

NON-OIL TAX REVENUE AND ECONOMIC DEVELOPMENT OF NIGERIA (1989-2021)

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ABSTRACT

The study investigated the effect of non-oil revenue on the economic development of Nigeria, using historical research method. Data were collected principally from secondary sources via CBN statistical bulletin. This study is restricted to Non-oil revenue and economic development of Nigeria for 33years period (1989 -2021). This study employed descriptive statistical analysis. Linear regression analysis was used to test the effect of the predictor variable on the criterion variables based on the data obtained from Central Bank of Nigeria's statistical Bulletin. The data generated for this were further analyzed with the help of SPSS (version 25). The study found that there is a positive correlation between NOR and Nigeria's economic development in terms of RGDP; there is a positive and weak correlation between NOR and Nigeria's economic development in terms of HDI. Hence, the researcher rejected the null hypothesis one and concluded that there is a significant relationship between non-oil tax revenue and economic development (RGDP) in Nigeria; the researcher also accepted the null hypothesis two and concluded that there is an insignificant relationship between non-oil tax revenue and economic development (HDI) in Nigeria. Consequently, the researcher suggested that revenue collected from non-oil source should be used to enhance human capital development in the country; Nigerian Government should invest more on non-oil sectors of the economy to create job opportunities and boost the economy at large.

Keyword: non-oil revenue, economic development, GDP, HDI

INTRODUCTION

Nigeria, being the most populous African nation today like every other nation requires finance or revenue to be able to cater for the needs of its administration and citizens. Public revenue according to Victory et al (2022), is a term used to describe all incomes expected by the government within the budget period, usually one year. Generally, public revenue consists of recurrent and capital revenue. Recurrent revenue is money received regularly every year by way of taxes, fees, fines, licenses, etc while capital revenue, on the other hand, consists of all bulk loans and grants received by the government from within the country or from abroad. Nigeria's revenue profile consists of oil and non-oil sectors with the former contributing over 70% of the total revenue to the federation (Ndu & Uguru, 2022).

However, following the Corona-virus (COVID-19) pandemic outbreak in late 2019 and coupled with the shrink in price of crude oil as a result of the United State of America's reduction in the number of barrels the country imports from nations affected the global market terribly (Ogunbiyi & Abina, 2019). As such, a country whose major revenue is dependent on oil has had no option than to reconsider diversification of its economy to the non-oil sector. This has in no small means contributed immensely to the shaking-economy of major oil exporters like Nigeria, Saudi Arabia, Iraq and Libya. The 2019-2020 year has been a turbulent one for Nigeria due to the double shock of oil price decline and the covid-19 pandemic that has prompted a call for total reliance of non-oil revenue to provide for the government and the public. The non-oil revenues are proceeds generated from sources other than the oil-producing activities. These revenues include those from companies not engaged in oil & gas explorations. These other activity sectors comprise agriculture, industry, constructions, trade and service.

In the 1960s, agriculture was the pillar of the Nigerian economy and the greatest foreign exchange earner. However, this vintage position occupied by agriculture was overtaken by the oil sector by

the mid-1970s. In addition, the oil and gas sector in Nigeria has also been adjudged to have provided 95 percent of foreign exchange earnings and about 65 percent of government budgetary revenues (Nakah et al, 2018). Despite the undeniable benefits of the oil and gas sector to the Nigerian economy, there has been persistent call for the diversification of the nation's economy away from crude oil.

The persistent call for the diversification of the nation's economic base has been hinged on the belief that the oil and gas sector in Nigeria has become a national curse rather than a blessing as earlier envisaged due to the fact that it led to the neglect of the other productive sectors of the economy, such as agriculture, mining, etc. (Ogunbiyi & Abina, 2019; Promise et al 2023; Victory et al, 2022) Proponents of diversification of the economic base of Nigeria away from crude oil argue that it would enable Nigeria develop expertise in the production of other goods and services thereby increasing her comparative advantage in other sectors. Given her rich endowment with other natural resources, they argued that continuous national emphasis on the production of crude oil, in particular and the oil sector, in general would lead to a crowding-out of other sectors. Thus, the proponents of diversification contended that if Nigeria did not diversify her economy, she could be in for an economic suicide because any shock in the prices of crude oil in the international market (as often witnessed) and any drop in output (due to activities of militia groups in the Niger Delta and North East regions) could heavily retard government generation and economic growth in Nigeria.

