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Government Access to Finance and Economic Growth: A Case of Selected States in Southeast, Nigeria

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ABSTRACT

The study empirically explored the effect of Government access to finance on economic growth in Nigeria. Specifically, the study focused on determining the influence of access to finance from statutory allocation, internal sources and Value-added Tax (VAT) on GDP in Southeast, Nigeria. The period covered the five South-East states in Nigeria: Abia, Anambra, Ebonyi, Enugu and Imo state for the period of 19 years (2000-2018). Research design adopted was ex-post facto design while the panel data used in the study was extracted from the annual financial statement of each of the selected states in Southeast, Nigeria through the office of the Accountant-Generals of the respective states. This formed the independent variables while the data for the dependent variable was collected from the office of National Bureau of Statistics for the same period (2000-2018). The panel secondary data were analyzed using descriptive statistics, Pearson's correlation, and panel multiple regression at 5% level of significance. Outcome of the study revealed that access to finance from statutory allocation, internal sources, and value-added tax have significant and positive influence on economic growth of southeast, Nigeria at 5% level of significance. The study concludes that all the independent variables jointly explain approximately 69% of the total variations in GDP while other variables not captured in the model account for the rest. Also, the p-value of the F-statistics < 0.001 shows that the model is a good one. The study therefore, recommended that Government of Southeast States should take special note of revenue generated from statutory allocation, internal sources, value-added tax, and loans as these have significant influences on economic growth.

Keywords: *Government Access to Finance, Economic Growth, Taxation, Panel Regression*

1. Introduction

Revenue generation is the nucleus and pathway to modern development. Nigeria as a country is blessed with an array of natural resources including natural gas and coal, vast mineral resources like gold, tin, among others. In Nigeria, there are six geopolitical zones: North East, North Central, North-South, North West, Southeast, and South West. The southeast zone comprises five states which are: Abia, Anambra, Ebonyi, Enugu, and Imo state. Southeast is blessed with revenue potentials for economic growth. These economic growth potentials are manifested in the existence of industrial clusters, state-owned public enterprises, and mineral resources which constitute considerable sources of revenue in the states of the zone (Nwogbaga, 2011). The southeast states submit that the economic development and sustainability of any state are largely dependent on the ability of that state to generate revenue internally to supplement the revenue allocation from the federation account (Asimiyu and Kizito, 2014). Also, that this revenue generated should interact positively with the development in that state. From literature, it shows that a geopolitical zone that makes effective use of its resources is most likely to enjoy a reasonable degree of efficiency in its economic growth.

Essentially, the industrial cluster which abounds in the southeast geopolitical zone includes but is not limited to the furniture cluster in Enugu, the spare parts cluster in Nnewi, Umuahia/Aba Garment cluster, Aba leather cluster, Onitsha plastic cluster, Nnewi automotive cluster. A survey of industrial establishments in 1995 credited the southeast geopolitical zone with 18 percent of all establishments, ranking second after the South West (45 percent) (Agbo, 2009). Most of the other geopolitical zones in Nigeria used the instrumentality of natural resources and provision of infrastructure to alleviate poverty as well as to develop their Gross Domestic Product (GDP) (Babajide, 2011). Thus, the provision of basic infrastructure is considered to become the major driving tool and contributor of economic growth in most of the countries' economies (Akingunola, 2011). Therefore, the impact of infrastructure on the growth and development of any economy cannot be over-emphasized (Ibrahim and Mohd-Noor, 2014).

Following the recent decline in receipt from oil which has continued to torture the Nigerian government at all levels (Uzonwanne, 2015; Ofoegbu, Akwu, and Oliver, 2016), the former Minister of Finance Dr. Ngozi Okonjo-Iweala and other concerned citizens, thereby call upon government at all levels to look for other means of generating revenue for the sustainable economic development of Nigeria. In the same way, it was ascertained that the revenue capacity of southeast states is very poor (Nwogbaga, 2011); hence, they are advised to improve and diversify their revenue sources to boost the economic growth of the zone.

More so, it is argued that the dilapidated nature of infrastructural facilities, unavailability of social services, and general low level of development in the southeast geopolitical zone are related to revenue generation of the southeast states. Against this backdrop, it becomes imperative to investigate the effect of government access to finance on the economic growth of selected states in Southeast, Nigeria.

