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A SECTORIAL ANALYSIS OF TAX REVENUE AND ECONOMIC GROWTH IN NIGERIA

ABSTRACT

This study examined the impact of tax revenue on economic growth in Nigeria, a sectorial analysis using time series data for the period of 1987 to 2022. The study specifically sought to; evaluate the effect of agricultural sector tax revenue on economic growth in Nigeria, ascertain the effect of manufacturing sector tax revenue on economic growth in Nigeria, determine the effect of services sector tax revenue on economic growth in Nigeria, and examined the effect of oil sector tax revenue on economic growth in Nigeria. The study utilized Autoregressive Distributed Lag (ARDL) as its estimation technique. It was revealed that Agricultural sector, manufacturing sector, services sector and oil sector led to increases in economic growth in Nigeria economy within the period under review. The study recommended that the government should increases mobilization of tax revenue across the sectors and subsidize agricultural inputs towards achieving the desired economic growth in the Nigeria Economy.

Introduction

Globally, government is expected to perform various functions in the field of political, social and economic activities to maximize social and economic welfare towards achieving her economic growth target. Hence, in order to perform these duties and functions government require large amount of resources through revenue mobilization. Majorly, revenue mobilization consists of taxes, revenue from administrative activities like fines, fees, gifts and grants amongst others (Muhammed, 2021). Revenue involves both tax and non-tax revenue (Illyas & Siddiqi, 2019). Taxes are the first and foremost sources of revenue. Taxes collected by government are used to provide common benefits to all mostly in form of public welfare services (Ken, 2020). Taxes do not guarantee any direct benefit for person who pays the tax. It is not based on direct quid pro quo principle. The government collects tax revenue by way of direct and indirect taxes. Direct taxes includes; Corporate tax; personal income tax, capital gain tax and wealth tax. Indirect taxes include custom duty, central excise duty, Value Added Tax (VAT) and service tax (Chaudhry & Munir, 2020).

Before the advent of oil, Non-oil export accounted for over 74% of total revenue earned by the country while oil revenue accounted for the balance of 26% (National Bureau of Statistics [NBS], 2012). However, with the discovery of crude oil especially the oil boom era of 1970s, fundamental changes were experienced in the structure of the Nigerian economy (National Bureau of Statistics, 2015). Consequently, the non-oil sector in the Nigerian economy began to experience difficulties by 1985 as 73% of revenue generated was from oil while the contribution of non-oil revenue to total revenue dropped to 23% (NBS, 2012).The revenue boom from oil sector led to the gradual neglect of the non-oil sector. For instance, NBS (2020) report shows that non-oil sector contributes only 13.5% to the Nigerian GDP. The over dependence on crude oil revenue has affected the Nigerian economy negatively. The continuous neglect of non-oil sector have reduced the productivity and output of the sector (Ochejele, 2017). The decline in productivity of the non-oil sector, many scholars adduce resulted into high unemployment and low living standard in the country.

In order to address the issue above, a number of non-oil sector reforms had been undertaken in Nigeria, some of which are Structural Adjustment Programmed, National Rolling Plans, National Economic Empowerment and Development Strategy (NEEDS) and Vision 20 2020. The Structural Adjustment Program (SAP) was introduced in mid-1986 as a short-term reform program (Onwualu, 2016). It was the most revolutionary approach in solving Nigeria's long-standing economic problems through diversification of the productive base of the economy through improvement in agricultural, manufacturing and service sectors which are highly interrelated.

Over the years, revenue from the oil sector constitutes over 60 percent of Nigeria GDP (Nimenibo, 2018). The Nigerian government in the past two decades has tried to boost the revenue mobilization contribution of key non-oil sectors (such as agricultural, manufacturing and service) to economic growth. This is because the neglect of the non-oil sector, many argued, as resulted to dwindling economic growth (Nwaeze, Uruakpa, Ogbodo&Chukwuma, 2017). The problem is, the government over time has been trying to revamp all the sectors all at once with little regard to the main sector that can drive the growth of all other sectors. It is important therefore to evaluate key sector that can quickly stimulate not just economic growth, but serves as catalyst to boosting the growth in other sectors.

