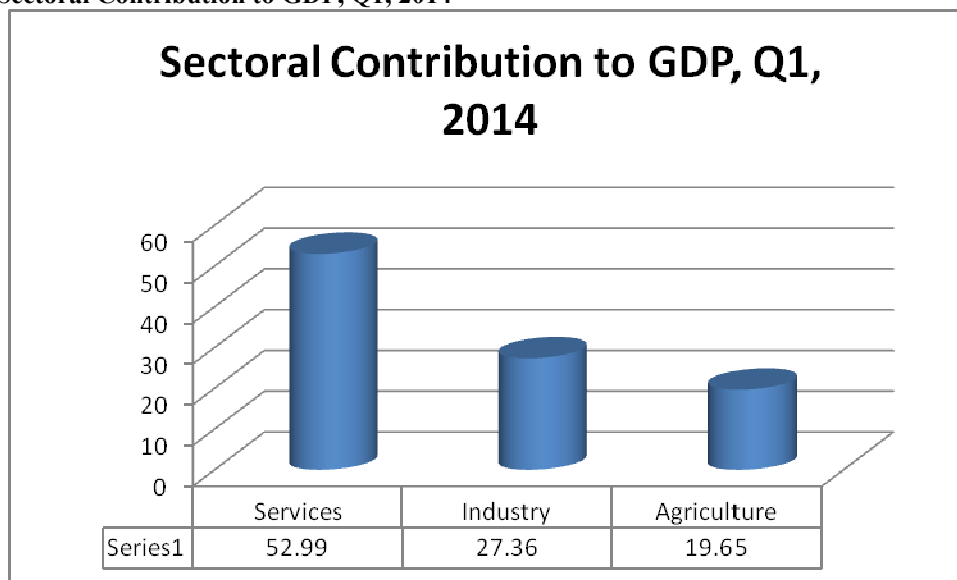


Source: National Bureau of Statistics

Small industrial Base

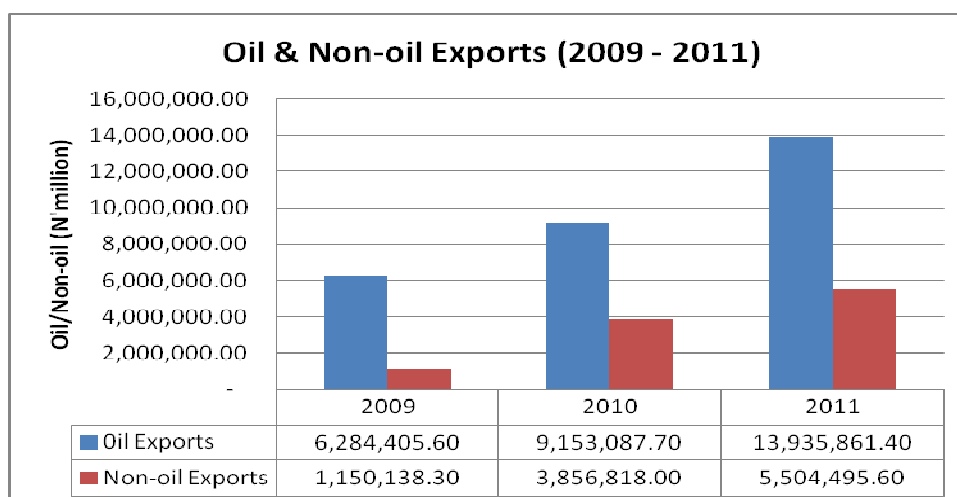
The base of the industrial sector in the Nigerian economy remains small and declining as against the expectation for the sector. The share of industry in real GDP in 2011 declined from 24.43% to 23.49% in 2012, due to the decline in share of crude petroleum and natural gas from 14.8% in 2011 to 13.78% in 2012. The share of agriculture in real GDP also declined but remained more broad-based compared with any other sector. The share of agriculture in real GDP decreased from 40.19% in 2011 to 39.22% in 2012, with reduction in the contribution of agriculture to real GDP led by crop production. The services sector has benefited from the growth transition in the economy in recent years, with its share in real GDP increasing from 35.38% in 2011 to 37.29% in 2012 (Figure 4). As in previous year, the services sector accounted for the largest share of real GDP in Q1 2014, amounting to N8, 181, 239.94 million or 52.99%. Industry ranked second with a contribution of N4, 223,469.13 million or 27.36%, while Agriculture constituted the smallest sector in the first quarter, representing N3, 033,970.43 million or 19.65%. With respect to sectoral growth, the services sector recorded a growth rate of 7.20% during the first quarter of 2014, followed by Agriculture at 5.53% and industry at 4.84% (NBS, issue 01, Q1, 2014) (Figure 3). Wholesale and retail trade, and telecommunications are the main drivers of the growth of the services sector.