Statement of the Problem

There has been a serious debate among scholars: Omodero, Ekwe, and Ihendinihu (2018); Akpo (2009) among others on the effect of access to finance on economic growth in both developed and developing countries. However, the effect of access to finance on economic growth is not without discordant results in the empirical literature. The dominant view among scholars as well as public policymakers is that the government can play important role in enhancing the rate of economic growth through revenue generation as an important instrument because it enables the government to intervene in achieving the full provision of employment, health facilities, the establishment of SMEs and other infrastructural needs that will enhance economic growth.

Mbah and Onuora (2018) posit that the declining rate of economic growth in Nigeria especially in the Southeast is a national blight that has assumed grave dimensions. Nwogbaga (2011) observes that this argument corroborates the postulation that the unutilized large quantum of natural resources in the southeast zone due to insufficient revenue generation has the possibility of impending the zone's economic growth prospect. In essence, the persistent declining level of economic growth in the zone is an indication that the economy is throwing away output by failing to maximize its revenue potentials. This has been against the backdrop of the fact that when revenue generation is not maximized, actual economic growth would be less than potential economic growth.

However, these economic opportunities are not adequately explored by the different states as a result of their access to finance especially from very little IGR or nothing compared to their potentials. This is in corroboration with the Central Bank of Nigeria report which shows that the level of other revenue generation especially IGR has not been encouraging as it ranges between 1% and 14% at various periods. The inability of the government to impact positively on the rate of economic growth in the zone through access to finance (statutory allocation, internally generated revenue, and share from value-added tax) without doubt, calls for critical investigation, hence, the need for this study.

Objectives of the Study

The study seeks to mainly achieve the extent to which economic growth is being influenced by government access to finance in Southeast, Nigeria. Specifically, the study seeks:

I. To determine the influence of access to finance from statutory allocation on GDP in Southeast, Nigeria.

II. To ascertain the effect of access to finance from internally generated revenue on GDP in Southeast, Nigeria.

III. To examine the effect of access to finance from Value-added Tax (VAT) on GDP in Southeast, Nigeria.

Research Questions

The study was guided by the under-listed formulated research questions:

I. How does access to finance from statutory allocation have any significant effect on GDP in Southeast, Nigeria?

II. What is the effect of access to finance from internally generated revenue on GDP in Southeast, Nigeria?

III. What is the effect of access to finance from Value-added Tax (VAT) on GDP in Southeast, Nigeria?

Research Hypotheses

The following null hypotheses have been developed to achieve the research objectives:

Ho_1: Access to finance from statutory allocation does not have a significant effect on GDP in Southeast, Nigeria.

Ho_2: Access to finance from internally generated revenue does not have a significant effect on GDP in Southeast, Nigeria.

Ho_3: Access to finance from Value-added Tax (VAT) does not have a significant effect on GDP in Southeast, Nigeria.

Significance of the Study

The study contributes in different ways. Generally, the study would be of immense benefit to the Southeast government, researchers, and policymakers. Specifically, discoveries of this research work would provide a useful guide to the Government of the southeast states in Nigeria, in their strategic efforts to enhance economic growth in the geopolitical zone.

It would also be useful to future researchers, scholars, and Accountancy students in their quest for knowledge on the sources of finance available to state governments and the extent to which it affects economic growth. However, to Policy Makers, the outcome of this study would help in formulating a policy that at least 75% of revenue generation should be channeled to economic growth-enhanced projects. In other words, Policy Makers would find this study relevant as it would provide the needed evidence that can be useful in the administration of revenue generation as it can help ensure that more internally generated revenue is available to offset the dwindling revenue from other sources and ensure proper monitoring of expenditure through improved capital spending for increased economic growth and gross domestic product.

Scope of the Study

The study covered the period from 2000 to 2018. The reason for choosing this period is due to the accessibility of data on research variables. The study covered three states in southeast Nigeria, namely: Anambra, Ebonyi, and Enugu states. The rationale behind the choice of these states is because they are all from the old Anambra State, so their modus operandi is assumed to be similar. Also, the study covered three sources through which government can access finance namely: internally generation revenue; statutory allocation, and Value-added Tax (VAT) as independent variables. The choice of these variables was because they are the key sources of revenue to southeast states, Nigeria. However, Gross Domestic Product (GDP) stood for economic growth and was thus used as a dependent variable. The reason for this choice is because it is the best measure of economic growth within previous literature.

