

An Assessment of the Effect of Federal Government Revenue on Economic Growth in Nigeria: a Disaggregated Approach (1981 – 2018)

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Abstract

Nigeria is so endowed with abundant natural (oil and non-oil) and all kind of resources. Most of government's revenue comes from crude oil since its discovery in 1956 and its subsequent internationalization in 1973/74. This paper empirically examined the effect of federal government revenue on economic growth in Nigeria, disaggregating the revenue into oil and non-oil, covering 1981 – 2018 time series data. The OLS multiple regression estimation technique was adopted to obtain the coefficients. The Augmented Dickey Fuller test (ADF) and Johansen Cointegration test were also conducted. From the findings of the result, all variables, apart from inflation, met the apriori expectations. Both oil and non-oil revenue have positive relationship with economic growth, but non-oil Revenue (NOREV) has significant positive effect on economic growth. The model has a good fit with $R^2 = 0.914434$. We therefore recommended, among others, that more efforts should be put into economic diversification on the part of government, away from oil to non-oil, and also to curb corruption and misappropriation of public funds so that the benefits of the revenue so generated can trickle down to the masses and culminate in economic growth and development of Nigeria.

Keywords: *Oil Revenue, Non-oil Revenue, Economic Growth, Nigerian Economy*

Introduction

It is the goal and intention of every nation to explore and harness every available resources at its disposal towards the attainment of economic growth and development. It is in the light of this that most countries of the world are open to trade, as against autarky, so that they can be able to derive valuable quantum of revenue to embark on the provision of basic infrastructure and other needed developmental projects via the exportation of goods and services to other countries of the world.

Overtime and prior to the discovery of crude oil, cocoa, cotton, rubber, palm products, groundnut, etc were the leading exporting commodities. Agriculture was

the backbone of the Nigerian economy, such that the sector did not only provide the government with the much-needed revenue, it equally served as the nation's main foreign exchange earner. The colonial government and the central governments immediately after independence pursued export-led growth theory. This is in line with Ricardo (1817) postulation that, countries' engagement in foreign trade would enhance inflow of much needed foreign capital for economic growth and development.

It is a fact that the pace at which a country's economy grows largely depends on the availability of resources and the mobilization of same. In a nutshell, it is the amount of revenue an economy garners

from its constituent sectors that spurs its growth and developmental strides. Prior to Nigeria's independence, through the 1960s and the 1970s, the economy depended largely on non-oil sector, basically agriculture for revenue generation. In like manner, much-needed foreign exchange was sourced from the export of agricultural products, the proceeds therefrom driving our growth and developmental drive (Likita, Idisi & Mavenke, 2018). For instance, before the oil era, about 74 percent of government total revenue of Nigeria was earned from non-oil export, with oil export earnings accounting for a paltry 26%.

But the emergence of crude oil into the Nigerian economic history in 1956 and the subsequent oil boom revolution of the early cum mid 1970s changed the revenue equation of the government. While non-oil revenue started experiencing tremendous decline from the late 1970s and into the 1980s and thereafter, oil export revenue on the other hand started taking a north-ward drive, even in terms of foreign exchange earnings and in other key indexes. A cursory look at the summary of federal government finances indicate that in 1981, oil export revenue amounted to N8.56b, out of the total revenue of N13.29b, while non-oil accounted for the balance of N4.73b. In percentage terms, oil revenue made up 64% of all government revenue for that year. By 1990, the volume and percentage share of oil revenue to total revenue went up astronomically to N71.89b (73%) as against N26.22b for non-oil export contributions to total revenue. The value and share of oil export earnings went far higher in 2000 to N1.59 trn, that is about 84% of the total revenue of N1.91 trn. Non-oil revenue accounted

for N314b, making up the balance. In relative terms, the share of oil in total revenue declined a little from 2010 to 74% and fell more sharply in 2018 to 58% as its value was N5.40 trn and N5.51 trn respectively. On the other hand, non-oil revenue amounted to N1.91 trn and N4.01 trn for those respective years (CBN, 2018).

Statement of Problem

It is a well known fact that it is the amount of revenue or money an economy generates from its component sectors that determines its growth and developmental strides. In essence, the speed or rate of growth of any economy greatly depends on the level of resource mobilization. The aim is to harness such available resources towards achieving economic growth cum development. As far as Nigeria is concerned government revenue is usually made up of two components: Oil revenue and non-oil revenue. Their respective contribution to and composition vis-à-vis total government receipts has varied over time.

