

Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 - 2015

Dagwom Y. Dang, PhD Research Student
Accounting Department
Nasarawa State University, Keffi, Nigeria
+2348035768203. dagwom2011@gmail.com

Elizabeth Bako
National Veterinary Research Institute, Vom, Nigeria

Ishaya David Lalu
Accounting Department
University of Jos, Nigeria
lalui@unijos.edu.ng

ABSTRACT

This study is motivated on the premise of deficiencies in empirical researches on states revenue generation and utilisation for the provision of public service. However, the study examines the impact of revenue generation and utilization on social service delivery in Plateau State. This study is based on experimental research design using descriptive and empirical research strategies. The study utilizes simple percentages, graphs and charts, as the strategies for descriptive data analyses and Ordinary Least Square (OLS) regression analysis to empirically test the impact of revenue generation on social service delivery in Plateau State. The study finds that revenue generation as a whole has an impact on social service delivery for the period 2006 to 2015 in Plateau State, with majority of the sources of revenue, coming from federation account, capital receipts and other revenue, which are individually not significant in impacting on social service delivery in Plateau State. The study also finds that revenue generated and allocated to health and education sectors were not adequately utilized in relation to total revenue generated for the period 2006 to 2015 in Plateau State compared to recommended international standard benchmarks. The study recommends amongst others that there should be more focus of utilization of revenue generated on social services capital expenditure in Plateau State to improve the quality of lives of its citizenry by the Plateau State Government.

KEY WORDS: Revenue Generation, Revenue Utilization, Social Service Delivery, Health Services, Educational Services

JEL Classification Codes: H4; H7; H71; H72; H75

¹ Corresponding Author

Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 - 2015

INTRODUCTION

Plateau State like any other state of Nigeria has the social responsibility to look after the welfare of its citizens as enshrined in the Constitution. Importantly, the government needs to address issues relating to social justice, poverty alleviation, housing, health, education and human rights. Government of Plateau State has the primary role of providing a truly egalitarian Plateau so that people will work in accordance to the development of all communities regardless of race or ethnic origin (Chand & Naidu, 2010). In attempt to fulfil its responsibilities, the government has established Ministries, Departments and Agencies (MDAs) which assist in service delivery. Service delivery in government can be categorized majorly into three; firstly, administration service delivery, which includes general administration, defence, internal security, National Assembly. Secondly, economic service delivery, it includes provision of services in agriculture, construction, transport and commerce, and other economic services. Lastly, Social and community service delivery, it includes education, health, and other social and community services (Dang, 2013).

Over the years, Plateau State has been generating revenue from the federation account and internal sources, but social services delivery is low. It is for this reason that this study investigates the utilization of revenue generated by the State on social service delivery. A few

studies have been carried out on revenue generation and utilization of government budgets. Majority of these studies, such as Adedokun (2006.), Oriakhi (2013), Baghedo (2012) and Nebo & Chigbo (2015) were on revenue generation and utilization at the Local Government level or revenue generation and utilization at the Federal level. These studies did not relate revenue generation to social service delivery at the state level, except for Oriakhi (2013) that considered the relationship between revenue generation and service delivery in the federation (Federal, States and LGs) as a whole. Most of these studies used exploratory research design. However, this study intends to find the impact of revenue generation and its utilization on social service delivery in a state, specifically Plateau State.

This study is motivated on the premise of deficiencies in empirical researches on states revenue generation and utilisation for the provision of public service. Researches in this area could not fully utilized the use of the study's variables at the state level, especially in Plateau State, that is revenue generation and utilization, and social service delivery. Therefore, a study of this kind pushes the frontier of existing knowledge in this area. However, how much revenue generated has been allocated and utilized for the provision of social services in Plateau State for the period 2006 to 2015? The main aim of this study is to assess the impact of revenue generation and utilization on social service delivery in

Plateau State for the period 2006 to 2015, and has the following specific objectives:

1. To examine revenue utilization on health services in Plateau State for the period 2006 to 2015
2. To assess revenue utilization on education in Plateau State for the period 2006 to 2015

To achieve this objectives, the study has developed 1 hypothesis, stated as follows:

H_0 : Revenue generation has no significant impact on its utilization to social service delivery in Plateau State.

This study is important theoretically and practically by providing a working document to governments, and policy makers, and providing reference for further study by scholars and researchers. Being a study on public finance, government will find it worthy and helpful in formulating and making policies in governance to achieve the desired social service delivery.

REVIEW OF RELATED LITERATURE

Conceptual Framework

Oladimeji (1985) describes revenue as the total income generated from federal, state and local government. He stated further that what makes local government as constitutional matters is the revenue sharing perspectives. However, Hepworth (1976) describes revenue as an income or funds raised to meet the expenditure. He added further that revenue is a rising resources needed to provide government services. He also stated that there are two

aspects of finance, which are income/revenue and expenditure, in other words, the sources of fund and utilization of fund.

Fayemi (1991) defines 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, i.e. recurrent revenue and capital revenue. The process of sourcing for revenue by governments is called revenue generation.

Revenue generation in Nigeria is principally derived from taxes and non-tax sources or oil and non-oil sources. Tax is a compulsory levy imposed by government on goods, services and income of individuals and companies for the various legitimate function of the government (Olaoye, 2008). When the compulsory levy is on the income of individuals and corporations, it is called direct taxation, whereas where the compulsory levy is on goods and services, it is referred to as indirect taxation. In the same vein, Buhari (2001) states that there are two forms of taxes; direct taxes, which include taxes levied directly on individuals and business firms and indirect taxes, which include taxes levied on goods and services.

