

REVENUE ALLOCATION AND SOCIO-ECONOMIC DEVELOPMENT IN AKWA IBOM STATE

By

Nsịsong Friday Nyong

And

Unwana-Abasi Udoh Ph.D.

Department of Public Administration

Faculty of Management Science.

Akwa Ibom State University.

And

Sunny Piate Ph.D.

Department of Political Science

Faculty of Social Science

Akwa Ibom State University.

ABSTRACT

This study examined revenue allocation and socio-economic development in Akwa Ibom State, Nigeria 2013-2022. One of the specific objectives was to examine the impact of revenue allocation on the physical infrastructure in Akwa Ibom State. The study adopted Fiscal Federalism as its theoretical framework. The study used both qualitative and quantitative methods of design. The data collected from secondary and primary sources were analyzed using descriptive and quantitative techniques. The study population was 9804, and the sample size of the study was 400. Simple regression statistical tool was used to analyze data collected. Findings reveal that Revenue allocation has brought about physical infrastructural development in Akwa Ibom State. It was also revealed that Revenue allocation has not enhanced health care development for the people of Akwa Ibom State, though there is a positive relationship. Findings further reveal a positive and insignificant impact of revenue allocation on power infrastructure in Akwa Ibom State. The study therefore, recommended among others that; Akwa Ibom State Government should do well to have a budget that will improve upon the health sector in order to enhance health care development for the people of Akwa Ibom State. Akwa Ibom State Government should declare power sector a state of emergency and improve upon the application of methods and use of revenue to significantly impact on power infrastructural development in Akwa Ibom State.

Keywords: Revenue allocation, physical infrastructure, health care development, socio-economic development.

Introduction

Nigeria's transition to democracy in 1999 marked a significant shift in its political landscape, opening the door for new policies and reforms aimed at fostering socio-economic development. One crucial aspect that has played a pivotal role in Nigeria's development trajectory is the revenue sharing. The allocation of revenues from the country's vast natural

resources, particularly oil, has been a subject of intense debate, reflecting the complex interplay around politics, economics, and social equity. As an oil-rich nation, Nigeria's economy has been heavily dependent on oil revenues, contributing a substantial portion of the government's income and foreign exchange earnings. However, this dependence has also made the country vulnerable to the fluctuations of global oil prices. Moreover, Nigeria's socio-economic landscape is characterized by regional disparities, with certain areas, notably the oil-producing Niger Delta region, experiencing marginalization and resource-related conflicts Ehule (2015).

There is politics of revenue allocation in Nigeria which encompasses intricate negotiations and decisions regarding how revenues are distributed among different tiers of government - federal, state, and local. This allocation has far-reaching implications on economic development, and social cohesion in the Nation. The distribution of funds has the potential to either bridge regional disparities and promote inclusive development or exacerbate inequalities and socio-economic tensions. From 2007 to 2015 was another era of massive infrastructural development in Akwa Ibom State which cut across various local government areas. Subsequently during the period from 2015 to 2022, Akwa Ibom State witnessed multiple changes in government, economic conditions, and social dynamics. These changes however resulted in inadequate infrastructures in the rural areas. The emergence of democratic governance, combined with the imperative of achieving sustainable economic growth, presented policy makers with the challenge of finding a delicate balance between revenue allocation and socio-economic development. The existing literature has examined various aspects of Nigeria's revenue sharing policies, ranging from their impact on regional development to the political negotiations shaping these policies. Nigeria, often referred to as the "Giant of Africa," is a nation with a complex socio-political landscape and immense economic potentials Ekpo (2014). The period from 2013 to 2022 witnessed significant changes, in economic fluctuations which seems to have affected socio-economic development of local governments in Akwa Ibom State. Against this backdrop, the politics of revenue allocation emerged as a critical determinant of socio-economic development. However, there remains a gap in understanding the intricate relationship between revenue allocation, political power struggles, and their combined influence on socio-economic development during the period of 2013 and 2022 within which the study is undertaken. Therefore, it is against this background that this study sought to examine the impact of revenue allocation and socio-economic development in Akwa Ibom State, Nigeria from 2013 to 2022.