Figure 3: Sectoral Contribution to GDP, Q1, 2014

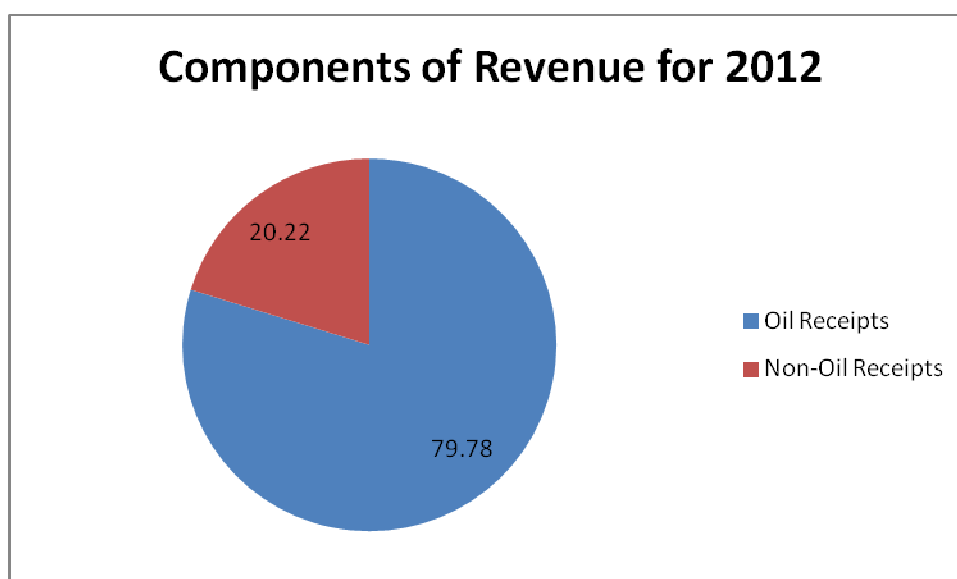


Dominance of Oil Revenues

Oil revenues still remained dominant as a component of revenue in Nigeria, year in year out. This is reflected in Figure 4 below. The development reflected the shift in revenue generation of the government since crude oil was discovered in the late 1950s. The oil and gas industry has continued to grow in capacity and its role in Nigeria’s economic and national development. From a modest production of 5,000 barrels per day (bpd) in 1958 to over 2.5 million bpd in 2005, the industry’s role in national development has continued to grow to the point that it is now the backbone of Nigeria’s national and economic development (Egbogah, 2010: 309).



Source: Derived from NBS Trade Statistics



Weak Institutional Architecture

The institutional architecture of revenue mobilization and allocation in Nigeria is weak, ineffective and is yet to produce a revenue allocation formula that is balanced and widely accepted. Different institutional arrangements have produced varying revenue allocation formulae. Although permanent institutions are preferable to ad-hoc revenue arrangements, yet RMAFC and FAAC operate more as political than technical bodies, and are yet to establish reputation for independence. Although, like India and Australia, RMAFC members are appointed by the federal government after consultation with States, yet unlike in these countries where commissions' recommendations carry great weight and usually adopted virtually intact, RMAFC is yet to establish a reputation for independence, even as its recommendations have often been subjected to unilateral federal review. RMAFC emerged as a technical body with capacity for effective monitoring and disbursements of accruals into the FA. With a 38-member structure, RMAFC however operates as an unwieldy political body, lacking autonomy and capability for achieving its statutory functions