Olowononi (2000) broadly defines revenue allocation to include allocation of tax powers and the revenue sharing arrangements not only among the three

Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 - 2015

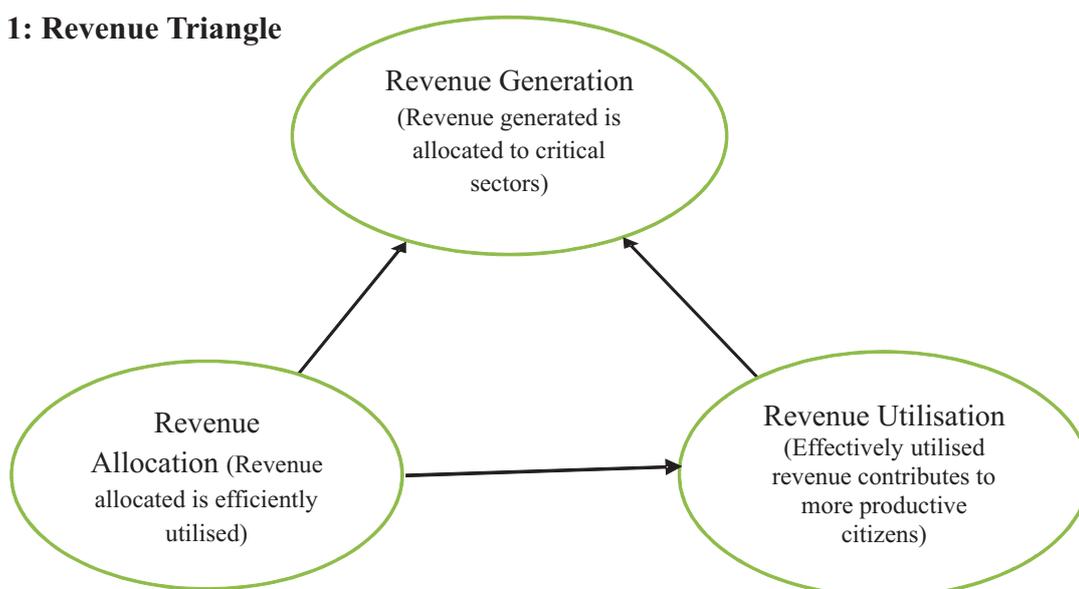
levels of government but among the state governments as well. Under government's distribution function, it redistributes incomes and resources to promote national unity and equity (Jimoh, 2003). Revenue allocation can be described as a method of sharing the centrally generated revenue among different tiers of government and how the amount allocated to a particular tier is shared among its components for development (Dang, 2013). After collection of their share of revenue generated and allocated by the federation, the three tiers of government add independent (federal government) or internally (states and LGs) generated revenue (IGR) before utilizing the total revenue for the provision of public services via the budgets. The state governments mobilize revenue from within and outside their states.

With the present dwindling of crude

oil prices in the global oil market, Nigeria's revenue from crude oil, which is the major source of Nigeria's federation account has materially gone down. The reality is that in recent times the revenue mobilized from the federation account is hardly enough to meet the immediate needs of the states. It is the responsibility of the state governments to look inwards for ways to mobilize more IGR. When these revenues are mobilized through revenue generation and allocated to different sectors of the state through budgeting, the revenues are expected to be utilized to provide social services to the populace.

Properly utilised revenue contributes to more productive citizens that results in more revenue generation. Figure 1 depicts a revenue triangle, showing revenue generation, revenue allocation and revenue utilization in an economic system.

Figure 1: Revenue Triangle



Source: Remodelled by Authors from ActionAid (2013) National Tax Power campaign Strategy (2013 – 2017)

Service Delivery is conceptualised as the relationship between policymakers (government), service providers, and poor people. It encompasses services and their supporting systems that are typically regarded as a state responsibility. These include social services (primary education and basic health services), infrastructure (water and sanitation, roads and bridges) and services that promote personal security (justice, police) (Berry, Forder, Sultan, & Moreno-Torres, 2004). Pro-poor service delivery refers to interventions that maximise the access and participation of the poor by strengthening the relationships between policy makers, providers, and service users (Berry, Forder, Sultan, & Moreno-Torres, 2004). Social service delivery refers to the provision of health services and education services to the people as service users by government (as service provider) through budgetary revenue allocation and utilization (as policy of government). Social service is a wide concept which encompasses improvement in the social status of the people and society in general. It necessitates in reality and not deceitful the provision of such services as health, education, housing, roads, portable water and electricity (Eboh & Igbokwe, 2006).

Theoretical Framework

In principle, the thought of the state giving social administrations has its foundations in the philosophical origination of the state. Its hypothetical supporting radiates from the source,

premise and quintessence of the state, which different speculations have needed to ponder. The spearheading talk on the issue is from social contract hypothesis. As per Jean Jacques Rousseau, the state developed through what he called a "general will" in which the individual revokes some of his rights in a social contract to the state, and along these lines thus, appreciates some Social advantages. These include: assurance of peace, human pride and social welfare. In reality, for Rousseau a portion of the social qualities which the state should dependably endeavor to secure are: life, freedom and welfare (Rousseau, 1913).

Both the Liberal and the Marxist theories, which have overwhelmed the talk on the state and development in the most recent two centuries, address the part of the state in the social segment. These two hypothetical standards tend to share an accord on the legitimization for state inclusion in the social segment (Okorafor & Nwankwo, 1986). In the classical libertarian theories, the treatise of Adam Smith gives an extremely sharp examination on the part of the state in the economy. As indicated by him, the state performs three noteworthy capacities in a capitalist economy. These are: the assurance of peace, the organization of equity and the erection and support of social services, which would be valuable to society, however might be uneconomical or ugly to the private segment (Smith, 1936). In the last respect, (that is social works) Adam Smith was alluding to exercises in the social

Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 - 2015

sector which are instrumental to capital accumulation, however less burning of capitalist speculation.

The concern of classical economics with social investment is well captured thus: In The primes of classical economics when productivity and viability of 'free enterprise' and of the 'invisible hand' were romanticized, Adam Smith and his associates had conceded the requirement for some government participation to supply social services like streets and railroads, security and protection and other social services, the generation of which neglect to pull in light of a legitimate concern for the private maker (Okorafor & Nwankwo, 1986).