It is with the above mindset that supporters of diversification of revenue sources in Nigeria had advocated for the enthronement of the non-oil sector in Nigeria. The argument is that with the development of the non-oil sector, the over-dependence of the Nigerian economy on the oil and gas sector would be reduced and importantly the susceptibility of the Nigerian economy to internal and external economic shocks arising from reduction in output and fluctuations in the prices of crude oil in the international market would be less felt. The inability of the Nigerian government to meet up with its responsibilities to its citizens in the area of provision of welfare services, security, employment, basic infrastructures etc. due to dwindling revenues motivated this study towards investigating the impact of non-oil revenue. Thus, the quest to determine the extent to which non-oil sector revenue influences Nigerian economy necessitated this study.

In every country, there exists a mutual relationship between the government and the citizens such that governments provide enabling environment for businesses to thrive where citizens are productively engaged. In return for the benefit of conducive business environment put in place by the government, citizens bear the burden of the cost of infrastructure put in place by the government through tax payment. According to Lyndon and Paymaster (2016), citizens will continue to pay tax with little or no persuasion when they perceive that government will be responsible and accountable to them (citizens) through judicious use of taxpayers' money. Across the world, there are continuous efforts by various governments to meet up with their responsibilities and campaign promises.

This position was alluded to in the work of Adeusi et al (2020), where they posited that most developed countries such as United Kingdom, United State of America, Japan and Germany who are not richly endowed with natural resources as African countries have been able to reach heights through perfectly organized tax system. They further, reported that countries that are highly developed today have been able to utilize judicious tax proceeds to develop their economy, gratify the highly vulnerable and the less privileged. To this end, government prepare annual budget and have the guarantee of achieving almost 95% of the target thereby giving no room for tax evasion and non-compliance from the citizens (Victory et al, 2022).

Statement of the problem

A decline in oil production expectedly leads to a decline in oil revenue. Even more disturbing is the consistent fall in the prices of oil in the international market because this is very much external to the control of Nigerian government and has over the years negatively affected projected government revenue (Omesì et al, 2020, Victory et al, 2022). These challenges have triggered the call for the diversification of the Nigerian economy away from the oil sector. The non-oil sector had been tipped

to be panacea to the challenges associated with the oil sector and thus the main driver of the diversification agenda. But the problem is which of the non-oil sectors would significantly contribute to the economic growth of Nigeria?

Despite the increasing revenue generation during the oil boom of the 1970s, the Nigerian economy is still suffering from economic underdevelopment, with her citizens passing through very difficult times (Promise et al, 2023). The false illusion of riches which oil revenue gave the country in the seventies led to the total neglect of the non-oil sector-agriculture, manufacturing and others. This situation also contributed to the debt problem in which Nigeria has found itself today, issues of loss of jobs, non and irregular payment of salaries and emoluments of civil and public servants in Nigeria, decayed infrastructures such as roads, housing, etc., poor power supply, insecurity and youth restiveness and general deteriorating economic activities in the country (Salami et al, 2018).

The effect of non-oil revenues generated from other non-oil sector covering 33years observation (1989-2021) has not been considered in the previous studies to the best of my knowledge. Thus, it was empirically impossible to assess to what extent non-oil tax revenue from this period had influenced economic development in Nigeria. To further close some hitches in previous literature, human development index was added to buttress the effect of the predictor variable on the criterion variables. Hence, to fill this gap, the study incorporated novel literature and data covering the 33year annual observations on the relationship between non-oil tax revenue and economic development in Nigeria.