Statement of Problem

The period spanning from 2013 to 2022 witnessed a significant phase of Nigeria's political evolution marked by democratic governance and substantial shifts in revenue sharing policies. These policies are what Udoh (2018) referred to as "principles" when he stated that, "every administrator is duty-bound to manage the scarce resources at his disposal in such a manner as it is equitable and in accordance with the laid down principles". The revenue sharing system, designed to ensure equitable distribution of resources among the federal, state, and local governments, holds the promise of fostering socio-economic development of the various regions. However, the intricate interplay between political power dynamics derivation principles, revenue allocation mechanisms, and their influence on socio-economic indicators presents a complex challenge. But ultimately revenue accrued from the federation account seems not to have been judiciously utilized for the development of the State, going by the devastating states of physical infrastructure, health care and power infrastructure of the State. These has however escalated into becoming some of the major problems of the State. These problems are; poor state of physical infrastructure in the State, poor health care system in the State and inadequate

electrical facilities in the State. In the area of physical infrastructure, it is presumed the State has paucity of roads as majority of roads in the State are not motorable, which does not have good impression about a State that has benefitted from 13% derivation for a decade and some years. Also, in the area of health care, it is presumed that most of the health care centers are in abysmal state. It is further presumed that Akwa Ibom State government is not paying adequate attention and does not invest adequately to upgrade her health sector, thus; leaving the sector in assailable state. Finally, in the area of power infrastructure, it is presumed that Akwa Ibom State lacks power infrastructure. There are inadequate power substations in many of the Local government areas. This however culminated to inadequate power supply in the state. The persistent question arises: what is the relationship between revenue allocation and physical infrastructural development of the Akwalbom State? Understanding the dynamics of revenue allocation and its impact on development is essential for informed policy decisions that can address imbalances, ensure inclusive development, and pave the way for Akwalbom State sustained socio-economic growth. It's against this background that this study sought to examine the impact of revenue allocation and Socio-economic development in Akwalbom State between 2013 and 2022.

Objectives of the Study

The main objective of the study is to examine revenue allocation and socio-economic development in Akwa Ibom State, between 2013 and 2022

The subsidiary objective of this study include:

1. To find out whether revenue allocation has brought about physical infrastructural development in Akwa Ibom State.
2. To investigate whether revenue allocation has enhanced health care development for the people of Akwa Ibom State.
3. To determine whether revenue allocation has brought about power infrastructural development in Akwa Ibom State.

Research Questions

The following research questions were formulated;

1. What is the impact of revenue allocation on physical infrastructural development in Akwa Ibom State?
2. What is the impact of revenue allocation on health care development in Akwa Ibom State?
3. What is the relationship between revenue allocation and power infrastructural development in Akwa Ibom State?

Conceptual Framework:

Concept of Revenue Allocation.

Revenue allocation is a business arrangement in which two or more parties agree to share the income generated from a particular venture or product. This can be applied to various

contexts, including partnerships, affiliate marketing, content creation, and more. Revenue allocation among the three tiers of government in Nigeria is governed by the country's federal system, which consists of the federal, state, and local government levels. The revenue allocation formula in Nigeria is a critical aspect of fiscal federalism and is guided by the provisions of the Nigerian Constitution. The revenue sharing formula was determined as follows:

1. Federal Government: The federal government retains the largest share of revenue, usually around 52.68%. This is because the federal government is responsible for providing certain key services such as defense, foreign affairs, and some critical infrastructure.

2. State Governments: The state governments receive the second-largest share, typically around 26.72%. States have responsibilities for areas like education, health, agriculture, and transportation within their jurisdictions.

3. Local Governments: Local governments receive the remaining share, which is approximately 20.60%. Local governments are expected to provide essential services at the grassroots level, including primary education, primary healthcare, and local infrastructure.

It's important to note that these percentages are not fixed and can be adjusted periodically through constitutional amendments or legislation. The revenue is primarily derived from various sources, including oil revenues, taxes, and other income generated by the federal government, which are then shared among the tiers of government. Additionally, the Niger Delta region, which is a major oil-producing area in Nigeria, has a special provision for revenue sharing known as the Niger Delta Development Commission (NDDC). This is aimed at addressing the developmental needs of the oil-producing states in that region Usman (2011)

Concept of Socio-Economic Development

Socioeconomic development refers to a state in which a society or a region experiences a relatively consistent and balanced level of economic well-being and social harmony over time, through increase in GDP and as well as standard of living of the people. It encompasses several key aspects:

Economic Well-Being: This aspect involves factors such as income levels, employment opportunities, access to basic needs (e.g., food, housing, healthcare), and overall economic prosperity. A stable socioeconomic environment typically exhibits steady economic growth, low unemployment rates, and a reasonable standard of living for its residents

Social Harmony: Socioeconomic stability also considers social factors like low crime rates, a strong sense of community, and minimal social unrest or conflict. It implies that people feel safe and secure in their daily lives and have a positive sense of belonging to their society.

Equality and Equity: Stability in socioeconomic terms often requires efforts to reduce income inequality and promote equity. Policies that address disparities in wealth, education, and access to opportunities contribute to a more stable society. Government and Institutions: The effectiveness and stability of governmental institutions play a significant role in socioeconomic stability. Governments that can maintain law and order, enforce contracts, and provide essential services contribute to a stable environment.