Prior to the discovery of crude oil at Oloibiri, Bayelsa State in 1956, agriculture was the mainstay of the Nigerian economy, such that Nigeria was a leading producer and exporter of agricultural commodities like rubber, cotton, cocoa, groundnut, palm products, just to mention but a few. But the narrative changed since the internationalization of Nigeria's crude oil, especially from 1973/74, such that petroleum has taken the driver's seat in virtually all major economic indicators.

It is one thing for a country to rake in much revenue, but it is quite another ball game entirely for such generated revenue to translate to and in fact transform the country in the realm or path of growth and development. Nigeria, no doubt, has been

fortunate to witness many eras of oil boom that raked in much revenue inflow. This is in addition to other sundry revenue sources. These massive revenues generated over the years, have they resulted in economic growth in Nigeria? If yes, is such growth commensurate with the level of revenue at the disposal of the government?

Objectives of the Study

Generally, the study has the objective of assessing the effect of government revenue on economic growth in Nigeria, covering 1981 to 2018. But specifically, the study has the following objectives:

- i. to examine the relationship between oil revenue and economic growth in Nigeria.
- ii. to examine the relationship between non-oil revenue and economic growth in Nigeria.
- iii. to investigate the nexus between inflation rate and economic growth in Nigeria
- iv. to recommend potent policy measures, based on the results obtained, on how to effectively and efficiently spend Nigeria's resources in stimulating economic growth and development.

Hypotheses of the Study

The following hypotheses will be adopted for the study.

- H₀₁: There is no significant relationship between oil revenue and economic growth in Nigeria.
- H₀₂: There is no significant relationship between non-oil revenue and economic growth in Nigeria.
- H₀₃: There is no significant relationship between inflation rate and economic growth in Nigeria.

Literature Review

Government Revenue

Generally, revenue can be termed as the money that is received by an individual or an entity over a period of time. When we relate it to the government, we can safely express government revenue as income or money that the government receives regularly, and over a specified time period. In other words, it is the total amount of income or money that government has received or taken over a defined period, such as a month, quarter or a year.

It should be noted that the government has much role to play in modern societies. The core functions range from that of provision of essential services (public goods) to that of regulatory framework. Also, government revenue comes from two main sources: taxes and non-tax components. Consequently, government revenue can be defined as incomes received by the government from taxes and non-taxes components to enable her undertake public expenditure. On this regard, it implies receipts or streams of income that accrue to the government as means of participating in the distribution of the social products, and to ensure that the government functions properly. Basically, governments collect revenues for two (2) purposes: to finance and execute the production (or rendering) of goods and services they obligatorily provide to the citizens and businesses and to fulfill and meet up with their redistribution role.

Government revenue is broadly divided into two: oil revenue and non-oil revenue.

Oil Revenue

This is a component of government revenue relating to, containing or monies from crude oil and gas and associated derivatives. Oil revenue is largely made up

of licenses, petroleum profit tax, royalties on oil and gas, company income tax i.e. taxes paid on profit arising from oil and gas operations of various prospecting, exploiting, refining and marketing companies, both in the upstream and downstream sectors of the oil and gas industry. Crude oil contributes significantly to government revenue since the discovery of crude oil at Oloibiri, Bayelsa State in 1956 and its subsequent internationalization in 1973/74. It has contributed about 90 percent of government receipts at some point in time, Nigeria's oil and gas sector represents about 65 percent of government revenue currently.

Non-Oil Revenue

Non-oil revenue segment of public finance is made up of all types of revenue not accounted for or covered by oil resources. Basically, customs and excise duties, Company Income Tax (CIT), the Value Added Tax (VAT), and of late the stamp duties are the major or most important sources of government non-oil revenue. It should be noted that before crude oil was discovered in Nigeria, cash crops and their derivatives like palm oil, palm kernel, rubber, cocoa, groundnut, cotton, timber, etc were major export commodities that formed the bulk of foreign exchange for both pre-colonial, colonial and post-colonial finances. It was the backbone of the economy, as it provided well over 80% of government revenue and the much-needed foreign exchange arising from the export of cash crops. The different regions specialized in diverse exportable commodities: The North had groundnut and cocoa; the west produce cocoa, while the east and south specialized in palm products.