Implications of the study

The study implies that without adequate effort to implement the recommendations made in the study then the level of GDP in the zone will continue to be poor due to a low revenue base.

2. Review Of Related Literature

2.1 Conceptual Review

Statutory Allocation

Revenue from statutory allocation will help the government with its expenses especially as it relates to the provision of public projects and improve GDP. Siyanbola, Dada, and Olusola (2014) define Statutory Allocation as the allocation from the federal account and each state of the federation is entitled to this allocation depending on the agreed percentage. Ikeji (2011) posits that revenue generation from statutory allocation entails sharing federally collected revenue among federal, state, and local governments in Nigeria.

Internally Generated Revenue

Internal revenue generation involves those revenues that are derived within the state from various sources such as taxes (pay as you earn, direct assessment, capital gain taxes, etc), license (motor vehicle license); earning; fines; miscellaneous, among others (Nnanseh & Akpan, 2015; Abiola & Ehigiamusoe, 2014). The importance of using internal revenue generation to improve economic growth cannot be over-emphasized. Akpo (2009) posits that internal revenue generation does not develop hyper-inflation, it is free and does not carry any burden of repayment and interest like domestic borrowing and loan.

Value-added Tax (VAT)

Oraka, Okegbe, and Ezejiofor (2017) opined that VAT is a consumption tax levied at each stage of the consumption chain and borne by the final consumer of the product or services. Each Company is required to charge and collect VAT at a flat rate of 7.5% on all invoiced amounts on all goods and services not exempted from paying VAT, Under Value-added Tax Act 2019, as amended. Where the VAT collected on behalf of the government (output VAT) in a particular month is more than the VAT paid to other persons (input VAT) in the same month, the difference is required to be remitted to the government on monthly basis, by the taxable person.

Economic Growth

Economic growth is defined by Ahmed, Falaye, Oloni, and Okereke (2017) as the sustainable increase in the total output of goods and services produced in an economy over time. It is a positive change in the level of production of goods and services by a country over a certain period. Technological innovations and positive external forces usually lead to economic growth. Economic growth increases the capacity of an economy to produce goods and services (Investopedia).

Gross Domestic Product (GDP)

GDP of an economy, including at the State level, is a measure in monetary terms of the production of all goods and services during a period (Ogbonna and Osadume, 2017). States GDP compilation is important and useful for various purposes. First, it provides important information to support evidence-based policymaking. It also helps to identify key

drivers of economic growth in each state and assess the performance of the state economy. Further, by revealing the structure of the state economy, the contribution of each state to the national output can be determined.

2.2 Theoretical Framework

The theoretical underpinning to this study is the Endogenous growth theory. The Endogenous growth theory was developed by Romer in 1994. It states that economic theory depends mainly on human capital investment, knowledge, innovation, and positive externalities (Romer, 1994 cited in Omodero, Ekwe, and Ihendinihu, 2018). As a result, the theory assumes a constant marginal product of capital at the aggregate level, or at least that the limit of the marginal product of capital does not tend towards zero. This does not imply that larger state or geopolitical zones will be more productive than other smaller ones because at each state or geopolitical zone the marginal product of capital is still diminishing. Rather, it implies that policies that embrace openness, competition, change, and innovation will promote growth (Fadare, 2010). The theory is, therefore, relevant to this study as it supports those policies government usually introduces to boost economic growth in a country. These policies include all measures government takes to encourage the exploitation of internally generated revenue opportunities and other revenue generation within the domain of every geopolitical zone, every state, and local government in a country (Omodero, Ekwe, and Ihendinihu, 2018).

2.3 Empirical Review

Mbah and Onuora (2018) assessed the effect of revenue generation from internal sources on the development of infrastructure of the Southeastern geopolitical zone. Data were collected from Budget estimates of each of the five Southeastern States of Nigeria namely Abia State, Anambra State, Ebonyi State, Enugu State, and Imo State during the period 2013 through 2017. The work made use of descriptive statistics, OLS analysis amongst others to analyze collected data. From the analysis, the results showed that revenue generation from internal sources positively and significantly influenced the cost of infrastructure as the t-calculated value of 3.431463 and the p-value of 0.0023 was significantly higher than the t-critical value and p-value of 5% level of significance respectively. To enhance infrastructural development by meeting the cost of infrastructure, the study recommended the need to increase revenue flows from internal sources.