The Keynesian theory, which is a neo-classical theory endeavors to reformulate the part of the state in the capitalist economy likewise demands a significant part for the state in the social sector as a method for encouraging economic advancement. As indicated by Keynes, despite the fact that a free market is essential and alluring, its inward component is a questionable one, which requires state mediation to always float it to a condition of equilibrium. Keynes along these lines supported that, for there to be full employment, decrease in inflation and economic growth, public expenditure, especially on social services and administrations must be essentially expanded (Keynes, 1936). Undoubtedly, Keynes preference is for what Kenneth Galbraith portrayed as the "financial

aspects of open welfare" (Okorafor & Nwankwo, 1986).

According to Keynesian theory, changes in total spending in the economy (called aggregate demand), whether anticipated or unanticipated, have their greatest short-run effects on real output, employment and social service delivery, not on prices, as inflation rises only slowly when unemployment falls. Some Keynesians are more concerned about combating unemployment than about conquering inflation. Keynesians typically advocate more aggressively expansionary policies on social services to stabilize the economy than non-Keynesians.

In the Marxist proposition of the capitalist system, the growth of the state sector is linked to the "laws of motion" of capitalism. The argument is that, the increasing centralisation and concentration of capital and declining profit rate generate simultaneous demands by capital and labour on the state, aimed at enhancing its relative performance through the provision of infrastructural and social welfare services meant to facilitate capital accumulation and augment the productive capacity of labour (Petelis & Clarke, 1993; Adejumobi, 1996). The State in the capitalist economy regularly goes about as the most unmistakable articulation of the ineffective sector in the economy, went for encouraging the expansion of capital and counter the danger of under-utilization. Basically, the real question of state interest in the social sector is to prop up capital

amassing and keep up overwhelming class run the show.

The theoretical foundation of this study shall be the Keynesian theory, which indicates that during recession, a policy of fiscal expansion should be taken to increase the aggregate demand in the economy thus boosting economic activities by providing social services. Increase in government spending on social services translates into increased human development. Different empirical studies were carried out on the subject matter of this study based on different theories.

Review of Empirical Literature

A few studies were carried out on the areas of revenue utilization and social service delivery. Baghebo (2012) examines the effective utilization of tax revenue vis-à-vis the impact of government expenditure on economic growth and development of Nigeria using exploratory research design. The study tentatively finds that despite increasing revenue base, the rate of poverty, unemployment, high rate of inflation, low capacity utilization in industry, debt overhang, deterioration or stagnation of economic activities still prevail. The study did not employ empiricism in its analysis or descriptive analysis, rendering its findings not conclusive. The study considered the whole country without considering amounts of revenue utilized by the federal government.

Chand and Naidu (2010) examine the role of the state and Fiji council of social

services (FCOSS) in service delivery in Fiji using donor agency through government or Civil Society Organisations (CSOs). The study finds that the CSOs have more public trust than government in delivering social services to the people. This study is not on the Nigerian social environment, which have different revenue triangle.

Erondu and Oladejo (2015) investigate the importance of providing social services for community development in Nigeria using exploratory research design. The study highlights the need for government and private sector to ensure provision of social infrastructure for the development of rural communities in Nigeria. In a similar vein, Agba, Akwara and Idu (2013) look local government and service delivery in Nigeria using content analysis, and concludes that local governments must attempt to overcome the challenges that have circumvented their performance.

Edogbanya and Ja'afaru (2013) examine problems and prospects of revenue generation in the Nigerian local government system, with focus on Njikoka local government area of Anambra state. The study utilizes qualitative descriptive analysis and the findings reveal that despite external and internal sources of revenue to Njikoka local government, corruption and poor governance, public cynicism, lack of qualified revenue collectors and lack of financial autonomy undermine revenue collection. It therefore recommends honest and credible leadership as a panacea for

Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 - 2015

revenue shortfalls in Njikoka local government.

Worlu and Nkoro (2012) examine the impact of tax revenue on the economic growth of Nigeria covering the period 1980 to 2007 using secondary data from Central Bank of Nigeria, Federal Inland Revenue Service. The data collected were analysed using the three stage least square estimation technique. The results show that tax revenue stimulates economic growth through infrastructural development as the channel through which tax revenue impacts on economic growth in Nigeria.

Samuel and Tyokoso (2014) examine the assessment of taxation on revenue generation in Nigeria with focus on FCT and some selected states using survey research design. The study utilizes regression analysis and finds among other things that taxation has a significant contribution on revenue generation and gross domestic product (GDP). In a similar way, Afubero and Okoye (2014) utilize regression analysis and the study finds a significant relationship between revenue generation through taxation and GDP. The study recommends that Well Equipped Data Base (WEDB) on all tax payers should be established by the Federal, State and Local Governments with the aim of identifying all possible sources of income of tax payers for tax purpose, the tax collection processes must be free from corruption.

Khemani (2001) investigates the role of states and local governments in

fiscal federalism and service delivery in Nigeria. The discussion in the study highlights two primary issues to be considered when deciding the allocation of responsibilities to different tiers of government – accountability and capacity. Sub-national capacity constraints may be severe enough to counteract any beneficial effects of greater accountability. If capacity problems are particularly severe at the level of the local government, then it may make sense to pursue decentralization sequentially, by first increasing resources to state governments and simultaneously strengthening capacity at local government levels by increasing their responsibilities as agents of the state. Eventually, the autonomy of local governments may be increased as they begin to develop better institutions of accountability and tackle issues of capacity.

Majority of these studies as reviewed above were on revenue utilization at the local government level or revenue utilization in general, not relating to social service delivery at the state level and mostly exploratory. The few ones that related revenue utilization, revenue generation or fiscal federalism with social service delivery, considered the whole federation as a case study. This study intends to be specific on finding the relationship between revenue utilization and social service delivery in Plateau State.