In order to address the challenges of unstable growth trajectory, some blueprints to diversify the Nigerian economy including Structural Adjustment Programmed (SAP), Indigenization policy, National Economic Empowerment and Development Strategy (NEEDS), and more recently the economic sustainability plan. The aim of all these policies was to diversify the economic base, and reduce dependence on imports and on oil sector revenue and to enhance non-oil sector activities and earnings towards achieving macroeconomic targets of economic growth and development in the Nigerian economy (Okwara&Amori, 2017). Despite these policies measures, oil revenue still serve 90% source of total revenue in the country.

Considering extant studies reviewed in this area of research interest, much attention has been given to the effect of oil export revenue on economic growth with little attention given to the contribution the effect of non-oil sector revenue to economic growth in Nigeria. However, a well-informed

policy could be achieved in this area research interest through the disaggregation of non-oil sector revenue and oil sector revenue to ascertain their effect each on economic growth in Nigeria towards directing the policy framework of the study.

Conceptual Clarification

Concept of Revenue

Obah (2018) viewed revenue as the normal income of government receivable during the financial years and any sum of money received by the government other than in the normal every day, operations, such as loans, grants, subvention, sales of properties and share capital. Bhatia (2016) contends that revenue is receipt which includes routine and earned income; and revenue but does not include borrowings and recovery of loans and advances previously given to the third tier of government and other associated persons, rather, it is comprised of income taxes, vehicle, haulages, sales of government unserviceable properties, aids, royalties, fees among others. Fayemi (2019) conceptualized revenue as all tools of income to government such as taxes, rates, fees, fines, duties, penalties, rents, dues, proceeds and other receipt of government to which the legislature has the power of appropriation. He further classified government revenue into two kinds; recurrentand capital revenue.

Concept of Economic Growth

Ochejele (2017) conceptualized economic growth as "the quantitative and sustained increase in the country's per capita output or income accompanied by expansion in labor force, consumption, capital and volume of trade" . Accordingly, Anyanwu &Oaikhenan (1995) viewed economic growth as the increase overtime of a country's or an economic capacity to produce those goods and services needed to improve the well-being of the citizens in increasing numbers and diversity . It is conventionally measured as the percentage rate of increase on Real Gross Domestic Product (RGDP). Economic growth is usually calculated in real terms, that is, inflation- adjusted terms, in order to net out the effect of inflation on the price of goods and services produced. Hence, the economic growth of any economy is measured by the amount of Real Gross Domestic Product (Central Bank of Nigeria, 2018)

Theoretical Review

The study will be anchored on Zimmerman theory of economic growth postulated by Zimmerman (1933). This is because the theory is of the view that if economic growth is to take place, there must be improvement in the non-agricultural sectors revenue (manufacturing, services and oil sector). In relating this theory to the study, it implies that the revenue based of non-oil sector currently abandoned by Nigerians e.g. agriculture, manufacturing and services in search of greener pasture from crude oil revenue can go a long way to increase Gross Domestic Product (GDP) of the country; and thus bring about the desired economic growth.

The Zimmerman Theory

This theory was developed by Eric Zimmerman in 1933.This theory is of the view that if economic growth is to take place, there must be improvement in the non-agricultural sectors revenue based (manufacturing, services and oil service) (Zimmermann, 1933). The above position does not however suggest that agricultural development does not bring about economic growth, 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 and services can go a long way to increase Gross Domestic Product (GDP) of the country; and thus bring about the desired economic growth. Therefore, all non-oil revenue sources available in Nigeria should be revisited and exploited for economic growth. To this end, economic growth can be achieved within the agricultural sector which had been the mainstay of the Nigerian economy before the discovery of crude oil. Agricultural sector affects economic growth through her contribution to Gross Domestic Product (GDP).

Empirical Review

Cordelia and Benjamin (2022) examined the role of oil and non-oil revenues in improving infrastructural development in Nigeria using time series data for the period of 1986 to 2020. The study employed Ordinary Least Squares (OLS) and Granger Causality test to ascertain the contributions of the two primary revenue sources in Nigeria on infrastructures. The findings of the study revealed that oil revenue and exchange rate have a significant negative impact on infrastructural provisions. However, non-oil revenue had a significant positive impact on infrastructural development in the country. The study posited that the government will have to leverage more on tax revenue to execute its public responsibilities. The need for economic diversification should be vigorously pursued to keep the economy at equilibrium in the face of oil price shocks and fluctuations.