Aim and objective of the Study

The main aim of the study is to evaluate the effect of non-oil revenue on the economic development of Nigeria. Specifically, the study sought to;

- i. Explore the relationship between non-oil revenue and Gross domestic product (GDP) of Nigeria.
- ii. investigate the relationship between non-oil revenue and human development index (HDI) of Nigeria.

Research Hypotheses

H01: Non-oil tax revenue has no significant relationship with Gross Domestic Product (GDP) of Nigeria.

H02: Non-oil tax revenue has no significant relationship with human development index (HDI) of Nigeria.

LITERATURE REVIEW

Non-Oil tax Revenue

Non-Oil revenue according to Nakah et al (2018), is the income or proceeds generated from the commodities that are sold in the international market, excluding crude oil (petroleum product). The nonoil sector therefore comprises of those group of activities other than petroleum and gas industry. That is, it is composed of sectors such as manufacturing, telecommunication, agriculture, finance, tourism, real estate, entertainment, construction, health sector, etc. The non-oil sector was indeed, a very critical sector to the Nigerian economy. This is perhaps why Omesi et al (2020), argued based on "the statistics from the World Bank in 2013 that prior to the discovery of oil in Nigeria, the sector contributed about 95% of her foreign exchange earnings, generated over 60% of her employment capacity and approximately 56% to her gross domestic earnings". But today, the story is no longer the same as that lucrative sector has been abandoned, neglected and ignored in preference for the "Black Gold".

Mobosi, et al. (2017), argued that all the sectors that make up the non-oil sector such as; agriculture, industry, construction, services and trade should be adequately developed since they have shown serious contribution to output growth during the period of economic boom. The sector was the nation glory before the discovery of crude oil and having realized the pitfall the dependence on oil has caused the nation, the government has made enormous efforts to re-awaken the dead glory.

NEITI (2013) has it in the audit report of 2007-2010, that over N2.21billion was remitted as royalty from companies operating in the oil sector, which about N51.4billion was realized as taxes while annual surface rent payments amounted to over N173.94million alongside N122.92 million in levies to the Nigerian government. Most countries of the world now channel their strength in producing goods and rendering service that they were originally known for.

Economic Development

According to Promise et al (2023), Economic development is commonly defined as the economic growth plus structural transformation in the economy. This implies that economic development goes beyond growth. It encompasses changes in the composition of output and in the allocation of inputs by the different sectors of the economy. They further argued that economic development "is a multidimensional process, which involves the reorganization of the entire economic and social system". That is, it involves improvement in the income and output of an economy as well as total changes in the social, institutional and administrative structures. However, Omesi (2020), noted that the growth and development of the Nigerian economy has remained largely stunted and stagnant over the years as a result of many factors, one of which is the challenge of corruption and ineffective use of tax revenues to the benefits of payers of such taxes and over reliance on oil revenue.

Gross Domestic Product

Economic development is measured by using data on GDP, which is a measure of the total income earned by the people of a country through their participation in the production process. Economists use many different methods to measure how fast the economy is growing. The most common way to measure the economy is real gross domestic product, or real GDP. GDP is the total value of everything - goods and services - produced in our economy. The word "real" means that the total has been adjusted to remove the effects of inflation. The second began with the neoclassical (Solow) model.

Doki and Tyokohol (2019), observed that the nominal absorbed inflation in its computation while the real GDP is the calculation where adjustment is made to eliminate the distorting effects of inflation. This study concentrated on the real gross domestic product due to the necessary provision for inflation. Ericsson, and Löf (2019), observed that the contribution of minerals and mining to GDP and exports has gotten to a maximum during mining boom in 2011 and regrettably the figures for mining's contribution had declined for most countries by 2016.

Human development index

Human capital, as described by Parika and Singh (2020), is the improvement in social and economic development made by a person. It is the knowledge and skills that an individual brings to a nation's economy. In conclusion, human capital can be summed up as any contributions made by people through their knowledge, skills, and experience that would result in a country's economy performing well. Human capital, in addition to labor and assets, plays a vital role in model of endogenous growth.