Viewed from exports perspective, Elechi, Kasie and Chijindu (2016) in Likita, Idisi and Mavenke (2018) classified non-oil exports as products that are produced in a country's agricultural, mining, quarrying and the industrial sectors, excluding oil products, which are sent/sold to other countries mainly to generate revenue so as to spur economic growth.

Economic Growth

Different definitions have been offered as to what economic growth stands for, but all point to one direction. Growth itself implies an increase in an economic variable, usually persisting or spanning over successive periods (Black, 2002).

Economic growth can be thus explained as a rise in the amount of goods and services produced per head of the entire population, over a time period. According to the Wikipedia, the rate of economic growth relates to the geometric periodic rate of increase in the Gross Domestic Product (GDP) between the first and the last year, over a period of time. Economic growth can also be referred to as the rise or upward movement in the inflation – adjusted market value of goods and services produced by a country or an economy over a period of time. For economic growth to be said to have occurred, there has to be an increase in output i.e. the production of economic goods and services, if we compare one period of time to another. It is when new goods and services are produced and developed that economic growth is generated.

Relatedly, the Gross Domestic Product (GDP) is defined as the monetary or market value of all the final goods and services produced in an economy in a specific period of time. The IMF (2016)

states that the GDP measures the market value of final goods and services that are purchased by the Final user in a country over time, either quarterly or yearly. It is also an aggregate measure of total production, equal to the sum of the gross values added of all residents and institutional units engaged in production and services – including or plus any taxes and minus any subsidies on goods not included in the value of their outputs (OECD, 2014).

Economic growth is caused by two major factors. These are increase or rise in aggregate demand (AD) and increase in aggregate supply (AS) or productive capacity. Furthermore, the determinants of economic growth include accumulation of capital stock, technological advancement and increases in labour inputs such as workers or hours worked, etc.

Theoretical Framework

The attainment of economic growth and development forms, and is indeed the driving force of any government policy and programmes. Every country strives after development, so to say. Economic literature is dominated by competing and different strands of thoughts as to how the process of economic growth cum development evolve in a nation. Some of these thought theories that are key to the pattern of economic growth are highlighted below, as examined by Todaro and Smith (2004).

Rostow's Stages of Growth Theory

The American economic historian, Walt W. Rostow's work – *The Stages of Economic Growth*, is perhaps one of the earliest works resulting from the competition for the allegiance of newly independent countries due to the Cold-war scheming of the 1950s and 1960s.

According to Rostow, the movement from underdevelopment to development can be explained in terms of a series of stages or steps through which all nations must proceed. He identified five (5) of such stages which advanced countries to him, had all passed in the process of attaining self-sustaining growth. These include:

- Traditional society
- Pre-condition for take-off into self-sustaining growth.
- Take-off stage
- Drive to maturity
- The age of high mass consumption stage

It should be noted that these stages constitute both economic growth theory and also about the modern history in general. Under the Rostow's treaty, the mobilization of savings, both domestic and foreign, is very vital and strategic for economic growth take-off. This is to enable sufficient investment to be generated so as to accelerate economic growth.

Harrod-Domar Growth Model

Sir Roy Harrod and Evesey Domar separately, but concurrently developed this model in the early 1950s. The major premise of the Harrod-Domar Model is that in order for a nation to grow, new investment, which is in the form of net addition to the capital stock are necessary. This presupposes that every economy has to save a certain percentage or portion of its national income.

This is mainly to make room for depreciation i.e. replacement of worn out capital and also grow new investments. For instance, assuming there is a direct technical relationship between the size or amount of total capital stock, say K , and

total Gross National Production (GNP), Y, and N3 of capital is always necessary to produce a N1 stream of GNP, it implies that net additions or increment to the capital stock by way of new investment will result in a commensurate increases in the flow of GNP, growth.