METHODOLOGY

This study is based on experimental research design using descriptive and empirical research strategies. This research approach (methodology) underlines the overall research process and a facilitated description of the relationship between revenue generation and its utilization on social service delivery in Plateau State. The study population constitutes the total number of Ministries, Departments and Agencies (MDAs) of Government of Plateau State. Within these MDAs, government activities, which are made up of generation of revenue from all legitimate sources and spending of the revenue to provide services to different sectors of the Plateau State economy. The Plateau State economy is made up of four sectors, that is, Administrative Sector, Economic Sector, Law and Justice Sector, and Social Sector. Revenue generation and these sectors cover all government activities and budgeting are done within these sectors to provide services to the populace of the State. Plateau State Government generates revenue from the Internally Generated Revenue (IGR), such as taxes, fines and fees, licences, sales and earnings, rent on government property, and revenue from boards and parastatals; Federation Account (FEDACC), such as statutory allocation, re-imburements from federal government for federal infrastructure intervention, exchange rate gains, and SURE-P funds; Capital Receipts (CAPREC), made up of Value Added Tax (VAT), excess crude account, internal loans,

external loans and draw downs. Other sources (OTHERS) include external debts refund, and grants and contributions. Internal loans and external loans are part of capital receipts but because of their high risks exposure level, they are presented here under "others".

The revenue generated from above sources are expended to provide public services to the citizens of the State within the four sectors of Plateau State economy. According to Plateau State Government Approved Budget (2016), there are 13 MDAs under Administrative Sector, 21 MDAs under Economic Sector, 3 MDAs under Law and Justice Sector and 31 MDAs under Social Sector in Plateau State that provide public services to the populace of Plateau State. From the population of this study as highlighted above, the whole of the revenue generation items in their broad categories and services provided by the social sector were taken as the study sample size. However, the other sectors of the Plateau State economy are also important but due to the study research problem they are not considered here. This study examines how state government revenue affects social service delivery, so as to draw inferences on the study population. This study used a non-probability sampling technique. The sample size is arrived at after applying purposive sampling technique (Kothari, 2004). This study selects a sample that appears to it as been the representative of the population as defined by the research problem.

Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 - 2015

The type of data for this study is historical time series data on Plateau State government finances. These data are secondary data obtained from secondary sources, which are documents published internally and externally on the Plateau State government finances. The internally published documents are published Plateau State Government Approved Budgets and Plateau State Internal Revenue Service (PSIRS) Revenue Reports. The external published documents are basically the publications of National Bureau of Statistics (NBS) and CBN Statistical Bulletins.

Data analysis consists of separate and distinct approaches of the variables that were to be measured. Revenue generation and its utilization on social service delivery are measured by the amount of revenue actually earned and the amount of revenue expended on social services as stated in the published Plateau State Government Approved Budgets. The surrogates for this study are actual amount spent on social services for the dependent variable and actual IGR, federation account, capital receipts and other revenue for the independent variables. This is based on the Keynesian model/theory. Ordinary Least Squares (OLS) technique is used for the regression using Econometric View (E-View) computer software to achieve the main objective of this study. To this end, one hypothesis is developed based on the main objective of the study as follows:
 H_0 : Revenue generation has no significant

impact on its utilization to social service delivery in Plateau State.

$$H_0: \mu = 0$$

$$H_1: \mu \neq 0$$

This hypothesis is tested using linear regression model as specified below:

$$LSOCSERV_t = \alpha_0 + \alpha_1 LIGR_t + \alpha_2 LFEDACC_t + \alpha_3 LCAPREC_t + \alpha_4 LOTHERS_t + \mu_t \dots \dots (1)$$

Where:

SOCSERV = Social Service Delivery

IGR = Internally Generated Revenue

FEDACC = Federation Account

CAPREC = Capital Receipts

OTHERS = Other Revenue

α_0 = the intercept of the function

$\alpha_1, \alpha_2, \alpha_3$ and α_4 = the parameters to be estimated

μ = the error term (disturbance term)

Where L is Natural Logarithms of all the proxies. The apriority expectations are that the regression coefficients $\alpha_1, \alpha_2, \alpha_3$ and α_4 of the explanatory variables IGR, FEDACC, CAPREC and OTHERS in the equation are expected to have a positive sign, implying a positive relationship between revenue generation and utilization on social service delivery in Plateau State.

The data collected on revenue generation and utilisation on social services are related and consistent, i.e. revenue generation can influence social service delivery. The data in the documents published by Plateau State Government, Plateau State Internal Revenue Service (PSIRS), National Bureau of Statistics (NBS) and Central Bank of Nigeria are consistent with the statutory functions of these

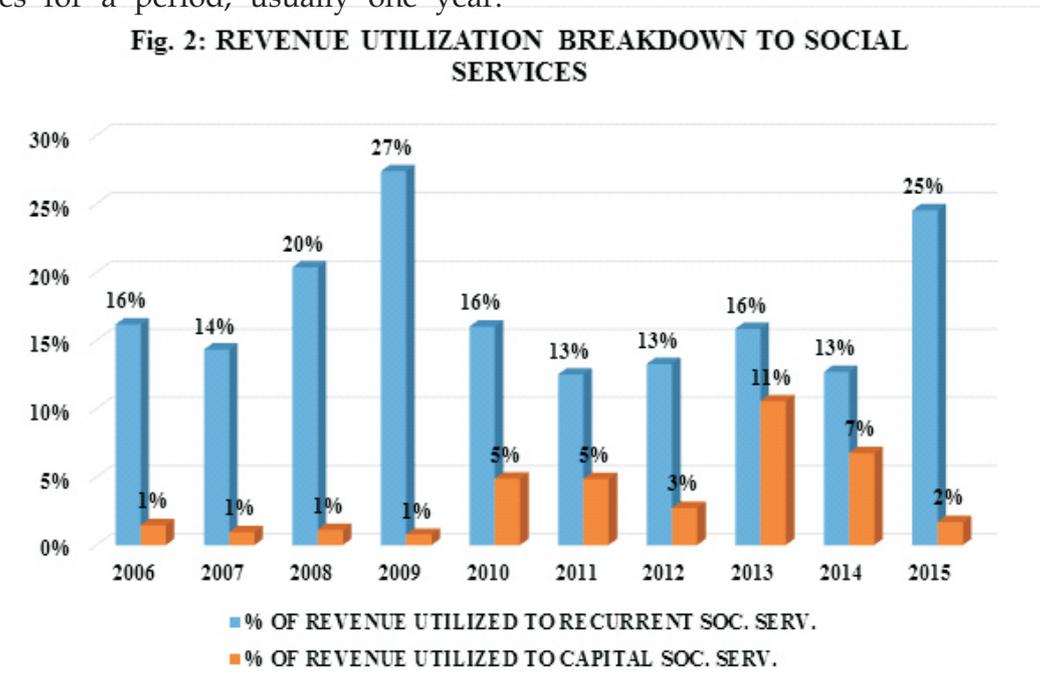
government institutions in providing information to the populace in terms of accountability. These show internal validity, external validity and statistical conclusion validity associated with the design of the experiment. The reputation and recognitions of both internal and external secondary sources (organizations) of data enhance the reliability and suitability of the data obtained for this study. Data collected from documents published as products of statutory responsibilities of government agencies as in this study are much more reliable to be used in any research experimentation.