According to Victory et al (20220, human development index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. The health dimension is assessed by life expectancy at birth, the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income per capita (Promise et al, 2023). The HDI uses the logarithm of income, to reflect the diminishing importance of income with increasing GNI. The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean. Refer to Technical notes for more details.

Theoretical Review

This study is anchored principally on the theory of economic development below:

The Zimmerman Theory

This theory arose from the empirical study on the relationship between the per capital income and the percentage of total labour force employed in non-agricultural activities. Developed by Eric Zimmerman in 1933, this theory is of the view that if economic development is to take place, there must be improvement in the non-agricultural sectors (manufacturing, services, commerce, recreation, etc) (Zimmermann, 1933). The above position does not however suggest that agricultural development does not bring about economic development, but it implies that the relevant types of agricultural development required would be the Commercial level of agriculture. In relating this theory to the study, it implies that the non-oil sector currently abandoned by Nigerians e.g. Agriculture, Manufacturing, Services, Commerce, Taxation, Hospitality, etc, can go a long way to increase per capital income of the country; and thus bring about the desired economic development. Therefore, all non-oil revenue sources available in Nigeria should be revisited and exploited for economic development. This position is affirmed by the empirical study conducted by Ndu and Uguru (2022), and Omesí et al (2020), Adeusi et al (2020), where it was established that there is a positive impact of non-oil revenue on the economic growth and development of Nigeria.

Empirical review

Ndu and Uguru (2022), investigated the impact of non-oil tax revenue on economic growth in Nigeria for the period of 20 years (2001 to 2021). The study employed Value Added Tax (VAT), Company Income Tax (CIT), and Custom and Exercise Duty (CED) as proxies for non- oil tax revenue; while economic growth is measured using Gross Domestic Product (GDP). Analysis of data was done using descriptive statistics; while Ordinary Least Square regression was employed to test the hypotheses at 0.05 level of significance. The result showed that VAT, CIT, and CED have both positive and statistically significant impacts on economic growth in Nigeria. This result implies that all the variables (VAT, CIT, and CED) adopted as proxies for non-oil tax revenue in this study have jointly contributed to promoting the growth of the Nigerian economy for the period under review. The study, therefore, recommended that government should ensure that revenue generated from VAT, CIT, and CED should be utilized judiciously to develop other sectors of the non-oil revenue such as mining and agriculture to enable her to have a variety of viable sources of income.

Omesí, et al (2020), evaluated the relationship between non-oil revenue and economic development of Nigeria. The study used secondary data extracted from the Central Bank of Nigeria statistical bulletin for 30 years, spanning 1989-2018. Descriptive and historical research design was adopted for the study, while regression was used for data analysis and interpretation. The result of the study our finding reveals a positive relationship between Non-oil Revenue and Gross Domestic Product. Thus, we conclude that Non-oil Revenue contributes positively to the economic development of Nigeria in both short and long run perspective. We therefore recommend among others, that there should be a gradual shift by Nigerians from too much emphasis on Oil revenue to that of the Non-Oil sources, such as Agricultural export, Value Added Tax, Personal Income Tax, Companies Income Tax, hospitality, entertainment, customs and excise duties, etc in order to facilitate rapid economic transformation of the economy.

Salami, et al (2018), studied impact of non-oil revenue on the economic growth of Nigeria. The study covered the period 1981-2016 and gross domestic product was adopted as the proxy for economic growth and it was also used as the dependent variable. On the other hand, the study adopted non-oil revenue as the independent variable. The study made use of the Ordinary Least Squares (OLS) regression analysis to analyze the data collected from the Central Bank of Nigeria (CBN) Statistical Bulletin. Findings from the study revealed that non-oil revenue exerted a positive and significant impact on economic growth in Nigeria. The study therefore concluded that non-oil revenue exerted a significant impact on the economic growth of Nigeria.