CONCLUSIONS AND POLICY RECOMMENDATIONS

CONCLUSION

The contributions of the non-oil sector, particularly telecommunications, construction, wholesale and retail trade, hotel and restaurant services, manufacturing and agriculture, to Nigeria's economic growth has been tremendous over the past decade. In 2012, for instance, non-oil GDP growth was 7.8% down slightly on 2011, with agriculture and trade, which together comprised around 75% of the non-oil economy, accounting for the bulk of growth (Nigerian Economic Summit Group, 2013:15). Additional drivers of GDP include the telecommunications sector, which has seen annual growth rates of more than 30% annually in each of the last two years, as well as real estate and construction, respectively. Telecoms, construction, trading and agriculture

together accounted for 69% of 2012 output. However, the economic growth has not reduced poverty nor created jobs as about two thirds of the population lives on less than 1 US dollar (USD) per day and the unemployment rate in 2013 was 27.3%, up from 23.9%, in 2011, despite the fact that government has introduced youth job creation initiatives. A major challenge for the economy is the dilapidated state of infrastructure and the over-dependence on the oil and gas industry. Private sector involvement infrastructure development and in the development of the non-oil sector would appear to hold more promise for Nigeria's economic rejuvenation.

POLICY RECOMMENDATIONS

❖ Diversify the economy

For an economy to be stable and sustainable there has to be a diversification of its sources of revenue. Indeed, there are indeed compelling reasons for other export-oriented sectors of the Nigerian economy, especially in the agricultural and agro-allied areas to be embraced and addressed to enhance their contributions to the country's Gross Domestic Product (GDP). Economic diversification has a biblical backing. The Bible records that there are four rivers that flows into the Garden of Eden. Each of these rivers signifies a resource source, one of which is gold (Genesis 2 verse 10-14). Even for an individual, resource flow should ideally not be restricted to only one source. For Nigeria, this is the time to pursue the diversification of the economy with a fervent vigour. This suggests that some erstwhile moribund but now promising revenue sources like Agriculture, trade, tourism, manufacturing, etc must be re-activated and made functional at the three tiers of government.

Nigeria is richly endowed with natural resources including some 68 million hectares of arable land, fresh water sources covering 12 million hectares, 960 kilometres of coastline and a range of ecological belts and arable farming lands. This natural and favourable geological setting enables the country to produce a wide variety of agricultural and industrial materials which exist in their primary form all over the country. The conversion of these raw materials into industrially usable form, through Research and Development (R&D) remains the greatest challenge to Nigeria. In diversifying the economy therefore, government should identify and prioritise some critical raw materials and adequately fund their development. Government should achieve this through a Public-Private Partnership (PPP) arrangement, while the Raw Materials Research and Development Council, which should coordinate this, should be adequately funded.

❖ Revamp the Iron and Steel Sector

A sustainable development of the iron and steel sector is critical to the overall development and industrialisation of Nigeria. Indeed, there is an urgent need for industrial revolution in Nigeria. To achieve this, Nigeria is to embark on such policy options as resuscitating its institutions/agencies like technical colleges all over the country, the moribund Oshogbo Steel Rolling Mill (OSRM), Jos Steel Rolling Mills (JSRM), Katsina Steel Rolling Mills (KSRM), Aluminium Smelter Company, National iron ore Mining project, the non-functional Ajaokuta Steel Company(ASC), Aladja Steel Complex, etc. Government involvement in the sector is necessary because of its capital-intensive nature. A PPP arrangement can also be adopted for revamping the sector.

❖ Review the Legislative List for Effective Sub-national Resource Mobilization

In order to guarantee effective sub-national resource mobilization, there is the need for amendment to certain legislations that presently inhibit the states and local governments in terms of resource mobilisation. For instance, there is the need for creating legislative enabling environment that will support growth and development of private business especially at the grassroots level. Many local governments and states in Nigeria are endowed with abundant natural resources but the bulk of these resources are illegally exploited by unknown persons. It is important to note that despite the abundant mineral resources in many states of the federation, their exploitation is being carried out illegally and in haphazard manner largely because the mining of mineral resources is an item on the exclusive legislative list which only the federal government can engage in.

❖ Expand Nigeria's Tax Base

Nigeria's tax base remains very narrow, despite promising growth in key states like Lagos. In most developed countries, tax revenues are dominant contributor to national treasury. For Nigeria however, the federal Ministry of Finance estimates in May 2013 that the country's Tax-GDP rate stood at roughly 7%, compared to nearly 15% for neighbouring economies like Ghana. This suggests that a lot of revenue could still be derived from taxation in Nigeria. According to The Nigerian Economic Summit Group, (2013: 36), Federal Inland Revenue service (FIRS) lowered Personal Income Tax (PIT) from 25% to 24% in 2013, while leaving the Corporate Income Tax (CIT) unchanged at 30%. There is still much to achieve in tax collection in Nigeria. Tourism, for instance, is one area where Nigeria can increase revenue generation. Nigeria is endowed with a fair share of tourism potentials including cultural festivals and celebrations, historical monuments and museums, natural endowment/man-made attractions, and so on. The Nigerian Tourism development Corporation (NTDC), National Council for Arts and Culture (NCAC), national Commission for Museums and Monuments (NCMM), and National Tourism Bureau should be re-positioned to develop and implement policies on tourism towards enhancing tax revenues from the sector.