RESULTS AND DISCUSSION

To be able to meet up with the demands of governance, the State Government budgets on the amount to be generated as revenue from different sources for a period, usually one year.

Looking at the revenue utilization on social service delivery as a whole, may not portray the quality of the expenditure for economic development as propounded by the Keynesian economists. The Keynesians argue that capital expenditure contributes more to economic growth and development than recurrent expenditure. Figure 2 below shows that the revenue utilization on social service delivery were majorly on recurrent expenditure for the years under review rather than on capital expenditure, which is bad for the economic development of Plateau State. The implication of this is that the revenue utilized on social services for the period 2006 to 2015 in Plateau State were basically on salaries and overheads of the social services sector leaving out the social services infrastructure.

Fig. 2: REVENUE UTILIZATION BREAKDOWN TO SOCIAL SERVICES

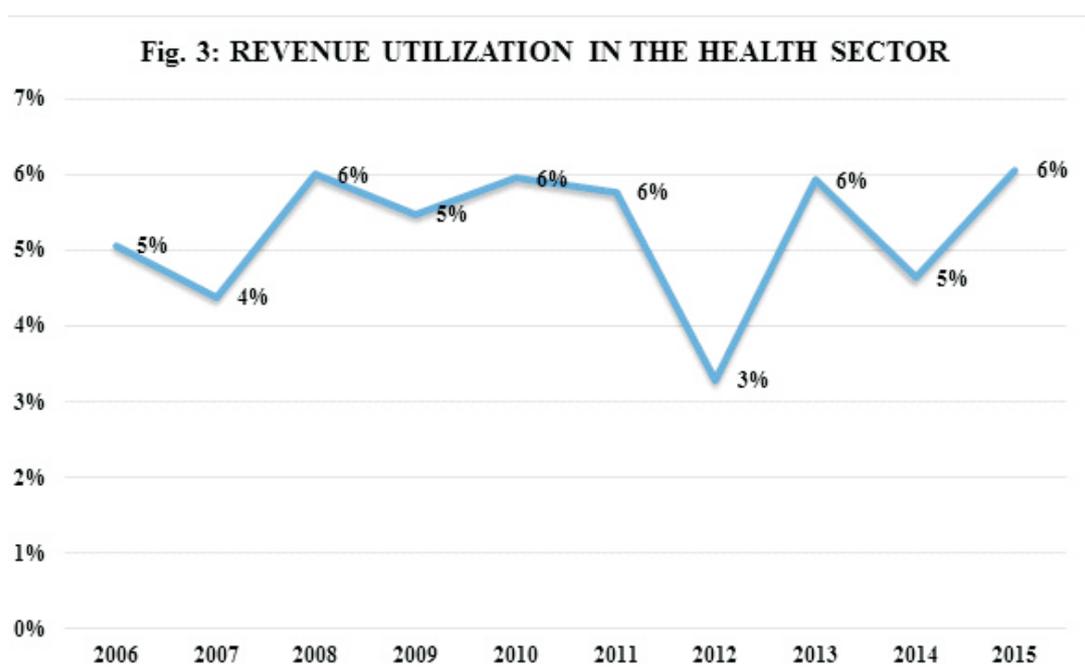


Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 - 2015

Revenue Utilization in the Health Sector

The amount of revenue utilized in the health sector from the revenue generated within the period under study is not significant to deliver social services in the health sector of the Plateau State economy (See figure 3). To enhance health service delivery in countries, World Health Organisation (WHO) recommends that at least 5% of GDP should be spent on health (Savedoff, 2003). In April 2001, heads of state of African Union countries met and pledged to set a target of allocating at least 15% of their annual budget to improve the

health sector, called the Abuja Declaration (World Health Organisation, 2011). Figure 3 below shows the percentages of revenue utilization in the health sector for the period 2006 to 2015. Perhaps, not more than 6% of the revenue generated for the period under study were utilized in the health sector of Plateau State. This shows a low investment of revenue by PLSG in providing public services in the health sector of Plateau State, i.e. far less than the 15% of total expenditure in the Abuja Declaration. This is in line with the findings of Erundu and Oladejo (2015).



Revenue Utilization in the Education Sector

The total revenue generated and utilized in the education sector of Plateau State for the period 2006 to 2015 were less

than the standard recommended by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) of at least 26% of total expenditure to be spent on education.