If we assume further that the capital output ratio, K is roughly 3 to 1 and the national savings ratio, S, is a fixed proportion of national output (i.e. 6%), we can build a simple model of economic growth as follows:

$$S = sY \text{ - - - - - (1)}$$

Net Investment (I), which is the change in the existing capital stock, K, can be symbolized as ΔK , such that,

$$I = \Delta K \text{ - - - - - (2)}$$

Since there is a direct relationship with the capital stock, K, and total national output, Y:

$$\frac{K}{Y} = \kappa \text{ or } \frac{\Delta K}{\Delta Y} = \kappa \text{ or } \Delta K = \kappa \Delta Y \text{ - - - - - (3)}$$

Since net additional savings, S, must be equal to net investment, I, this equality can be expressed as:

$$S = I \text{ - - - - - (4)}$$

From equation 1, 2 & 3, we know that:

$$I = \Delta K = \kappa \Delta Y$$

We can re-write equation 4 as:

$$S = sY = \kappa \Delta Y = \Delta K = I \text{ - - - - - (5)}$$

Equation 5 can simply be re-written as:

$$sY = \kappa \Delta Y \text{ - - - - - (6)}$$

If we divide both sides of equation 6 by Y and then by K, we get:

$$\frac{\Delta Y}{Y} = \frac{s}{\kappa} \text{ - - - - - (7), where } \frac{s}{\kappa} \text{ represents the rate of change or growth of GNP.}$$

Equation 7 is the Harrod-Domar Growth Model, which states that in the absence of government intervention, the growth rate of an economy will be positively related to the savings ratio i.e. the more an economy is able to save and invest for any given

GNP, the greater the growth rate, and it is negatively related to the economy's capital-output ratio. The more an economy can save and invest, the faster the growth rate.

The Solow Neoclassical Growth Model

One of the models that has remain a basic reference point as far as economic growth literature is concerned is the growth model developed by Robert Solow of the Massachusetts institute of Technology;" A contribution to the theory of economic growth in 1956. Solow growth Model provides a framework for the study of convergence across nations. He opines that given that countries have the same rates of savings, labour force growth, productivity growth and depreciation, economies will conditionally converge to the same level of income. The major point of departure of the Solow Model from that of Harrod-Domar is that the former allows for substitution between Capital and labour, assuming that there are diminishing returns to the use of these inputs in the process.

Assuming Constant returns to scale, the aggregate Production Function $Y=F(k, L)$ -- (1). If we applied to the Cobb-Douglas production function, at any given time (t), we have:

$$Y_{(t)} = K_{(t)}^\alpha A_{(t)} L_{(t)}^{1-\alpha} \text{ - - - - - (2)}$$

Where Y = GDP and K = the stock of capital,

L = Labour and $A_{(t)}$ = productivity of labour.

Subject to constant returns to scale, we can generalize that:

$$Y = F(K, L) \text{ - - - - - (3)}$$

Where r is some positive equality or amount such that:

$$Y/L = f(K/L, I) \text{ or } Y = f(k) \text{ - - - - - (4)}$$

In the final analysis,

$$\Delta K = sf(k) - (\delta+n)k \text{ - - - - - (5)}$$

The Solow equation (Equation 5) implies that the growth of the capital labour ratio (k) depends on savings $s_f(k)$. This is after making provision for the amount of capital required to service depreciation (δk), and after capital widening also i.e. amount of capital per worker to net new worker joining the labour force (nk).

An increase in the rate of output growth is achieved as we raise K by increasing the rate of savings in the economy.

Empirical Review

Different studies have been conducted on the relationship and effect of government revenue on economic growth and on the general performance of the economy with varying results. For instance, Gelb (1988) in his assessment discovered that's the discovery of oil and the consequent spikes in oil prices generally led to increase in government revenue and spending, but also with a loss in non-oil sector relative competitiveness. In like manner, Moradi (2007), using Iran from 1968 – 2005 as example, examined the effect of oil resource revenue cum abundance of economic growth and income distribution. He observed a positive and significant effect of oil abundance on the cross domestic product, but concluded that oil is not a blessing to Iran due to the fact that value of the estimated regression coefficient was too small.

Relating to Nigeria, Odularu (2007) and Ogbonna (2012) examined the relationship between the crude oil sector and the Nigeria economic performance and the effect of petroleum income on the Nigerian economy respectively. The former, using 1970 to 2005 as his scope and applying the OLS estimation method found that there was an improvement in the Nigerian economy due to crude oil consumption and

exportation. He latter also using the OLS with a period spanning from 2000-2009, opined that oil revenue has a positive significant effect on the GDP and per capita income, but that inflation was positively impacted also. Omo and Bashir (2015) also conducted an empirical investigation on oil revenue, Government spending vis-vis economic growth for the period of 1980 – 2012. They employed the OLS, cointegration test, granger causality test and vector error correction model, using time series data. Their findings mainly showed that oil revenue granger caused both total government expenditure and economic growth. On the other hand, there was no causality between government spending and economic growth in Nigeria. They therefor advocated for increased government spending on capital project in addition to growing the output of the oil sector so as to raise economic growth in the country.