The informal sector has the potentials to greatly improve Nigeria's tax revenues if properly organised.

Presently, a large number of informal sector actors are not captured in national accounting, simply because of cumbersome registration processes. The sector should be re-organised through a simple registration process towards formalising its activities.

❖ **Tackle Tax Evasion**

Tax evasion has been a constant challenge in Nigeria's revenue drive as most individuals and corporate organizations have the culture of tax evasion. It is estimated that In March 2013 Nigeria had lost some N90 billion (\$567 million) to the grey market in automobiles alone since 2009. To effectively achieve reduction of tax evasion, there is a need to run tax education campaigns to sensitise various stakeholders, including traditional leaders, clergymen and community leaders to encourage tax compliance within the informal sector. Another related suggestion is the outsourcing of tax collection. Lagos state government has as part of its success factors the outsourcing of tax collection to private bodies. As a result, the state grew its tax revenue from N7 billion (\$44.1 million) in 2007 to N20 billion (\$126 million) in early 2013 with internally generated revenue (IGR) contributing 75% of all receipts (The Nigerian Economic Summit Group, 2013: 36).

Government should institutionalise a number of tax incentives it has started, including the granting of a pioneer status to export producing enterprises, provision of tax holiday from income tax up to five years, granting a tax credit of 20% of cost for a period of five years to engineering companies which use a minimum of 60% locally sourced raw materials for production, and so on.

❖ **Improve Infrastructure**

Massive infrastructural renewal becomes imperative if Nigeria is to achieve its goal of economic diversification and improvement in revenue sources. Many small scale enterprises have been forced out of business due to exorbitant cost of production as a result of added cost of electricity/power generation. Nigeria governments, especially at the federal level need to provide conducive business environment for effective non-oil revenue drive. Indeed, government may have to provide basic infrastructural facilities like good roads, electricity, water, etc to ensure sustainable development of non-oil sector. Government may consider a reform of the sector just as it did to the telecom, communication and power systems. This involves ending government monopoly by allowing private firms to bid for the rights to build and or operate under the oversight of a new regulatory commission. This same gestures can be extended to pipelines, gas and refineries. When this is done, manufacturing will become simultaneously competitive and manufacturing exports would grow.

❖ **Overcoming the Perverse Incentive of Revenue Sharing**

In Nigeria, revenue sharing constitutes a perverse incentive for effective revenue mobilization and sustainable national development. This is in contradistinction with the pre-civil war era when RAS promoted competitive federalism, forcing hard work and competition among the Regions. The post-civil war experience has continued to promote centralized federalism, with the centre repeatedly creating unviable federating units each of which is entitled to free money from the centre. Indeed, virtually all tiers of government in Nigeria, particularly the states and local government councils are more preoccupied with sharing of revenue, rather than its mobilization. They all largely depend on the federation account as the main source of revenue. Perhaps, this is due to the fact that Governments in Nigeria generally have a weak revenue base, a weakness that is more severe at the level of sub federal governments. Indeed, sub federal governments in Nigeria seem to have been re-oriented into believing that even the federal government itself is a source of revenue which can be exploited through begging, wooing, manipulation and even outright deceit (NISER, 2005:6). Internally Generated Revenue (IGR), except for a few states such as Lagos and Rivers, is meager and so budget deficits are a common phenomenon not only at the federal level but also at the state and local government. One way to overcome this tendency is for revenue allocation formula to be redesigned in such a way as to encourage internal revenue generation. It therefore becomes imperative that assignment of weight to the principles of horizontal revenue allocation should reflect higher weight to internal revenue efforts, and lower allocation to equality of states and population principles. Another related issue is the need for fiscal discipline on the part of government at all levels. Budgets are passed without details of the government programmes or policies for which the appropriation is made. In the words of Daggash (2006:318), the budgets only set out proposals for the mobilization and allocation of funds