Fig. 4: REVENUE UTILIZATION IN THE EDUCATION SECTOR

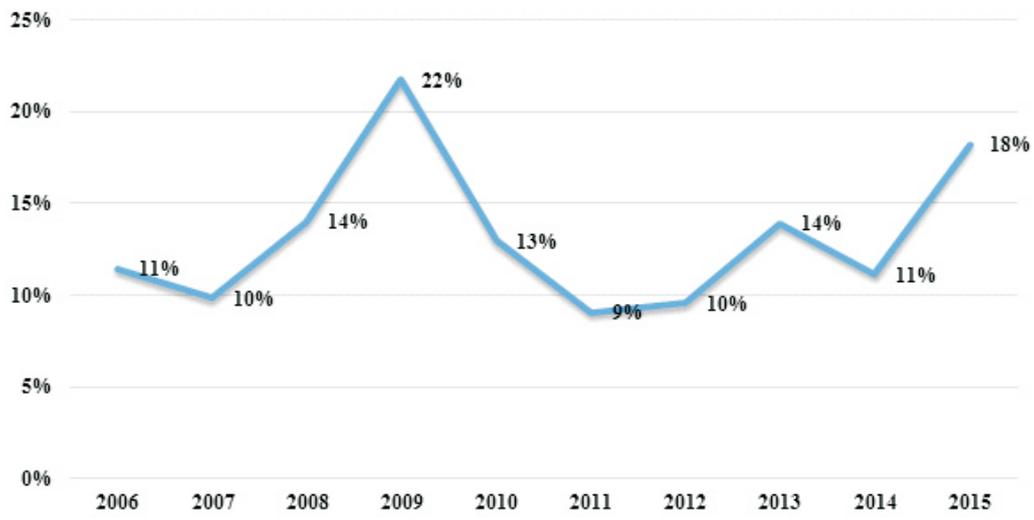


Figure 4 shows an average of 13% as the PLSG revenue utilized in the education sector with the highest in 2009 at 22%. The implication of this is that the revenue utilized in the education sector for the period under study were inadequate to provide the desired educational services in Plateau state. This is also in line with the findings of Erundu and Oladejo (2015).

Test of Hypothesis

Table 1 presents the regression results and the model shows fitness by the residual test carried out. Firstly, the residual is not serially correlated (H_0) based on Breusch-Godfrey Serial Correlation LM Test with p-value of 0.1440 (Chi-square), showing a good sign of a fitted model. Secondly, the residual is homoscedastic (H_0) based on Breusch-Pagan-Godfrey Heteroskedasticity Test with p-value of 0.9919(Chi-square), showing a sign of a fitted model. Lastly, the residual is

normally distributed (H_0) based on Histogram - Normal Test with P-value of 0.5529, also showing a good sign of a fitted model.

In interpreting the regression model in table 1, 89.25% degree of variation in the social services delivery can be explained from the combination of the sources of revenue generation in Plateau State (See R-squared in table 1). The independent variables (revenue generation sources); IGR, federation account, capital receipts and other revenue jointly influence social services delivery in Plateau State at 5% level of significance (Prob. of F-Statistics is 0.0122). From this result, H_0 is rejected at 5% level of significance, which means that revenue generation has significant impact on its utilization to social service delivery in Plateau State. The prior expectation is that social service delivery should have a positive relationship with revenue generation.

**Impact of Revenue Generation and Utilization
on Social Service Delivery in Plateau State: 2006 - 2015**

Table 1: OLS Model

Dependent Variable: LSOCSERV				
Method: Least Squares				
Date: 12/05/16 Time: 13:17				
Sample: 2006 2015				
Included observations: 10				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.162412	3.497563	0.046436	0.9648
LIGR	1.061079	0.361818	2.932635	0.0325
LFEDACC	-0.045010	0.455828	-0.098743	0.9252
LCAPREC	0.000125	0.256442	0.000487	0.9996
LOTHERS	0.007314	0.014093	0.519019	0.6259
R-squared	0.892479	Mean dependent var		10.03699
Adjusted R-squared	0.806462	S.D. dependent var		0.239242
S.E. of regression	0.105250	Akaike info criterion		-1.358111
Sum squared resid	0.055387	Schwarz criterion		-1.206818
Log likelihood	11.79055	Hannan-Quinn criter.		-1.524079
F-statistic	10.37563	Durbin-Watson stat		2.492998
Prob(F-statistic)	0.012249			

Source: Authors's computation using EViews 8 computer software

Substituted Coefficients:

$$LSOCSERV = 0.162412163596 + 1.06107947007*LIGR - 0.0450099217842*LFEDACC + 0.000124952270856*LCAPREC + 0.00731447584643*LOTHERS$$

Majority of the independent variables (3 out of 4 explanatory variables), individually are not significant to explain social service delivery in Plateau State. These explanatory variables are federation account, capital receipts and other revenue (see p-values in table 1 above). Only IGR variable is significant and positively impacting on social service delivery in Plateau State (See also p-value in table 1). This implies that revenue generated from federation account, capital receipts and other revenue are huge but not significantly

related or utilized to social service delivery. IGR is little and related to the minimal social service delivery.

The findings from the econometric analysis show that revenue generation has significant impact on its utilization to social service delivery in Plateau State. This is when the revenue generation is looked at as a whole in relation to the PLSG expenditure on social services. Also, the IGR shows a significant positive relationship with social service delivery. These findings are in line with the findings of Worlu and Nkoro

(2012), Adesoji and Ogechi (2013), and Afuberoh and Okoye (2014). But looking at the other individual sources of revenue generation, the revenue generated from the federation account, capital receipts and other revenue are not significantly having any impact on social service delivery in Plateau State, which is in line with the findings of Baghebo (2012).

CONCLUSION AND RECOMMENDATIONS

This study examines revenue generation and utilization on social service delivery in Plateau State. The study thus concludes majorly from the findings that there is a relationship existing between revenue generation and its utilization on social service delivery in Plateau State. The implication of this is that revenue generation and utilization impact on social service delivery at varying degrees.

Firstly, that the revenue generated and allocated to the health sector of Plateau State is inadequately utilized in providing health services compared to total revenue generated, and lastly that the revenue generated and allocated to the education sector of Plateau State is inadequately utilized in providing education services compared to total revenue generated.

To enable the study achieve its significance, recommendations arising from the findings are provided. The study recommends:

1. More focus of revenue utilization on capital expenditure of social services

in Plateau State public financial management by the Plateau State Government.

2. Targeting to attend or meet up with WHO and African Union' Abuja Declaration recommendations on the standards of spending of government budget by the Plateau State Government budgeting system through the State Ministry of Finance.
3. Targeting to achieve the UNESCO recommendation on the standard of government spending to provide educational services to the people by Plateau State Government budgeting system.