Ogbonna and Osadume (2017) used the multiple regression method and Granger Casualty techniques to examine the association between revenue generation from federal statutory allocation and economic growth of the Niger Delta area of Nigeria using six states in the Niger Delta Area. The result of the analysis showed that revenue generation from statutory allocation affects economic growth measured by Gross Domestic Product (GDP) positively but insignificantly. The study suggested that for efficient economic growth to be seen in the Niger Delta Area/region, the revenue generation from statutory allocation due to the region must be judiciously put into projects that are economic friendly.

Oghuma (2017) examined the effect of revenue from Value-added Tax on economic growth in Nigeria using time series data from 1994 through 2013. Descriptive statistics and regression analysis via E-view 8.0 econometric software were employed by the researcher in the analysis of data. The result of the analysis showed that revenue generated from value-added tax significantly and positively influences economic growth in Nigeria. The study recommended the need to increase the rate of value-added tax from 5 to 10% to generate more revenue and improve economic growth.

Oraka, Okegbe, and Ezejiofor (2017) employed ex-post facto research design and ordinary least square regression technique to examine the influence of revenue generation from value-added tax on the economic growth in Nigeria during the period 2003 through 2015. The result of the analysis showed no significant influence of VAT on GDP in Nigeria. The work further showed a negative and significant influence of value-added tax on per capita income in Nigeria. Consequently, the study recommended the need to invest in industries, agriculture, and technology to enhance revenue and improve economic growth in Nigeria.

Nkanor and Udu (2016) used data collected between 2011 and 2014 to study the effect of revenue generation from internal sources on the development of infrastructure in Ebonyi State. The study employed multiple regression analysis and Pearson correlation method computed via statistical package for social sciences version 17.0 to analyze the data

collected. The result of the analysis unveiled that infrastructural development in Ebonyi State was not significantly influenced by revenue generation from internal sources. The study recommended that the electronic means adopted by Ebonyi State to improve internal generation revenue should be improved upon to enhance IGR and infrastructural development in the state.

Nwanne (2015) using four local government areas in Imo State namely Owerri Municipal, Orlu, Ikeduru, and Ezinihitte, examined the influence of revenue from statutory allocation on infrastructural development in Imo State. The data collected for the study were analyzed using the ordinary least square regression method of analysis. The analysis of the study unveiled that statutory allocation is dependent upon the level of infrastructural development in Imo state. To improve infrastructural development in Imo State, the study recommended increased effort generate revenue from internal sources.

Afolayan and Okoli (2015) did a study on value-added tax and economic growth in Nigeria using Granger Causality. The study used the real gross domestic product to measure economic growth in Nigeria and the result of the analysis was that revenue generation from value-added tax significantly and positively influenced real gross domestic product in Nigeria. The study recommended the need to increase value-added tax revenue by blocking those loopholes that reduce revenue generation and thus economic growth.

2.4 Summary of Empirical Review and Gap in Literature

The empirical studies reviewed showed that most of the studies carried out were on total revenue, statutory allocation, internally generation revenues on economic growth, economic development, and infrastructural development. Those studies were carried out in Nigeria as a whole. Sketchy studies exist on this same work. Some of these studies are the works of Nkanor and Udu (2016); and Mbah and Onuora (2018). However, this work greatly differs from their studies in that their study only used access to finance from internal sources leaving other pronounce revenue sources such as statutory allocation, VAT, and other sources. Also, their study focused only on infrastructural development leaving Gross Domestic Product as a measure of economic growth. Furthermore, the time lag in this study significantly differs from their study as this study is a period of 19 years. Moreover, there have been contradictory results from the finding of previous scholars based on the variables of the study. The empirical studies adopting government access to finance from …statutory allocations, internally generated revenue, and VAT on economic growth in Southeast, Nigeria is lacking. This study is carried out to bridge the empirical gap of government access to finance and economic growth in Southeast, Nigeria. The above constitutes the gap in empirical which this study seeks to fill.

3. Methodology

Research Design

The research design adopted in the study is an *ex-post facto* research design. The *ex-post facto* (i.e. after the fact) research design is suitable for the cause-effect studies. As such, the justification for the choice of the design is that the researcher does not intend to manipulate or control the variables subject to investigation.