Further still, Aderoju (2017) carried out an empirical analysis of oil revenue, non-oil revenue and economic development in Nigeria, using data from 1980 – 2015. Using the OLS estimation technique, Augmented Dickey Fuller test, Phillip-Perron test and the Johansen cointegration test, he found a significant positive relationship oil revenue and economic development in Nigeria. The same result applies to be non-oil sector. He recommended therefore, that government at all levels should invest more in both the oil and non-oil sub-sectors so as to enhance revenue generated nationally in attempts to increase economic development.

Methodology

This study adopts an econometric research method to estimate the effect of

government revenue on economic growth in Nigeria. Time series data are used for this work. The secondary data are collected from the statistical Bulletin of the Central Bank of Nigeria, covering the time span of 1981 and 2018 (37 years). The ordinary least squares (OLS) method of estimation will be used to estimate the co-efficient of the independent variables and examine the nature of their relationship with the dependent variable. Multiple regression will be drawn based on the regression analysis.

Model Specification

The functional form (economic form) of the model is specified as follows:

$$RGDP = F(OREV, NOREV, INFR) \dots \dots \dots (1)$$

Where

RGDP = Real Gross Domestic Product

OREV = Oil Revenue

NOREV = Non-oil Revenue

INFR = Inflation Rate

Specifically, the econometric form of the model will take the following form:

$$RGDP = a_0 + a_1 OREV + a_2 NOREV + a_3 INFR + e \dots \dots \dots (2)$$

a_0 = the autonomous or intercept variable of the model

a_1, a_2 and a_3 = co-efficient or elasticity of the parameters of the respective variables.

The regression analysis comprised of the OLS, Autocorrelation Test, using Durbin-Watson Statistics. Similarly, the Augmented Dickey Fuller (ADF) unit root test and Johansen Cointegration test were deployed to examine the exact relationship among the variables.

The apriori Test Expectation

An a priori argument is based on economic theory which seeks to determine if the expected is equal to the observed results, that is, whether the actual observations are in line with the economic expectations. Consequently, in this study we expected that from the OLS linear equation, the following conditions are derivable:

$$a_0 > 0, a_1 > 0, a_2 > 0, a_3 < 0.$$

Data Analysis

Table 1: ADF: Augmented Dickey Fuller Test

VARIABLES	LEVELS	1 ST DIFFERENCE	2ND DIFFERENCE	ORDER OF INTEGRATION	DECISION
RGDP	-1.556783	-5.535415*	-9.383631**	I(1)	Stationary
OREV	-2.664701	-6.081895*	-0.294609	I(1)	Stationary
NOREV	-0.353064	-6.089607*	-5.437209**	I(1)	Stationary
INFR	-3.962500*	-5.515817*	-5.124633**	I(0)	Stationary
CRITICAL VALUE					
1%	-4.243644	-4.262735	-4.273277		
5%	-3.544284	-3.552973	-3.557759		
10%	-3.204699	-3.209642	-3.212361		

From the ADF test table above all the variables except INFR became stationary after the first difference. The major reason

for this exercise is to avoid spurious regression result that is associated with time series data.

Table 2: Johansen Co-integration Test

Date: 08/24/20 Time: 08:11
 Sample (adjusted): 1986 2018
 Included observations: 33 after adjustments
 Trend assumption: Linear deterministic trend
 Series: RGDP OREV NOREV INFR
 Lags interval (in first differences): 1 to 1

Unrestricted Cointegration Rank Test (Trace)

Hypothesized	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.435857	50.69727	47.85613	0.0264
At most 1 *	0.409385	31.80650	29.79707	0.0290
At most 2	0.349897	14.42902	15.49471	0.0719
At most 3	0.006597	0.218438	3.841466	0.6402

Trace test indicates 2 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

From the Trace-statistic we reject the null hypothesis of no cointegration among the variables since the P-value (0.0264) is less

than 0.05 and conclude that variables in this study have long run relationship.