Likita, et al (2018), carried out an investigation on impact of non-oil revenue on economic growth in Nigeria.. Unit root test was carried out to determine the stationery of the variables while the cointegration test was carried out to ascertain the existence of long run equilibrium relationship among the variables. Findings from the study showed that agricultural revenue, manufacturing revenue and services revenue exerted positive and significant impact on economic growth. On the other hand, the study showed that company income tax revenue exerted a negative and significant impact on economic growth in Nigeria. The study further revealed that solid minerals revenue exerted a negative and insignificant relationship with economic growth while custom and excise duties tax exerted a positive but insignificant impact on economic growth in Nigeria. The study revealed that agricultural revenue and services revenue exerted a positive and significant impact on economic growth of Nigeria whereas manufacturing revenue, solid minerals revenue and customs and excise duties tax exerted a positive but insignificant impact on economic growth of Nigeria.

Adeusi et al (2020), examined the effect of non-oil revenue on economic growth in Nigeria. The four specific variables proxy for non-oil revenue are: Value Added Tax, Companies Income Tax, Personal Income Tax and Custom & Excise Duties, while Gross Domestic Product was used to represent economic growth in Nigeria. The study population consists of all individuals, corporation soles and corporate organizations whose taxes were paid to the Nigerian government except firms operating in the upstream industry. The study sample consists the entire population of study using the census sampling approach. The secondary source of data collection method was used in generating data from the Federal Inland Revenue Service Statistical bulletin of 2018 and the National Bureau of Statistics of 2019 for the period 1994-2018. The descriptive statistics and Ordinary Least Square (OLS) regression techniques were used to analyzed the data collected. The study findings revealed that indirect taxes (Custom & Excise Duties and Value Added Tax) have more significant positive effect on the Nigerian economic growth than direct taxes (Companies Income Tax and Personal Income Tax). Also, direct taxes have significant but negative effect on the Nigerian economic growth, especially in the long run. It is therefore recommend that simple and transparent tax laws be enacted to regulate the tax regimes in Nigeria in order to avoid any form of illicit strategic tax behaviour by management. Also, the problems of implementation of good tax reforms policies should be eliminated. Tax authority should provide strategies to strengthen the control on the significant variables identified in this study analysis.

Ideh et al (2021), examined the impact of expansion in non-oil sector on sustainable economic growth of Nigeria economy. The study sourced data from the Central bank of Nigeria (CBN) statistical bulletin covering the periods of 2000 – 2019. An economic growth model was formulated using the study variables and the model was estimated using vector auto-regression (VAR) techniques, other diagnostic tests such as Roots of Characteristic Polynomial for VAR model stability, Augmented Dickey-Fuller test for time series stationarity, and granger causality tests were conducted to ensure the reliability of the model estimates. The analysis revealed that the estimated model is stable while the VAR and variance decomposition results shows that real gross domestic product is strongly endogenous in the short run but weakly endogenous in the long run. Further findings suggest that in the long run non-oil sector is strongly endogenous to real gross domestic product (92% contribution). The study, therefore, recommends diversification of the Nigerian economy by focusing more attention on agriculture, solid minerals, and service sectors as they tend to influence economic growth in the long run. More so, improved frameworks of accounting in areas of non-oil revenues are desirable for the accountancy profession.

Edeme, et al (2018), studied the role of solid mineral development in attaining sustainable growth in Nigeria. It adopted time-series with emphasis on GDP per capita, foreign trade balance, solid minerals output, domestic interest rate, gross domestic savings and inflation from 1960-2015. The Linear Growth Regression model showed that solid minerals positively and significantly affect sustainable growth. It further revealed that solid mineral is greatly significant but negatively associated with foreign exchange due largely to illegal movement of mineral commodities across the shores of the country. It recommended that much attention should be focused on the

development of the solid minerals to help the economy from the vagaries of the present economic woes.

Doki, et al (2019), carried out a study on how export diversification affects economic growth. It made use of the Bounds Co-integration test and the Error Correction Model (ECM) under the Autoregressive Distributed Lags (ARDL). The result showed that export diversification has positive but immaterial effect on economic growth in Nigeria in the long and short run. It thus, recommended that the government should intensify the effort to diversify the economy and properly channels towards the manufacturing and service industry export with the optimism that bulk of revenues comes from these sectors.