Adeusi, Uniamikogbo and Erah (2021) examined the effect of non-oil revenue on economic growth in Nigeria using time series data for the period of 1990 to 2019. The four specific variables used in the study were; value added tax, companies' income tax, and custom & excise duties, while Gross Domestic Product was used to represent economic growth in Nigeria. The descriptive statistics and Ordinary Least Square (OLS) regression techniques were used to analyze the data collected. The study findings revealed that indirect taxes such as; custom and excise duties and value added tax have more significant positive effect on the Nigerian economic growth than 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.

Olayemi and Adeboye (2020) examined the effects of generating oil and non-oil revenues on Nigeria's economic development from 1989 to 2018 using secondary data extracted the statistical bulletin of the Central Bank of Nigeria. The study employed the model for analytical co-integration and error correction. Similar analytical processes were applied to the multivariate data on components of oil and non-oil revenue, exchange rates, and real gross domestic products. Results generated indicated that the oil revenue harms real gross domestic products in Nigeria, but this is the same with effects reported from non-oil revenue. Nonetheless, Nigeria's exchange rate gives a

positive sign and statistical significance for real gross domestic products. Consequently, the study concludes that the continuing decline in global crude oil prices, resistance from insurgents in Nigeria's oil-producing area, the profligate expenditure of the Nigerian Government, the global COVID-19 health pandemic, among other factors, are harming the economic development of Nigeria.

Jabir (2020) assessed the contribution of oil revenue to economic growth in 83 oil-producing countries. The study employed a panel VAR framework. The study used the financial markets development channel and discovered that government investment of oil revenues exerted a positive influence on economic growth through banking sector development. However, there was no effect found on stock market development. The study further established that the private investment of oil revenues showed a negative impact on banking sector development did not have any impact on stock market development.

Awe and Ajayi (2019) examined the contribution of the non-oil sector revenue in the diversification of the Nigerian revenue base. The study employed Ordinary Least Squares (OLS) estimation technique and co-integration analytical test. The study revealed that dynamic relationship exists between the revenue from the non-oil sector and economic development. The major sub-sectors of the non-oil sectors, agriculture, manufactures and solid minerals were tested individually on the total revenue and all have significant results except manufactures.

Asagunla and Agbede (2018) examined the contribution of the oil revenue to Nigerian output growth for the period of 1981 to 2014.Using Beghebo and Atima model with little modification, the study employed the fully modified ordinary least squared method (FMOLS) to examine the relationship. Data covering the period 1981-2014 were sourced from the Central Bank of Nigeria Statistical Bulletin and Nigerian National Petroleum Corporation Statistical Bulletin. The study therefore discovered that oil revenue does not have short run impact on the economic activities of Nigeria. However, the long run impact of this policy gave a sterling story, as it was revealed that the persistence rise in oil revenue will ultimately lead to future economic growth of the country. It is however recommended that the government should effectively and efficiently utilize the oil fund into strategic developmental projects so as reduce the rate of poverty and facilitate output growth.

Odularu (2018) examined crude oil revenue and the Nigerian economic performance. The aim of the study was to ascertain the impact of crude oil revenue on the Nigerian economy. The study analyzed the relationship between the crude oil sector revenue and the Nigerian economic performance using the Ordinary Least Square regression method. The study found that crude oil revenue and export have contributed to the improvement of the Nigerian economy. The study concluded that the production of crude oil (domestic consumption and export) despite its positive effect on the growth of the Nigerian economy has not significantly improved the growth of the economy, due to many factors like misappropriation of public funds (corruption) and poor administration.

Olayungbo and Olayemi (2018) investigated the dynamic relationships among non-oil revenue, government spending and economic growth in Nigeria. After establishing a long run relationship among the variables, the error correction model, impulse responses were estimated as well as the

granger causality test among the variables. The results of the short run and long run showed negative effects of government spending on economic growth while non-oil revenue showed positive effect on economic growth. The study also found non-oil revenue to have negative shocks on economic growth while the government spending shock was positive.

Adesoye, Adelowokan and Alimi (2018) investigated the relationship between oil export revenue and economic performance in Nigeria. The study used vector error correction model for short- and long- run estimates. The study revealed that oil export revenue contributed positively to output growth both in short-run and long-run. The causality test result found a unit-directional relation from oil export revenue to output. The study concluded that increase in oil export revenue e led to increase in output growth in Nigeria.

Likita, Park and Nakah (2018) examined the impact of non-oil revenue on economic growth in Nigeria. Ordinary Least Squares estimation technique was used to determine the relationship between economic growth and the non-oil revenue. The findings revealed that a long run relationship and positive relationship exist between the variables agricultural revenue contribution, manufacturing revenue contribution, solid mineral revenue contribution, services revenue contribution, company income tax, custom and excise duties tax and economic growth in Nigeria.