References

- Adedeji, Adebayo (1969) *Nigerian Federal Finance: Its Development, Problems and Prospects*, London: Hutchinson Education Ltd.
- Aiyede, Emmanuel Remi (2009) "The Political Economy of Fiscal Federalism and the Dilemma of Constructing a Developmental State in Nigeria", in *International Political Science Review*, Vol. 30, No. 3, pg 249-269
- Akande, S.O and F.O.Nyemutu Roberts (2010) *Nigeria: "Profile of a Giant in The Sun"* in Akande, S.O. and A.J. Kumuyi (eds.) *Nigeria at 50: Accomplishments, Challenges and Prospects*, Ibadan: NISER)
- Alan Gelb and Associate (1988) "Oil Windfalls: Blessing or Curse"? A report
- Anderson, George (2007) "Nigerian Fiscal Federalism Seen from a Comparative Perspective- Address to

- Nigeria's Governors' Forum", Abuja, Nigeria, 28 October
- Anugwom, Edlyne E. (2005) "Oil Minorities and the Politics of Resource Control in Nigeria" in African Development, Vol xxx, No 4, pp 87-120
- Attah, Victor (2001) "The Basis of Our Agitation", A Goodwill Address by His Excellency, Arc. (Obong) Victor Attah, the Executive Governor of Akwa-Ibom State, in Comrade Uba Sani (ed.) Federalism, Resource Control and Social Justice in Nigeria, Proceedings of a Conference organised by Northern Coalition for the Protection of Democracy (NCPD) at Arewa House, Kaduna, October 13, 2001.
- Bogunjoko, O.J (2004) "Tax Policy Planning and administration in Nigeria: The Journey so far and Lessons for the Future" in I.O. Taiwo and A.A. Fajingbesi (eds.) Fiscal Federalism and Democratic Governance in Nigeria,
- Boothe, Paul (2003) "Introduction" in Fiscal Relations in Federal Countries: Four Essays, edited by Paul Boothe, Ottawa: Forum of Federations
- Businessday, 23/10/2012 "World Bank Predicts Global Slowdown", page 17.
- Chete, Louis and Gabriel Falokun (2010) "Economic Policy and Growth in Nigeria: Lessons of Experience" in Akande, S.O. and A.J. Kumuyi (eds.) Nigeria at 50: Accomplishments, Challenges and Prospects, Ibadan: NISER.
- Ekpo, Akpan H.(2004) "Intergovernmental Fiscal Relations: The Nigerian Experience" Paper presented at the 10th Anniversary of the Financial and Fiscal Commission of South Africa, Capetown International Convention Centre, Capetown, South Africa, 10 – 12 August, 2004.
- Emenuga, Chidozie (1993) "Nigeria: The Search for Acceptable Revenue Allocation Formula" in NES, 1993 Federal Republic of Nigeria FRN (1999) Constitution of the federal republic of Nigeria 1999 FRN , Abuja
- Heston, A (2003) "Crusaders and Jihads: A Long-run Economic Perspective", 588 Annals of Political and Social Science 112, 126 (2003).
- Mbanefoh Gini F. and Egwaikhide, Festus O. (1998) "Revenue Allocation in Nigeria. Derivation Principle Revisited" in Kunle Amuwo et al (edited) Federalism and Political Restructuring in Nigeria, Ibadan. Spectrum Books Limited and IFRA
- Moore, Mick (2001a) "Political Underdevelopment: What Causes 'Bad Governance'?" Public Management Review, Vol. 3, No. 3, pp. 385-418.
- National Revenue Mobilization Allocation and Fiscal Commission Report (1989), Vol. II Main Report, Lagos: Presidency
- Nigerian Economic Summit Group (NESG) (2013); Oxford: London
- NISER (2014) Potential for Diversification of the Nigerian Economy, paper presented by Surveillance and Forecasting Department(S&FD), NISER.
- Obi, C.I. (1998) "The impact of Oil in Nigeria's Revenue Allocation System: Problems and Prospects for National Reconstruction in K. Amuwo, R. Suberu, A. Agbaje and G. Herault (eds) Federalism and Political Restructuring in Nigeria, Ibadan: Spectrum Books and IFRA
- Oladeji, A (2005) Federalism and the Political Economy of Revenue Allocation in Nigeria, NISER Monograph No 5 Ibadan: NISER
- Oladeji, A (2014) An Analysis of the Institutions for Managing Revenue Allocation in Nigeria, unpublished Ph.D Thesis in the Department of Political Science, submitted to Faculty of The Social Sciences, University of Ibadan, Nigeria
- Olukoshi, A. (1991) The Politics of Structural Adjustment in Nigeria, in Thandika N. and Adebayo O. (Eds.). Between Liberalization and Oppression: The Politics of Structural Adjustment in Africa, pp. 157-185. Dakar: CODESRIA Books.
- Peacock, A.T. and Wiseman, J. (1961). The growth of public expenditure in the United Kingdom. London: National Bureau of Economic Research
- Phillips, Adedotun O. (1997) Nigeria's Fiscal Policy, 1998-2010, NISER Monograph Series No. 17, Ibadan: NISER).
- Revenue Mobilization Allocation and Fiscal Commission (RMAFC) Report of a Seminar titled "Guaranteeing Nigeria's Future Through Diversification of the Economy", September, 2004.
- Roberts, F. O. N. (2010) "Natural Resource Governance in Federal Democracies: Oil and the Challenge of Militancy in Nigeria's Niger Delta", Presented to the 2nd International Conference of the Department of Political Science, Niger Delta University, Wilberforce Island, Bayelsa State on 'Natural Resource, Security and Development in the Niger Delta' at Niger Delta Wetland Centre, Yenagoa, Bayelsa State, Nigeria, March 8-11.
- Roberts, F. O. Nyemutu, V. A. Adeyeye, O. Ogundele, A. Oladeji, Evans N. Merem, A. Carim-Sanni, Patrick A. Offiong, M. N. Ekaette, H.O. Tijani (2013) "Oil Exploration and Socio-Economic Development of the South-South Zone of Nigeria", NISER Monograph series, Ibadan: NISER
- Rodden, Jonathan and ERIK Wibbels (2002) "Beyond the Fiction of Federalism: Macroeconomic Management