Victory et al. (2022), look into how tax reforms affect Nigeria's economic expansion. The time series approach used in this work was primarily focused with how to conduct impact analysis on pre-existing data. In this investigation, secondary data were employed. The study found that, among other things, VAT, CIT, and PPT have a positive, significant impact on RGDP in Nigeria. As a result, the researcher concluded that tax reforms have a sizable positive impact on Nigeria's economic growth. In order to emphasize economic opportunity and growth, the study's researcher advised policymakers to concentrate on increasing the economy's productive capacity. The government should also increase tax revenue through an enhanced tax administration system. This is due, among other things, to the risk of placing an excessive reliance on the proceeds from crude oil exports to power the economy.

Value added tax and Nigeria's economic expansion were the subjects of a Promise et al. (2023) study. In this study, an exposfactor research design was used. The findings showed a statistically significant positive correlation between value added tax (VAT) and Nigeria's GDP as well as a statistically significant positive correlation between VAT and Nigeria's gross national product (GNP). A substantial association between Nigeria's economic growth and value added tax was also discovered by the investigation. The study recommended applying VAT on the goods and services consumed by both low- and high-income consumers in order to raise Nigeria's gross domestic product. Government officials who engage in dishonest methods in tax collection and remittance should face disciplinary measures.

METHODOLOGY

The study employed historical research method. Data were collected principally from secondary sources via CBN statistical bulletin. This study is restricted to Non-oil revenue and economic development of Nigeria for 33years period (1989 -2021). This study employed descriptive statistical analysis. Linear regression analysis was used to test the effect of the predictor variable on the criterion variables based on the data obtained from Central Bank of Nigeria's statistical Bulletin. The data generated for this were further analyzed with the help of SPSS (version 25).

Model Specification

In analyzing the effect of Non-oil revenue on the economic development of Nigeria, the variables for this study are Non-Oil Revenue (NOR) as the independent variables while the Real Gross Domestic Product (GDP) serves as the proxy of dependent variables of the study. The formulated model for this study is as follows:

$$E.D = f(NOR) \dots\dots\dots$$

$$GDP =f(NOR)\dots\dots\dots (1)$$

In the Linear form equation

$$\text{It becomes: } GDP = X_0 + X_1 \text{ NOR} + e \quad (2)$$

$$HDI =f(NOR)\dots\dots\dots (3)$$

In the Linear form equation

$$\text{It becomes: } HDI = X_0 + X_1 \text{ NOR} + e \quad (4)$$

Where;

E.D = Economic Development

NOR = Non-Oil Revenue
 GDP = Gross Domestic Product
 HDI = Human development index
 X0 = Intercept X1 = Parameters of the study
 e = error term

Data Analysis and Result

The descriptive statistics presented in table one below comprises the variables, mean, minimum, maximum, standard deviation and the number of observations. It shows the result of the data used to estimate the relationship between the predictor variables and real gross domestic product and HDI in Nigeria from 1989 to 2021.

Descriptive Statistics					
	N	Minimu m	Maximu m	Mean	Std. Deviation
NOR	33	1.46	3.95	2.9624	.73151
RGDP	33	4.24	4.80	4.4761	.18567
HDI	33	-2.25	5.51	2.5346	1.14823
Valid N (listwise)	33				

Source: SPSS Version, 25 output.

From table 4.1 above, it can be observed that between 1989 and 2021, non-oil revenue realized an average of N 2.9624 billion naira. On the comparative, RGDP (Real Gross Domestic Product) and HDI realized an average of N 2.5346, 4.4761 billion respectively within the study period, and the maximum RGDP & HDI were N 5.51 & 4.80. A comparative assessment between the mean and the maximum values of the dependent and independent variables of the study shows a significant difference; the maximum values are greater than the mean values. This indicates that non-oil revenue (NOR), is averagely low in Nigeria between the study periods. However, the real gross domestic product and HDI can be taken to be substantial on the average, an indication that the economy has been on the economic and human development path over the period, but the predictor variables cannot be said to have been undergoing significant growth given their extreme low values.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.917 ^a	.840	.834	.07576