ANALYSIS AND DISCUSSION

4.1Descriptive Statistics

Table 4.1: Descriptive Statistic Result

	RGDP	ASR	MSR	SSR	OSR
Mean	6.869516	19.89887	2.494488	2.427748	4.774227
Median	7.402219	13.19450	2.395617	2.647413	5.615054
Maximum	9.813074	72.72900	3.608212	6.270887	7.049946
Minimum	2.971952	3.226000	1.774952	-1.819208	1.411011
Std. Dev.	2.203599	16.03635	0.409061	2.657128	1.909115
Skewness	0.360785	1.579919	0.600228	0.317077	0.525677
Kurtosis	1.731990	4.496993	2.812292	1.679620	1.730403
Jarque-Bera	12.41632	71.31580	8.611919	12.51575	15.85046
Probability	0.002013	0.000000	0.013488	0.001915	0.000362
Observations	33	33	33	33	33

Source: Researcher's Computation, 2024

Table 4.1 indicated 33 observations for all the variables of interest which included; Real Gross Domestic Product (RGDP) as proxy for economic growth being the dependent variable while Agricultural Sector Revenue mobilization (ASR), Manufacturing Sector Revenue mobilization (MSR), Service Sector Revenue mobilization (SSR) and oil sector revenue mobilization (OSR). The basic essence of the descriptive statistic as a preliminary test of analysis is to account for the normality status of the variables. Based on the skewness values for all the variables of interest, it is revealed that all the variables are positively skewed. Finally, based on the Jarque-Bera statistic,

the result showed that individually, all the variables were not normally distributed as their individual probability values are less than 0.05 based on the rule of thumb. Hence, since the variables were not normally distributed, that resulted to the need to conduct unit root test.

4.2 Unit Root Test Results

To ascertain the order of integration of the variables, this test was carried out to account for the presence of unit roots (that is whether the variables are stationary or not) using the Augmented Dickey Fuller (ADF) test.

Table 4.2: Unit Root Test Result

Variables	ADF Statistic at level	ADF Statistic at first difference	Critical values of 5% at level	Critical values of 5% at first difference	P-values at level	P-values at first difference	Order of integration
LnRGDP	-5.897477	-	2.860423	-	0.0001	-	I(0)
LnASR	2.629323	-4.605607	-2.860423	-2.95543	0.0981	0.0009	I(1)
LnMSR	-1.523104	-6.398559	-2.860423	-2.95543	0.5089	0.0000	I(1)
LnSSR	-2.025979	-5.236945	2.860423	-2.95543	0.2748	0.0002	I(1)
LnOSR	-1.587266	-5.155098	-2.860423	-2.95543	0.4770	0.0002	I(1)

Source: Researcher's Computation, 2024

The unit root test result in Table 4.2 revealed that real gross domestic product (RGDP) was stationary at level, because of structural adjustment programmed (SAP) in the earlier 80s such as diversification of the economic, safety net programmed, all these are factors that stabilizer our economy in post oil boom and some grants and aid from offshore bank like Paris and London club. Augmented Dickey Fuller (*ADF*) Statistic value was greater than the critical value at 5% level of significance. As such, other variables were all stationary at first difference as their Augmented Dickey Fuller (*ADF*) Statistic values were greater than their critical values at 5% level of significance.

4.3 ARDL Bound Co-integration Test

Table 4.3: Bound Co-integration Test Result

F-Bounds Test			Null Hypothesis: No levels relationship	
Test Statistic	Value	Sign if.	I(0)	I(1)
F-statistic	3.84808	10%	1.99	2.94
K	4	5%	2.27	3.22
		1%	2.88	3.78

Source: Researcher's Computation, 2024

Since the calculated F-statistic (3.84808) is greater than all the lower bound and upper bound critical values at 1%, 5% and 10% level of significance, the null hypothesis of no long-run relationship among the variables of the selected ARDL (1, 2, 2, 1, 0) is to be rejected. Thus, the variables employed in this study are co-integrated.

4.4 Autoregressive Distributed Lag (ARDL) Result

The ARDL model is utilized to examine the effect of revenue mobilization on economic growth in Nigeria.