Table 3: Regression Result

Dependent Variable: RGDP

Method: Least Squares

Date: 08/23/20 Time: 16:26

Sample: 1981 2018

Included observations: 37

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.15E+10	2.02E+10	-1.066922	0.2938
OREV	4840978.	6093450.	0.794456	0.4326
NOREV	1.42E+08	13186616	10.78492	0.0000
INFR	1.16E+08	6.08E+08	0.191074	0.8496
R-squared	0.914434	Mean dependent var	1.30E+11	
Adjusted R-squared	0.906656	S.D. dependent var	1.94E+11	
S.E. of regression	5.91E+10	Akaike info criterion	52.54590	
Sum squared resid	1.15E+23	Schwarz criterion	52.72006	
Log likelihood	-968.0992	Hannan-Quinn criter.	52.60730	
F-statistic	117.5564	Durbin-Watson stat	0.702545	
Prob(F-statistic)	0.000000			

From the above result the model of the study becomes :

$$\text{RGDP} = -2.15\text{E}+10 + 4840978\text{OREV} + 1.42\text{E}+08\text{NOREV} + 1.16\text{E}+08\text{INFR} + e$$

The co-efficient of all the variables met the specified apriori expectation except that of inflation (INFR) which is positive- this may due to the percentage unit used. Again all the variables showed positive relationship with the dependent variable, but only NOREV displayed significant impact on dependent variable. The regression result revealed very high degree of coefficient of determination $R^2 = 0.914434$ and adjusted $R^2 = 91\%$. This measures the reliability of the model of this study. This is further enhanced by the F-stat that is significant at $p < 0.05$. The Durbin-Watson stat of 0.702545 shows

that there is the presence of positive serial correlation since it is less than the benchmark of 2.

Discussion of Findings

From Table 1, there is a positive relationship between federal government revenue and economic growth in Nigeria. Disaggregatedly x-rayed, both the oil revenue (OREV) and the non-oil revenue (NOREV) components showed positive relationship vis-à-vis economic growth. But it should be noted that the non-oil revenue (NOREV) had more significant positive effect on economic growth (the dependent variable). This result is in agreement with Aderoju (2017) and most of the earlier studies. However, inflation rate (INFR) is positively related to economic growth. This contradicts most earlier studies, even that of Aderoju

(2017). A rise in inflation implies a rise also in economic growth, the study reveals. The coefficient of determination (R^2) indicates that over 91 per cent changes in economic growth are explained by government revenue (oil revenue, non-oil revenue and inflation combined). This shows that the model has a good fit. This is further enhanced by the F-statistics that is significant at $P < 0.05$). The Durbin-Watson value of 0.702545 indicates the presence of positive serial correlation.

From Table 2, the stationary (unit root) test indicates that the set of variables are 1(1) variables i.e. integrated of order 1, except for inflation rate (INFR) that is 1(0) integrated order 0. Oil revenue and non-oil revenue are stationary at their various first differences, except inflation. The model is largely free from auto-correlation challenge. From the foregoing, federal revenue has a significant possible relationship with economic growth. Moreover, the non-oil revenue has more significant positive effect on economic growth. Thus, we reject the null hypothesis which states that there is no significant positive relationship between federal government revenue and economic growth in Nigeria. This implies that there is a positive relationship between federal government revenue and economic growth in Nigeria, especially the non-oil revenue component.

Conclusion and Recommendations

This work examined the relationship between federal government revenue and economic growth in Nigeria, disaggregating the revenue into oil and non-oil components. The study covered a period of 37 years, from 1981 – 2018, applying multiple regression econometric

analysis. The results of the study showed that federal government revenue generally impacts positively on economic growth in Nigeria. Viewed from the disaggregated point, non-oil revenue has more positive significant relationship with economic growth than the oil revenue component. This indicates that relying more on oil revenue for the economic rejuvenation of Nigeria is unwise and may, in fact be counterproductive.

Based on the research findings, the following recommendations are made:

- Government should step up more efforts in its non-oil revenue generation drive so as to spur more economic growth.
- Such revenue so generated should be ploughed into key sectors of the economy to generate further economic growth and development.
- The government should step up efforts at diversifying the economy away from crude oil to that of non-oil. Solid minerals, agriculture, service, telecom and other evolving sectors should be developed more as a matter of urgency.
- Corruption and misappropriation of funds should be curbed so that government revenue can make better impact in the lives of the masses and so as to ensure sustainable economic growth and development of Nigeria.

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