a. Predictors: (Constant), NOR

ANOVA^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regressio n	.695	1	.695	121.16 8	.000 ^b
	Residual	.132	23	.006		
	Total	.827	24			

a. Dependent Variable: RGDP
 b. Predictors: (Constant), NOR

According to the data in table 4.2 above, it can be seen that there is a significant and positive correlation between NOR and Nigeria's economic development in terms of RGDP (R-value = 0.917

and p -value = 0.000 > 0.05 level of significance). The coefficient of determination (R^2) = 0.840 indicates that the changes in the predictor variables (NOR) account for 84.0% of the variation in criterion variable (RGDP), leaving other variables not included in the model to account for the remaining 10.6%.

Decision Rule: Accept H_0 if $P > 0.05$. Otherwise reject Decision: The researcher rejected the null hypothesis one and concluded that there is a significant relationship between non-oil tax revenue and economic development (RGDP) in Nigeria.

Table 4.3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.275 ^a	.076	.035	1.30217

a. Predictors: (Constant), NOR

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.189	1	3.189	1.880	.184 ^b
	Residual	39.000	23	1.696		
	Total	42.189	24			

a. Dependent Variable: HDI

b. Predictors: (Constant), NOR

According to the data in table 4.3 above, it can be seen that there is a positive and weak correlation between NOR and Nigeria's economic development in terms of HDI (R -value = 0.275 and p -value = 0.184 < 0.05 level of significance). The coefficient of determination (R^2) = 0.076 indicates that the changes in the predictor variables (NOR) account for 7.6% of the variation in criterion variable (HDI), leaving other variables not included in the model to account for the remaining 93.4%.

Decision Rule: Accept H_0 if $P > 0.05$. Otherwise reject Decision: The researcher accepted the null hypothesis two and concluded that there is an insignificant relationship between non-oil tax revenue and economic development (HDI) in Nigeria.

Discussion of findings

The data in table 4.2 showed that there is a significant and positive correlation between NOR and Nigeria's economic development in terms of RGDP (R -value = 0.917 and p -value = 0.000 > 0.05 level of significance). The coefficient of determination (R^2) = 0.840 indicates that the changes in the predictor variables (NOR) account for 84.0% of the variation in criterion variable (RGDP), leaving other variables not included in the model to account for the remaining 10.6%. The researcher rejected the null hypothesis one and concluded that there is a significant relationship between non-oil tax revenue and economic development (RGDP) in Nigeria. This result is in tandem with Ndu and Uguru (2022), who investigated the impact of non-oil tax revenue on economic growth in Nigeria for the period of 20 years (2001 to 2021). Their result showed that VAT, CIT, and CED have both positive and statistically significant impacts on economic growth in Nigeria. Their result implies that all the variables (VAT, CIT, and CED) adopted as proxies for non-oil tax revenue in this study have jointly contributed to promoting the growth of the Nigerian economy for the period under review. Omes, et al (2020), evaluated the relationship between non-oil revenue and economic development of Nigeria. Their result of the study our finding reveals a positive relationship between non-oil revenue and gross domestic product. Salami, et al (2018), studied impact of non-oil revenue on the economic growth of Nigeria. Findings from their study revealed that non-oil revenue exerted a positive and significant impact on economic growth in Nigeria. Their study therefore concluded that non-oil revenue exerted a significant impact on the economic growth of Nigeria. Likita, et al (2018),

carried out an investigation on impact of non-oil revenue on economic growth in Nigeria. Findings from the study showed that agricultural revenue, manufacturing revenue and services revenue exerted positive and significant impact on economic growth.

The data in table 4.3 showed that there is a positive and insignificant correlation between NOR and Nigeria's economic development in terms of HDI (R-value = 0.275 and p-value = 0.184 < 0.05 level of significance). The coefficient of determination (R²) = 0.076 indicates that the changes in the predictor variables (NOR) account for 7.6% of the variation in criterion variable (HDI), leaving other variables not included in the model to account for the remaining 93.4%.