Area of Study

The study area is the Southeast state of Nigeria. The Southeast geographical zone comprises five states as follows: Abia, Anambra, Ebonyi, Enugu, and Imo State with a landmass of 41,440km^2. The Southeast is home to predominantly 'Igbos' whose language, Igbo, is one of the three most widely recognized and spoken languages in the country.

Sources of Data

Data used in this study was secondary sourced data. The data were collected from published financial statements of each state in Southeast, Nigeria, through the office of the Accountant-General of that state and the office of the National Bureau of Statistics for the period of 2000 through 2018. The choice of this period is based on the availability of data for the variables of the study.

Determination of Sample Size

In the sampling exercise, purposive sampling scheme was employed. For which course, Ebonyi State, Enugu State and Anambra State were selected because they are all from old Anambra State, and their modus operandi was assumed to be similar.

Method of Data Analysis

The Ordinary Least Squares (OLS) multiple regression techniques was used to analyze the panel data because it is considered to be the Best Linear Unbiased Estimator (BLUE) that is appropriate for estimating a model of this nature. This was done via SPSS version 20.0 econometric software.

Model Specification

The regression model is as specified by Frances Galton (1974) thus;

$$y = a + \beta x + e \quad (3.1)$$

Therefore, rewriting the model in line with equation 1 above;

$$GDP = f(AFFSA, AFFIGR, AFFVAT) \quad (3.2)$$

Where; SGDP = State Gross Domestic Product; AFFSA = Access to Finance from Statutory Allocation; AFFIGR = Access to Finance from Internally Generated Revenue; AFFVAT = Access to Finance from Value-added Tax (VAT)

To empirically investigate the influence of government access to finance on economic growth, the study hypothesized that state GDP depends behaviorally on the various accesses to finance due to government. Thus, such behavioral influence was given as;

$$SGDP_t = a + b_1 AFFSA_t + b_2 AFFIGR_t + b_3 AFFVAT_t + e_t \quad (3.3)$$

In a bid to have all the variable values in the same form equation (iii) were logged as;

$$\log SGDP_t = a + b_1 \log AFFSA_t + b_2 \log AFFIGR_t + b_3 \log AFFVAT_t + e_t \quad (3.4)$$

Where; a = Constant parameter; b_1 to b_3 = parameters to be estimated; t = periods 2000 through 2018; e_t = error term.

Table 3.1 Variable Description and Measurement

Variable Description	*Measurement*
State Gross Domestic Product	State GDP is the sum of gross value-added of all resident producer units (industries) within the economic borders of the state during a given period of time including taxes, less subsidies, on products (Ogbonna and Osadume, 2017).
Statutory Allocation	This is measured as the average of total revenue accruing from the federation account due to the states.
Internally Generated Revenue (IGR)	This is measured as the average of total revenue generation from internal sources such as taxes; license; earning and sales; rent on government property; fines; and miscellaneous.
Value-added Tax (VAT)	This is measured as the average of the total amount of revenue due to the states as share from the Value-added Tax account in each accounting period.

Source: Researcher's Design, 2021

Decision Rule

In taking a decision, p-value was used. For the p-value approach, the researcher obtained a p-value using the computed test statistic and at the two-tailed test. Null hypothesis (H_o) is rejected in favour of alternative hypothesis (H_1) if p-value ≤ 0.05.

4. Results and Interpretations

Table 4.1 Descriptive Statistics

	Minimum	*Maximum*	*Mean*	*Std. Deviation*
SGDP	11.38	12.98	12.0220	.35423
SA	9.77	10.85	10.3453	.27741
IGR	8.00	10.34	9.3604	.74549
VAT	8.56	10.30	9.5985	.45752

Source: Author's Computation, 2021

Table 4.1 below shows the mean for State Gross Domestic Product (SGDP), access to finance from statutory allocation (AFFSA), access to finance from internally generated revenue (AFFIGR), and access to finance from VAT (AFFVAT)) in Southeast, Nigeria is 12.0220, 10.3453,9.3604and 9.5985respectively. The table below further shows the standard deviation which is the measure of spread in the series. The standard deviation for State Gross Domestic Product (SGDP), access to finance from statutory allocation (AFFSA), access to finance from internally generated revenue (AFFIGR), and access to finance from VAT (AFFVAT)) in Southeast, Nigeria are .35423, .27741, .74549 and .45752 respectively.