External Factors: Socioeconomic stability can also be influenced by external factors such as global economic trends, trade relationships, and geopolitical stability. These external factors can impact a region's economic and social well-being.

Long Term Sustainability: Sustainable development and responsible resource management are important for maintaining socioeconomic stability over the long term. This involves considering the environmental impact of economic activities to ensure that future generations can also enjoy development. Overall, socioeconomic stability is a complex and multifaceted concept that reflects the overall health and resilience of a society in economic and social terms. It's often a goal pursued by governments, policymakers, and organizations to improve the quality of life for their populations Thomas, et.al. (2003).

Physical infrastructures

World Bank (1994) opined that Physical infrastructure refers to the physical facilities and systems that support economic activity, including transportation, energy, water, and telecommunications. To Aschauer (1989), Physical infrastructure includes roads, highways, bridges, airports, seaports, railroads, public transportation, energy facilities, water treatment and sewage facilities, and telecommunications systems. According to Munnell (1992), Physical infrastructure encompasses the physical structures that support economic activity, including transportation systems, utilities, and public buildings.

Gramlich (1994) sees Physical infrastructure to includes the stock of physical capital that provides the foundation for economic activity, including transportation, energy, water, and telecommunications systems. Oxford English Dictionary (2019) sees Physical infrastructure as the basic physical structures and facilities needed for the functioning of a country, organization, or system, such as roads, bridges, and buildings.

Health care development

World Health Organization (WHO) (2019) sees Health development as the process of improving the health of individuals and populations through the development of healthcare systems, policies, and programs. To Rogers (2003), Healthcare development refers to the process of planning, implementing, and evaluating healthcare programs and services to improve the health status of populations. Green and Kreuter (2005) views health development as the process of enabling people to increase control over, and to improve, their health through the development of healthcare systems, policies, and programs. It is interesting to note that Buse et al. (2012) opined that healthcare development encompasses the planning, implementation, and evaluation of healthcare programs and services to improve health outcomes, increase access to care, and reduce health inequities. Murray and Frenk (2010) views health development as the process of improving the health of populations through the development of healthcare systems, policies, and programs that promote health equity, quality, and access.

Revenue Allocation and physical infrastructures.

Revenue is allocated to the Nigeria federating units to meet up with various constitutional assigned expenditures. Since the establishment of local governments in Nigeria, the assignments of government functions and revenue allocation amongst the three tiers of government has only yielded positive impact at both federal and the state levels of governments while local government remains underdeveloped. Amin (2018). According to Essien (2015)

revenue allocation over the years have contributed to the development of some local government areas that has judiciously made use of its statutory allocation. He further stated that the Physical infrastructures, health care facilities and power infrastructures are developmental indices carried out through the use of revenue accrued to the local governments.

According to Ehule, (2015). The provision of public schools, public health centers and public infrastructures requires the use of revenue from the federation account especially in the situations where local governments are not economically viable. Akinlo, (1999) stated that state/ local governments' public expenditures are influenced by federal revenue and grants. He further stated that it is this revenue that state and local governments used to provide basic amenities without which they will have difficulties. Akujuobi and Kalu (2019), opined that statutory allocation has a significant impact on socio-economic development of the rural communities. Aigbokhan (1999) state that there is a significant relationship and a high concentration ratio of expenditure and revenue on infrastructural development of the local government areas. Akeem & Usman (2011), opined that both shares of federal government and local governments' revenue from federation account contribute to physical infrastructures, health, and power sector development/economic growth process of the three tiers of government. Jimoh (2003) stated that more decentralized governance, in terms of increase in number of local governments and increase in transfer of revenue from federation account to states and local governments influence socio economic development of the three levels of governments in Nigeria.

According to Martinez & McNab (2002) opined that allocation of revenue significantly reduces the growth of physical infrastructure/ real GDP per capita. A similar cross-country study on fiscal decentralization in unitary and federal countries for the period between 1971-1990 using annual data, Yilmaz (2000) stated that decentralization/ allocation of revenue results in growth of real GDP per capita in the unitary countries and decentralization/ funds allocation is insignificantly influences the growth of socio economic development/real GDP per capita in federal countries. Though these Studies were based on foreign economies.

According to Emengini & Anere (2016) stated that there is no significant influence of revenue allocation to physical infrastructure status of states and local councils by the level of revenue accruing to local government from the federation account. Bello & Olalekan, (2012) also stated that there is no significant influence of revenue allocation to physical infrastructure status of states and local councils by the level of revenue accruing to local government from the federation account.

