

Ohiomu, S; and Oluyemi, S. (2018) Revenue allocation in Nigeria: implications for sustainable national development. *International Journal of Social Sciences (IJSS)*, [S.l.], v. 1, n. 1, p. 35-45, may 2018. Available at: <<https://poaj.us/index.php/ss/article/view/15>>. Date accessed: 19 July 2018. doi: <http://dx.doi.org/10.31295/ss.v1n1.15>.

Abstract

This study examines the structure and formula for revenue allocation in Nigeria and highlights its implications for sustainable national development. The work uses the methodology of Error correction model (ECM) in conjunction with diagnostic tests of variables using Johansen Co-integration tests for robust policy recommendations. Using the Gross Domestic Product (GDP) as the dependent variable and Revenue allocation to the three levels of government, inflation, and lending interest rate as the independent variables, the results from the study show that revenue allocations and the other variables have a significant relationship with economic growth in Nigeria. Based on our findings, the study recommends among others that there should be accountability and transparency in the federating units to achieve national goals and objectives. Various levels of government should be given adequate funds to enable it to carry out its expenditure responsibilities to accelerate grass root development in the economy. The government should focus on optimal revenue allocation targeted at economic growth to improve the standard of living of the citizenry. These would aid to achieve the goals of desired economic growth and sustainable national development in the years ahead.