- in Multitiered Systems”, *World Politics* 54 (July 2002), 494–531
- Ross, Michael L. (2001) “Does Oil Hinder Democracy?” *World Politics*, Vol. 53, No. 3, pp. 325-361.
- Sani, Uba (2010) ‘True Federalism and resource Control: Beyond Rhetoric’ Welcome Address by Comrade Uba Sani, Chairman of Northern Coalition for the Protection of Democracy (NCPD), in Comrade Uba Sani (ed.) *Federalism, Resource Control and Social Justice in Nigeria*, Proceedings of a Conference organised by Northern Coalition for the Protection of Democracy (NCPD) at Arewa House, Kaduna, October 13, 2001.
- Suberu, R. T. (1999) *Public Policies and National Unity in Nigeria* Monograph No.19, Ibadan: Development Policy Centre
- Suberu, R. T. (2001) *Federalism and Ethnic Conflict in Nigeria*, Washington D.C.: United States Institute of Peace
- Suberu, Rotimi (2010) 'The Nigerian federal system: Performance, problems and prospects', *Journal of Contemporary African Studies*, 28:4, 459 - 477
- Suberu, Rotimi T. (2008) “Nigeria: Crafting a Compromise between the Accommodation and Integration of Diversity” in Rupak Chattopadhyay and Abigail Ostien Karos (eds.) *Dialogues on Diversity and Unity in Federal Countries*, Canada: Forum of Federation(fof) & International Association of Centers for Federal Studies(iacfs)
- The Guardian, 4/12/2014: 1
- The Holy Bible, King James Version
- UNRISD 2012: “Politics of Domestic Resource Mobilization for Social Development” United Nations research Institute for Social Development (UNRISD, Geneva, Switzerland (www.unrisd.org).

The IISTE is a pioneer in the Open-Access hosting service and academic event management. The aim of the firm is Accelerating Global Knowledge Sharing.

More information about the firm can be found on the homepage:

<http://www.iiste.org>

CALL FOR JOURNAL PAPERS

There are more than 30 peer-reviewed academic journals hosted under the hosting platform.

Prospective authors of journals can find the submission instruction on the following page: <http://www.iiste.org/journals/> All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Paper version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: <http://www.iiste.org/book/>

Academic conference: <http://www.iiste.org/conference/upcoming-conferences-call-for-paper/>

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digital Library, NewJour, Google Scholar