The maximum values for State Gross Domestic Product (SGDP), access to finance from statutory allocation (AFFSA), access to finance from internally generated revenue (AFFIGR), and access to finance from VAT (AFFVAT)) in Southeast, Nigeria are 12.98, 10.85, 10.34, and 10.30respectively while the minimum values for State Gross Domestic Product (SGDP), access to finance from statutory allocation (AFFSA), access to finance from internally generated revenue (AFFIGR), and access to finance from VAT (AFFVAT)) in Southeast, Nigeria is 11.38, and 9.77, 8.00 and 8.56 respectively.

Hypothetical Statements and Empirical Results

H_{o1}: Access to finance from statutory allocation does not have a significant effect on Gross Domestic Product (GDP) in Southeast, Nigeria.

H_{o2}: Access to finance from internally generated revenue does not have significant effect on Gross Domestic Product (GDP) in Southeast, Nigeria.

H_{o3}: Access to finance from Value-added Tax (VAT) does not have significant effect on Gross Domestic Product (GDP) in Southeast, Nigeria

Table 4.2 Empirical Result of Ordinary Least Square Regression

Variables	*Coefficient*	*Std. Error*	*t-stat.*	*Sig.*
(Constant)	4.108	1.016	4.045	.000
SA	.372	.118	3.147	.003
IGR	.203	.045	4.525	.000
VAT	.226	.072	3.121	.003

Source: Author's Computation, 2021 [See Appendix B]

Table 4.2 shows that the ordinary least square regression coefficients of the independent variables. The results showed that the p-values of the coefficients of access to finance from statutory allocation, internally generated revenue, and VAT showed positive values of .372, .203, and .226 respectively and they are statistically significant at a 5% level of significance. This implies that a one percent increase in access to finance from statutory allocation; internal sources;

and value-added tax will result to 37.2%, 20.3%, and 22.6% increase respectively in the State Gross Domestic Product (SGDP) in Southeast, Nigeria within the estimated model over the years.

Table 4.3 Model Summary

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*	*Change Statistics*				
					R Square Change	F Change	df1	df 2	Sig. F Change
1	.842[a]	.709	.693	.19639	.709	43.065	3	53	.000

Source: Author's Computation, 2021

Table 4.3 shows that the adjusted coefficient of determination (R^2) offers a better explanation of the variations in GDP, as the value is 69.3 percent shows that the explanatory variables (SA, IGR, and VAT) can jointly explain approximately 69% variation in the GDP while other variables not captured in the model account for the rest. Also, the p-value of the F-statistics < 0.001 shows that the model is well fit, assembled, and combined in the specification. The result of the OLS equally attests to this as the probability value is equally significant at 0.01%. Consequently, the study rejects the null hypotheses and accepts the alternative hypotheses of this study.

5. Conclusion and Recommendations

This study empirically investigated the effect of government access to finance on the economic growth of Southeast Nigeria. The target was to prove the need and significance of government access to finance towards achieving a higher level of economic growth in southeast, Nigeria. After testing the well-formulated hypotheses in line with the research objectives, the study discovered that government access to finance has a positive effect on economic growth in Southeast, Nigeria. By implication, this study provides empirical evidence for the theoretical association hypothesized from the literature. In a nutshell, the study concludes that GDP in Southeast, Nigeria is significantly influenced by the revenue due to the zone. Based on the findings of the study, the following recommendations were made:

I. There is a need to continue to adequately allocate a greater portion of the revenue sourced from statutory allocation on economic growth-oriented projects to continue to influence the GDP in the zone significantly and positively;

II. There is a need for the government of Southeast States to improve its revenue from internal sources and increase GDP in the zone;

III. There should be an effective distribution of revenue sourced from a share from VAT on economic growth-oriented projects in order to continue to influence the GDP in the zone significantly and positively.