Table 4.4: Short Run ARDL Result

Dependent Variable: D(LNRGDP)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.541775	1.486232	0.364529	0.7213
D(LNRGDP(-1))	0.211307	0.023240	9.092384	0.0002
D(LNASR(-1))	0.482112	0.079131	6.092580	0.0043
D(LNMSR(-1))	0.542168	0.102511	5.288876	0.0055
D(LNSSR(-1))	0.348470	0.054381	6.407937	0.0006
D(LNOSR(-1))	0.374271	0.080461	4.651582	0.0094
ECT(-1)	-0.942059	0.411890	-2.287162	0.0396

Source: Researcher's Computation, 2024

Given Table 4.4, the short run form of the ARDL model accounts for the speed of adjustment to long run equilibrium of the variables employed. The speed of adjustment of the model to long run equilibrium is measured by the coefficient of the first lag of the Error Correction Term (ECT (-1)). The Error Correction Term (-0.94) has the right a priori sign and it is statistically significant. Hence, the result of the ECT (-1) showed that 94% of the deviation of the variables in the short run would be restored in the long run within one year.

Table 4.5: Long Run ARDL Result

LNRGDP	0.236191	0.251784	0.938071	0.3653
LNASR	0.568151	0.088120	6.447469	0.0010
LNMSR	0.710387	0.098502	7.211904	0.0002
LNSSR	0.541696	0.066938	8.092504	0.0000
LNOSR	0.454563	0.079429	5.722885	0.0091
R-squared	0.723966	Durbin-Watson stat		1.959950
Adjusted R-squared	0.405465			
F-statistic	21.73043			
Prob(F-statistic)	0.000042			

Source: Researcher's Computation, 2024

Based on Table 4.5, the long run form of the ARDL model, Agricultural Sector Revenue mobilization (ASR) has an estimated coefficient of 0.568151. This shows that 1% increase in the agricultural sector revenue mobilization led to 57% increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that agricultural sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period.

Also based on Table 4.5, Manufacturing Sector Revenue mobilization (MSR) has an estimated coefficient of 0.710387. This shows that 1% increase in Manufacturing Sector Revenue mobilization led to 71% increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that manufacturing sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period. Service Sector Revenue mobilization (SSR) has an estimated coefficient of 0.541696. This shows that 1% increase in Service Sector Revenue mobilization led to 54% increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that service sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period. Also, oil sector revenue mobilization (OSR) has an estimated coefficient of 0.454563. This shows that 1% increase in oil sector revenue mobilization led to 45% increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that oil sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period. The result of the long run result in table 4.5 revealed that the independent variables that is; Real Gross Domestic Product as proxy for economic growth (RGDP) being the dependent variable Agricultural Sector Revenue mobilization (ASR), Manufacturing Sector Revenue mobilization (MSR), Service Sector Revenue mobilization (SSR) and oil sector revenue mobilization (OSR). Explained about 72% of the total variations in Real Gross Domestic Product (RGDP) growth rate as proxy for economic growth while the remaining 28% unexplained is captured by the error term. Considering the prob (F-statistic) of 0.000042, the entire model is robust because the p-value is less than 0.05 based on the rule of thumb. Finally Durbin-Watson stat of 1.959950 showed that there was absence of autocorrelation or serial correlation in the model. This is evidenced in the rule of thumb that a model is autocorrelation free if and only if the Durbin-Watson stat is equal to 2 or approximately equal to 2.

4.5 Diagnostic Test

Table 4.6: Ramsey RESET Test

	Value	Df	Probability
t-statistic	1.549660	13	0.1452
F-statistic	2.401447	(1, 13)	0.1452
Likelihood ratio	5.085362	1	0.0241

Source: Researcher's Computation, 2024

From table 4.6, since the probability value of the Ramsey RESET test is greater than 0.05, we accept the null hypothesis and reject the alternative hypothesis and conclude that there is no specification error in the short run and long run models.

Table 4.7: Serial Correlation Test

F-statistic	9.300232	Prob. F(2,12)	0.0891
Obs*R-squared	12.52466	Prob. Chi-Square(2)	0.0619

Source: Researcher's Computation, 2024

From table 4.7, since the probability value of the serial correlation LM test which is (0.0619), is greater than 0.05, we accept the null hypothesis and reject the alternative hypothesis and conclude that there is no serial correlation in the short run and long run models.