REFERENCES

- Adedokun, A. (2006). Local government tax mobilisation and utilisation in Nigeria: Problems and Prospects. *The Official Journal of Ibadan Polytechnic*.
- Adejumobi, S. (1996). *Structural Adjustment, Privatisation Policy and Infrastructural Services in Africa; With Examples from Nigeria and Ghana*. Dakar, Senegal: Council for the Development of Social Science Research in Africa (CODESRIA).
- Adesoji, A. A., & Ogechi, C. F. (2013). The Effect of Internal Revenue Generation on Infrastructural Development: A Study of Lagos State Internal Revenue Service. *Journal of Educational and Social Research*, 3(2), Pp.24-39.

**Impact of Revenue Generation and Utilization
on Social Service Delivery in Plateau State: 2006 - 2015**

- Afuberoh, D., & Okoye, E. (2014). The Impact of Taxation on Revenue generation in Nigeria: A Study of FCT and Selected States. *International Journal of Public Administration and Management Research*, 2(2), Pp. 22-47.
- Agba, M. S., Akwara, A. F., & Iduh, A. Y. (2013). Local Government and Social Service Delivery in Nigeria: A Content Analysis. *Academic Journal of Interdisciplinary Studies*, 5(10), Pp. 98-107.
- Baghebo, M. (2012). Effective utilization of tax revenue in Nigeria. *International Journal of Academic Research in Business and Social Sciences*, 2(7), 280-289.
- Berry, C., Forder, A., Sultan, S., & Moreno-Torres, M. (2004). Delivery of Social Services in Difficult Environments. *PRDE Working Paper*, 3, Pp. 1-37.
- Blinder, A. (2008). *Keynesian Economics*. Retrieved June 15, 2012, from The Concise Encyclopedia of Economics: www.econlib.org/library/Enc/KeynesianEconomics.html.
- Buhari, A. L. (2001). *Straight to the Point ICAN/Polytechnic Public Finance. Ilorin-Nigeria*: Unilorin Press.
- Chand, A., & Naidu, S. (2010). The role of the state and Fiji council of social services (FCOSS) in service delivery in Nigeria: The role of states and local governments. *International NGO Journal*, 5(8), 185-193.
- Dang, D. Y. (2013, June). Public Capital Expenditure and Employment Insecurity in Nigeria: An Empirical Study. *Humanity Jos Journal of General Studies*, 6(1), 119-132.
- Eboh, E., & Igbokwe, E. (2006). Economic Competitiveness Across Nigeria. *African Institute of Applied Economics BECANS Working Paper*(2), Pp 1-18.
- Edogbanya, A., & Ja'afaru, G. S. (2013). Revenue Generation: Its Impact on Government Development Effort. *Global Journal of Management and Business Research*, 13(4), Pp. 12-26.
- Erondu, C. I., & Oladejo, A. O. (2015). Social Services Provision and Community Development in Nigeria. *Research on Humanities and Social Services*, 5(10), Pp. 195-198.
- Fayemi, O. A. (1991). *Principle of Local Government Accounting*. Yaba-Lagos: Chapter Ten Publication Ltd.
- Hepworth, N. P. (1976). *The Finance of Local Government*. London: Gorge Allen.
- Jimoh, A. (2003). "Fiscal Federalism: The Nigerian Experience". *Ad-Hoc Expert Group Meeting - Economic Commission for Africa, 7-9 October* (p. 3). Addis Ababa: UNCC.
- Keynes, J. M. (1986). *The General Theory of Employment, Interest and Money*. London: Macmillan.
- Khemani, S. (2001). Fiscal Federalism and Service Delivery in Nigeria: The Role of States and Local Governments. *Nigerian PER Steering Committee* (pp. 1-14). Abuja: Nigerian PER Steering Committee.

- Kothari, C. (2004). *Research Methodology: Methods and Techniques* (2nd Ed.). New Delhi: New Age International (P) Ltd.
- Nebo, C. S., & Chigbo, U. J. (2015). Effective revenue utilisation and substantive development: A Study of Nnewi North Local Government Area of Anambra State. *Journal of Policy and Development Studies*, 9(5), 24-37.
- Okorafor, A. A., & Nwankwo, E. A. (1986). Ownership and Control of Factors of Production in Nigeria. *The Nigerian Economy: A Political Economy Approach*. London: Nigerian Economic Society and Longman.
- Oladimeji, A. (1985). *Local Government and the Traditional Rulers in Nigeria*. Ile-Ife: University of Ife Press.
- Olaoye, C. O. (2008). *Concept of Taxation In Nigeria*. Kwara State: Clemart Publishing.
- Olowononi, G. D. (2000). Revenue Allocation and Economics of Federalism. In K. S. Amuwo, *Federalism and Political Restructuring in Nigeria* (pp. 247-260). Ibadan-Nigeria: Spectrum Books Limited.
- Oriakhi, D. E., & Ameh, G. (2014). Government Expenditure and the Development of the Education Sector in Nigeria: An Evaluation. *Review of Public Administration and Management*, 3(5), Pp.147-160.
- Petelis, C., & Clarke, T. (1993). Introduction: The Political Economy of Privitisation. In T. Clarke, & C. Petelis, *The Political Economy of Privitisation*. London & New York: Routledge.
- Plateau State of Nigeria. (2007). *2007 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2008). *2008 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2009). *2009 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2010). *2010 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2011). *2011 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2012). *2012 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2013). *2013 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2014). *2014 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2015). *2015 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Plateau State of Nigeria. (2016). *2016 Fiscal Year Approved Budget*. Jos: Plateau State Government.
- Rousseau, J. J. (1913). *Social Contract & Discourses*. New York: E. P. Dottun & Co.