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Appendices

Appendix A: Raw Data

Appendix 1

Data Variables for Anambra State

YEAR	SGDP	SA	IGR	VAT
2018	4,390,793,508,466.13	70,123,647,826.87	17,161,534,822.13	12,579,837,114.43
2017	3,079,167,420,097.62	54,647,644,571.26	18,197,787,013.29	11,179,170,569.94
2016	2,883,946,709,953.70	43,371,583,832.83	14,862,633,724.94	9,232,381,642.81
2015	2,608,946,980,263.77	32,095,578,183.59	13,383,351,271.09	8,801,531,639.36
2014	2,033,903,282,230.46	45,097,373,864.81	4,862,094,088.40	9,128,818,655.59
2013	1,787,955,998,458.66	49,931,170,029.85	8,731,599,921.43	9,189,735,458.52
2012	1,441,875,793,142.94	45,403,663,650.13	8,183,517,637.98	7,143,439,179.05
2011	1,318,632,155,153.54	55,938,299,051.87	7,794,456,415.27	4,513,510,120.98
2010	1,253,129,628,055.77	17,004,442,812.33	4,676,705,855.15	4,500,000,000.00
2009	1,001,462,178,132.01	16,507,097,050.76	7,512,202,224.33	6,909,992,293.00
2008	999,403,177,439.49	28,240,200,011.01	6,733,917,483.00	2,212,722,969.93
2007	989,160,620,688.17	10,110,992,303.12	6,383,351,271.69	5,727,609,061.29
2006	858,341,279,014.74	31,638,299,051.00	5,548,541,431.83	1,890,837,722.48
2005	733,854,594,751.58	28,600,000,000.00	470,062,894.33	3,530,193,498.52
2004	702,376,094,700.65	15,882,338,758.11	769,486,944.60	1,530,532,476.40
2003	684,003,759,020.73	45,779,757,875.08	325,279,170.13	1,086,044,781.62
2002	662,091,472,476.32	31,503,752,726.96	151,063,130.58	833,293,788.64
2001	598,005,571,879.84	21,456,704,470.97	177,334,115.43	19,794,808,739.40
2000	570,954,000,363.17	15,754,862,778.75	135,984,929.88	9,950,238,864.11

Source: Anambra State Government Statement of Consolidated Revenue Fund & Nigerian Bureau of Statistics Report 2000-2018

Appendix 2

Data Variables for Enugu State

YEAR	SGDP	SA	IGR	VAT
2018	3,584,793,000,466.13	45,169,774,176.92	21,743,012,253.22	11,577,774,427.78
2017	3,560,004,420,097.62	28,101,946,488.56	22,039,060,902.95	10,441,354,016.59
2016	3,526,946,000,000.70	20,511,976,381.84	14,235,512,226.09	8,745,229,037.02
2015	3,502,946,980,000.11	28,306,355,032.05	17,982,225,270.50	8,432,871,082.35
2014	3,501,203,282,230.46	38,681,561,280.39	19,662,869,639.57	8,403,957,561.09
2013	3,499,955,998,458.66	36,719,907,395.16	20,236,601,895.16	8,334,583,744.79
2012	2,398,875,793,142.94	32,185,259,415.37	100,298,787.94	7,439,842,571.12
2011	2,203,632,155,153.54	44,485,977,290.51	9,588,423,723.13	6,826,188,221.16
2010	2,193,129,628,055.77	27,865,981,340.13	9,346,797,669.56	5,866,030,085.46
2009	1,004,462,000,000.00	24,972,457,409.90	4,702,872,549.01	4,950,396,154.19
2008	861,403,177,439.49	10,151,865,649.68	1,593,978,722.06	4,774,401,266.37

2007	719,160,620,688.17	9,973,023,248.98	15,841,124,580.82	3,434,308,257.54
2006	708,341,279,014.74	10,090,094,321.11	873,952,575.06	2,934,308,257.54
2005	565,854,594,751.58	48,304,328,710.88	1,328,943,206.94	2,344,308,257.54
2004	560,376,094,700.65	18,876,900,651.11	1,269,814,421.33	2,165,310,963.22
2003	424,003,759,020.73	19,641,890,543.88	208,964,199.51	1,974,900,582.12
2002	397,091,472,000.05	14,009,875,080.11	100,009,651.11	4,003,321,005.98
2001	380,905,571,879.84	14,981,000,342.91	158,998,001.45	1,200,876,621.21
2000	310,187,300,363.23	12,865,666,001.78	1,001,064,110.89	629,810,048.45

Source: Enugu State Government Statement of Consolidated Revenue Fund & Nigerian Bureau Of Statistics Report 2000-2018