The researcher accepted the null hypothesis two and concluded that there is an insignificant relationship between non-oil tax revenue and economic development (HDI) in Nigeria. This result agreed with Edeme, et al (2018), who studied the role of solid mineral development in attaining sustainable growth in Nigeria. It further revealed that solid mineral is greatly significant but negatively associated with foreign exchange due largely to illegal movement of mineral commodities across the shores of the country. It recommended that much attention should be focused on the development of the solid minerals to help the economy from the vagaries of the present economic woes. However, our result did not agree with Adeusi et al (2020), who examined the effect of non-oil revenue on economic growth in Nigeria. The study findings revealed that indirect taxes (Custom & Excise Duties and Value Added Tax) have more significant positive effect on the Nigerian economic growth than direct taxes (Companies Income Tax and Personal Income Tax). Ideh et al (2021), examined the impact of expansion in non-oil sector on sustainable economic growth of Nigeria economy. The analysis revealed that the estimated model is stable while the VAR and variance decomposition results shows that real gross domestic product is strongly endogenous in the short run but weakly endogenous in the long run.

CONCLUSIONS AND RECOMMENDATIONS

The study investigated the effect of non-oil revenue on the economic development of Nigeria, using historical research method. Data were collected principally from secondary sources via CBN statistical bulletin. This study is restricted to Non-oil revenue and economic development of Nigeria for 33 years period (1989 -2021). The study found that there is a positive correlation between NOR and Nigeria's economic development in terms of RGDP; there is a positive and weak correlation between NOR and Nigeria's economic development in terms of HDI. Hence, the researcher rejected the null hypothesis one and concluded that there is a significant relationship between non-oil tax revenue and economic development (RGDP) in Nigeria; the researcher also accepted the null hypothesis two and concluded that there is an insignificant relationship between non-oil tax revenue and economic development (HDI) in Nigeria. Consequently, the researcher suggested that;

1. Revenue collected from non-oil source should be used to enhance human capital development in the country.
2. Nigerian Government should invest more on non-oil sectors of the economy to create job opportunities and boost the economy at large.
3. Nigeria should encourage investors to developed and expand the scope of non-oil sources of revenue in the country.

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Appendix

S/NO	YEAR	NDR (Nb)	REAL GDP (Nb)	HDI
1.	1989	29.1	17294.68	5.514
2.	1990	42.9	19305.63	2.205
3.	1991	86.4	19199.06	0.448
4.	1992	127.8	19620.19	-0.223
5.	1993	129.5	19927.99	-2.249
6.	1994	125.8	19979.12	0.113
7.	1995	622.4	20353.20	1.889
8.	1996	423.8	21177.92	0.339
9.	1997	708.0	21789.10	-0.465
10.	1998	695.6	22332.87	-1.244
11.	1999	670.3	22449.41	0.456
12.	2000	789.0	23688.78	0.439
13.	2001	1149.1	25267.54	0.455
14.	2002	1245.7	28957.71	0.466
15.	2003	1776.1	31709.45	0.450
16.	2004	1782.2	35020.55	0.462
17.	2005	2109.5	37474.95	0.469
18.	2006	2531.4	39995.50	0.477
19.	2007	3343.0	42922.41	0.480
20.	2008	4803.5	46012.52	0.484
21.	2009	4912.8	49856.10	0.484
22.	2010	7117.8	54612.26	0.482
23.	2011	8865.8	57511.04	0.492
24.	2012	7581.6	59929.89	0.499
25.	2013	8140.2	63218.72	0.506
26.	2014	9277.3	67152.79	0.512
27.	2015	10011.5	69023.93	0.516
28.	2016	7752.7	67931.24	0.521
29.	2017	9760.0	68882.27	0.526
30.	2018	11973.0	70122.15	0.531
31.	2019	4,725.7	71387.83	0.538
32.	2020	4,543.6	70014.37	0.535
33.	2021	6,397.1	72393.67	0.535