**Impact of Revenue Generation and Utilization
on Social Service Delivery in Plateau State: 2006 - 2015**

- Samuel, S. E., & Tyokoso, G. (2014). Taxation and Revenue Generation: An Empirical Investigation of Selected States in Nigeria. *Journal of Poverty, Investigation and Development*, 4, Pp. 15-16.
- Savedoff, W. (2003). How Much Should Countries Spend on Health? *World Health Organisation Discussion Paper*(2), Pp. 1-11.
- Smith, A. (1936). *An Inquiry into the Nature and Causes of the Wealth of Nations*. New York: Mordent Library.
- World Health Organisation. (2011). **The Abuja Declaration: Ten Years On**. Geneva: Author.
- Worlu, C. N., & Nkoro, E. (2012). Tax Revenue and Economic Development in Nigeria: A Macroeconometric Approach. *Academic Journal of Interdisciplinary Studies*, 1(2), 211-223.

**APPENDIX 1:
PLATEAU STATE REVENUE GENERATION AND
ALLOCATION TO SOCIAL SERVICES FOR THE PERIOD 2006 - 2015**

Panel 1: Budget								
YEAR	REVENUE ALLOCATION TO SOCIAL SERVICES			REVENUE GENERATION				TOTAL REVENUE (BUDGET)
	RECURRENT EXP	CAPITAL EXP	SOCIAL SERVICES	IGR	FEDERATION ACCOUNT	CAPITAL RECEIPTS	OTHERS	
2006	5,253,657,574	3,648,872,269	8,902,529,843	1,440,000,000	36,169,045,577	8,027,542,772	4,753,398,346	50,389,986,695
2007	5,900,782,407	4,885,599,000	10,786,381,407	2,942,115,186	25,187,597,633	2,544,363,500	4,753,398,346	35,427,474,665
2008	7,711,132,716	7,445,756,411	15,156,889,127	5,238,000,000	26,336,000,000	31,442,732,833	0	63,016,732,833
2009	12,082,193,347	9,914,361,506	21,996,554,853	7,232,299,808	31,036,000,000	25,805,074,295	15,434,502,486	79,507,876,589
2010	10,925,598,551	7,923,919,000	18,849,517,551	11,206,875,300	24,143,000,000	28,694,797,077	14,617,860,875	78,662,533,252
2011	16,946,043,644	9,603,713,764	26,549,757,408	12,792,959,041	34,394,917,347	22,557,350,500	16,816,667,757	86,561,894,645
2012	16,584,052,892	20,512,766,052	37,096,818,944	14,125,632,331	41,160,000,000	20,437,135,173	37,040,761,059	112,763,528,563
2013	20,591,880,129	34,473,278,639	55,065,158,768	13,092,447,010	45,877,142,333	16,367,521,992	61,304,595,453	136,641,706,788
2014	17,536,803,231	43,833,276,916	61,370,080,147	16,536,805,141	55,285,123,000	27,629,725,834	125,606,372,331	225,058,026,306
2015	22,118,304,958	38,264,542,579	60,382,847,537	16,828,493,045	62,792,625,313	23,892,525,834	111,952,191,226	215,465,835,418
Panel 2: Actual								
YEAR	REVENUE ALLOCATION TO SOCIAL SERVICES			REVENUE GENERATION				TOTAL REVENUE (ACTUAL)
	RECURRENT EXP	CAPITAL EXP	SOCIAL SERVICES	IGR	FEDERATION ACCOUNT	CAPITAL RECEIPTS	OTHERS	
2006	4,638,687,574	418,087,558	5,056,775,131	2,375,336,328	22,897,154,207	3,409,257,948	0	28,681,748,484
2007	4,369,521,396	289,849,183	4,659,370,580	2,443,705,521	20,485,225,573	6,338,799,406	1,215,731,393	30,483,461,892
2008	6,818,416,680	372,325,421	7,190,742,101	4,185,159,880	23,957,938,747	5,340,870,666	0	33,483,969,293
2009	11,535,751,208	326,597,079	11,862,348,287	4,403,016,360	18,936,120,337	16,085,341,600	2,669,347,651	42,093,825,949
2010	8,138,218,094	2,471,863,434	10,610,081,528	4,426,556,564	28,011,849,309	11,573,075,523	6,770,000,000	50,781,481,397
2011	8,939,244,922	3,460,953,615	12,400,198,537	5,384,536,130	38,546,936,881	20,767,358,526	6,725,920,158	71,424,751,695
2012	9,278,118,144	1,899,559,604	11,177,677,748	7,129,219,596	38,105,373,494	15,630,463,627	8,965,031,240	69,830,087,957
2013	15,366,659,606	10,225,689,229	25,592,348,835	8,830,318,790	43,834,005,079	11,481,311,211	32,770,272,847	96,915,907,926
2014	13,073,733,343	6,940,123,083	20,013,856,425	7,661,510,382	45,440,656,580	13,865,181,779	36,000,000,000	102,967,348,741
2015	14,482,562,459	997,675,512	15,480,237,971	7,199,695,392	32,374,156,787	8,499,350,665	10,920,000,000	58,993,202,844
Source: Approved Budgets 2007 - 2016, Plateau State of Nigeria								

**Impact of Revenue Generation and Utilization
on Social Service Delivery in Plateau State: 2006 - 2015**

**APPENDIX 2:
PLATEAU STATE REVENUE UTILIZATION
FOR SOCIAL SERVICES: 2006 - 2015**

YEAR	TOTAL REVENUE (ACTUAL)	HEALTH (ACTUAL)	EDUCATION (ACTUAL)
2006	28,681,748,484	1,448,817,846	3,276,751,471
2007	30,483,461,892	1,333,224,539	2,990,036,024
2008	33,483,969,293	2,004,933,473	4,680,059,686
2009	42,093,825,949	2,298,840,489	9,140,654,595
2010	50,781,481,397	3,018,283,046	6,570,489,021
2011	71,424,751,695	4,109,026,157	6,468,729,544
2012	69,830,087,957	2,292,824,337	6,666,877,956
2013	96,915,907,926	5,736,520,335	13,446,691,043
2014	102,967,348,741	4,760,192,809	11,434,318,554
2015	58,993,202,844	3,566,027,480	10,726,169,220