Appendix 3

Data Variables for Ebonyi State

YEAR	SGDP	SA	IGR	VAT
2018	1,573,240,987,124.09	27,865,981,340.13	7,720,910,151.78	19,528,724,456.58
2017	1,327,104,086,929.92	25,587,070,430.00	4,669,562,689.73	10,730,845,989.00
2016	1,185,017,541,402.90	18,789,493,424.00	3,300,206,638.00	17,280,756,226.00
2015	1,157,004,410,943.96	34,140,019,676.45	6,634,736,622.00	6,751,284,008.79
2014	1,034,026,806,104.63	49,603,470,018.06	7,982,360,085.27	545,041,138.88
2013	956,862,063,733.55	32,333,647,731.14	4,651,365,729.27	17,433,393,563.85
2012	9,522,926,403,376.16	29,022,600,027.28	4,392,859,272.55	6,651,389,786.90
2011	948,987,092,477.25	27,199,808,710.94	2,383,979,831.78	6,084,088,746.50
2010	944,061,851,041.20	20,604,993,006.91	2,089,724,367.13	9,939,482,144.95
2009	589,001,004,531.53	15,310,556,262.40	4,855,604,994.58	4,471,134,305.99
2008	573,943,200,641.09	23,033,985,758.20	3,100,128,463.46	3,779,225,426.21
2007	500,783,511,096.94	6,293,950,328.00	1,538,441,295.65	360,055,689.00
2006	464,987,653,129.08	10,079,041,554.61	688,715,780.74	2,167,556,221.95
2005	453,946,779,997.20	6,545,771,629.02	777,298,210.47	1,765,407,042.27
2004	442,368,028,976.64	9,886,180,789.70	242,522,162.59	816,224,051.22
2003	395,005,847,134.30	10,979,206,504.20	325,290,170.31	1,273,122,163.58
2002	385,668,136,981.32	7,733,511,837.16	151,063,130.58	402,124,899.89
2001	344,675,602,034.88	5,881,229,561.97	177,314,115.43	869,929,150.81
2000	239,215,515,933.39	6,307,576,848.31	135,192,929.88	548,646,291.84

Source: Ebonyi State Government Statement of Consolidated Revenue Fund & Nigerian Bureau of Statistics Report 2000-2018

Appendix B: SPSS Result

Appendix 4

Descriptive Statistics

	Mean	Std. Deviation	N
GDP	12.0220	.35423	57
SA	10.3453	.27741	57

IGR	9.3604	.74549	57
VAT	9.5985	.45752	57

Appendix 5

Correlations

		GDP	SA	IGR	VAT
Pearson Correlation	**GDP**	1.000	.671	.742	.676
	SA	.671	1.000	.534	.520
	IGR	.742	.534	1.000	.545
	VAT	.676	.520	.545	1.000
Sig. (1-tailed)	**GDP**	.	.000	.000	.000
	SA	.000	.	.000	.000
	IGR	.000	.000	.	.000
	VAT	.000	.000	.000	.
N	**GDP**	57	57	57	57
	SA	57	57	57	57
	IGR	57	57	57	57
	VAT	57	57	57	57

Appendix 6

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	VAT, SA, IGR[b]	.	Enter
a. Dependent Variable: GDP			
b. All requested variables entered.			

Appendix 7

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df 1	df 2	Sig. F Change
1	.842[a]	.709	.693	.19639	.709	43.065	3	53	.000
a. Predictors: (Constant), VAT, SA, IGR									
b. Dependent Variable: GDP									

Appendix 8

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.983	3	1.661	43.065	.000[b]
	Residual	2.044	53	.039		
	Total	7.027	56			
a. Dependent Variable: GDP						
b. Predictors: (Constant), VAT, SA, IGR						

Appendix 9

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	Constant	4.108	1.016		4.045	.000					
	SA	.372	.118	.291	3.147	.003	.671	.397	.233	.640	1.562
	IGR	.203	.045	.427	4.525	.000	.742	.528	.335	.617	1.622
	VAT	.226	.072	.291	3.121	.003	.676	.394	.231	.629	1.589
a. Dependent Variable: GDP											

Appendix 10

CollinearityDiagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	SA	IGR	VAT
1	1	3.995	1.000	.00	.00	.00	.00
	2	.004	33.297	.04	.01	.74	.00
	3	.001	61.310	.10	.03	.14	.97
	4	.000	118.150	.86	.96	.11	.03
a. Dependent Variable: GDP							

Appendix 11

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	11.3757	12.4986	12.0220	.29829	57
Residual	-.30965	.80520	.00000	.19105	57
Std. Predicted Value	-2.166	1.598	.000	1.000	57
Std. Residual	-1.577	4.100	.000	.973	57
a. Dependent Variable: GDP					