Table 4.8: Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.874052	Prob. F(15,14)	0.6018
Obs*R-squared	14.50801	Prob. Chi-Square(15)	0.4874
Scaled explained SS	6.468098	Prob. Chi-Square(15)	0.9708

Source: Researcher's Computation, 2024

From table 4.8, since the probability value of the heteroskedasticity test which is 0.4874 is greater than 0.05, we accept the null hypothesis and reject the alternative hypothesis and conclude that there is no heteroskedasticity in the short run and long run models for objective one and two in Nigeria. For the observed collinearity, this study adopts the solution offered by Gujarati (2009) to do nothing.

4.6 Discussion of Findings

The main objective of the study is to examine the role of revenue mobilization on economic growth in Nigeria. The specific objectives were to; evaluate the effect of agricultural sector revenue mobilization on economic growth in Nigeria, ascertain the effect of manufacturing sector revenue mobilization on economic growth in Nigeria, determine the effect of service sector revenue mobilization on economic growth in Nigeria and examine the effect of oil sector revenue mobilization on economic growth in Nigeria.

Based on objective one; it was revealed that increase in the agricultural sector revenue mobilization led to increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that agricultural sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period. This finding is in line with that of Likita, Park and Nakah (2018) who examined the impact of non-oil revenue on economic growth in Nigeria whose study revealed that a positive relationship existed between agricultural revenue

contribution and economic growth in Nigeria. This finding is also in line with that of Nwaeze, Uruakpa, Ogbodo and Chukwuma (2017) who revealed agricultural revenue was significantly related to economic growth in Nigeria. The finding is also similar to that of Ude and Agodi (2014) who revealed agricultural revenue contributed positively to economic growth in Nigeria

Also based on objective two, increase in manufacturing sector revenue mobilization led to increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that manufacturing sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period. This finding is also in line with that of Nwaeze, Uruakpa, Ogbodo and Chukwuma (2017) who revealed manufacturing revenue was significantly related to economic growth in Nigeria. The finding is also similar to that of Ude and Agodi (2014) who revealed manufacturing revenue contributed positively to economic growth in Nigeria.

Furthermore, based on objective three, increase in Service Sector Revenue mobilization led to increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that service sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period. This finding was also in line with that of Likita, Park and Nakah (2018) who revealed that a positive relationship existed between service revenue contribution and economic growth in Nigeria.

Finally, increase in oil sector revenue mobilization led to increase in economic growth proxy by Real Gross Domestic Product (RGDP) in Nigeria. Thus, this implied that oil sector revenue mobilization had a positive effect on economic growth in the Nigerian economy within the study period.

5.1 Conclusion and Recommendations

In conclusion, this study has demonstrated the significant role of revenue mobilization in driving economic growth in Nigeria, with positive relationships established between agricultural, manufacturing, service, and oil sector revenue mobilization and economic growth. This is evidenced as increased in agricultural sector revenue mobilization led to increase in economic growth in the Nigerian economy within the study period, increased in manufacturing sector revenue mobilization led to increase in economic growth. Furthermore, evidenced as increased service sector revenue mobilization led to increase in economic growth in the Nigerian economy within the study period. More so, obvious as increased in oil sector revenue mobilization led to increase in economic growth in Nigeria. The findings are consistent with previous research, indicating the robustness of the relationship between revenue mobilization and economic growth. As such, policymakers should focus on implementing policies and strategies that encourage revenue mobilization across various sectors of the Nigerian economy to sustain economic growth and development in the long term. Based on the findings, the following policy recommendations can be made:

1. Increase in investment in the agricultural sector: Since agricultural sector revenue mobilization has a positive effect on economic growth, the government should increase investment in the

sector. This can be achieved through providing farmers with access to finance, improved seeds, fertilizers, and modern farming equipment.

2. Encouraging private sector participation in the manufacturing sector: The government should create an enabling environment that encourages private sector participation in the manufacturing sector. This can be done through provision of infrastructure such as roads, electricity, water, and security. Additionally, the government can provide tax incentives and grants to investors in the manufacturing sector.
3. Developing the service sector: Since the service sector revenue mobilization has a positive effect on economic growth, the government should promote the development of the service sector. This can be done through the provision of education and training to the workforce to enhance their skills and knowledge.
4. Diversification of the economy: Although the study shows that oil sector revenue mobilization has a positive effect on economic growth, the government should not rely solely on the oil sector for revenue generation. The government should diversify the economy by investing in other sectors such as agriculture, manufacturing, and the service sector. This will reduce the economy's vulnerability to fluctuations in the global oil market.

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