Revenue Allocation and Healthcare development

Akpan (2014) opines that fiscal federalism in Nigeria has had mixed implications on social service delivery. While spending on primary health delivery has been transferred to both States and Local Governments, the Federal Government retains financial responsibility for tertiary health care. For the education sector, responsibilities for primary education have been devolved to Local Governments, and these are being implemented through various arrangements between the States and Local Governments. As contained in Section 162 (6) of the 1999 constitution, the State and Local Governments operate 'joint account', such that Local Governments do not have direct access to their share of the allocations from the Federal Government. Again, the implication of this is that the Local Governments are exposed to 'manipulations' from the State Governments. The Federal Government is still responsible for budgeting and disbursements for the public tertiary institutions.

Thus, our understanding of the position of the constitution of Nigeria in respect of fiscal allocation and sharing of responsibilities for social service delivery among the tiers of government has come to imply that the State and Local Governments have principal responsibility for basic services such as primary health and primary education (Akpan, 2014). However, it is instructive to note that the extent of local governments' participation and execution of service delivery projects are determined at the 'discretion' of the respective state governments. Social service delivery in the context of current fiscal allocations in Nigeria is largely determined by the share of expenditures appropriated to the sub-national level of governments by the constitution.

Sow and Razafimahefa (2015) explored the effect of fiscal decentralization on efficiency of public service delivery and used an unbalanced panel of sixty-four developing and developed economies. The results showed that the efficiency of health and education could be improved with fiscal decentralization but under certain conditions. Firstly, the decentralization process needs sufficient institutional and political environments. Secondly, to obtain the necessary favorable outcomes, sufficient degree of expenditure decentralization is required. Thirdly, expenditure decentralization requires accompanying with necessary revenue decentralization. Without these conditions the efficiency of public service delivery in health and education can be worsen.

In the study "Fiscal federalism and socio-economic development" examines the linkages between fiscal decentralization and social services in Nigeria. It is based on a panel of the 36 states and federal capital territory. Social services in health and education are measured by outcomes such as infant mortality rate and literacy rate. The index of fiscal decentralization is measured by the ratio of state government revenue to federal government revenue. Data employed in the research spans 2002 to 2010. Findings demonstrate that higher fiscal decentralization is consistently associated with lower mortality rate and higher literacy rate; benefits from fiscal decentralization are not particularly important for states with high population and low internally generated revenue; the internally generated revenue enhances literacy rates and reduces infant mortality. This underscores the need to improve state autonomy and reduce dependence on transfers from the centre Usman (2011).

Revenue Allocation and power infrastructure

Researching on electricity strictly, Ubi, Eke and Oduneka (2023) noted that adequate electricity availability is as a result of the revenue at the disposal of Akwa Ibom State government which is being used in the power sector to ensure optimal use of modern technologies and processes. Manufacturing plants, they maintained can seldom work of which without electricity cannot function and human capital development is successful base through the support from the power sector. They, therefore, attributed industrial backwardness anywhere to inadequate availability of funds, inadequate financial resources is what lead to poor electricity supply. Efficient infrastructure development such as constant electricity is thus the basis for national economic integration as well as the spread of the benefits derivable there from. The existence of adequate power infrastructure bridges the communication gap between the rural and urban areas, and between the different parts of Akwa Ibom State. Improvements in revenue is capable of improving development in the power sector and can have significant effects on industrialization growth in Akwa Ibom State. (Anderson, Renzio & Levy, 2022). Revenue allocation is a critical aspect of development in Nigeria, particularly in oil-rich states like Akwa Ibom. According to Udoh (2023), the allocation of revenue in Nigeria is a complex process that involves multiple stakeholders and interests. The author notes that the current

revenue allocation formula in Nigeria favors the federal government, leaving states like Akwa Ibom with limited resources to invest in critical infrastructure like power.

Several studies have highlighted the importance of power infrastructure in driving economic development in Nigeria (Anderson, Renzio & Levy, 2022). However, the development of power infrastructure in Akwa Ibom State has been hindered by inadequate funding and inefficient revenue allocation (Udoh, 2023). The author argues that the state's reliance on federal allocations has limited its ability to invest in power infrastructure, exacerbating the state's energy poverty.

Bassey (2023) also notes that the lack of transparency and accountability in revenue allocation has contributed to the underdevelopment of power infrastructure in Akwa Ibom State. The author suggests that a more equitable and transparent revenue allocation formula is needed to ensure that states like Akwa Ibom receive adequate funding to invest in critical infrastructure like power.

Theoretical Framework: Fiscal Federalism (1972)

Revenue allocation and Socio-Economic development in Akwalbom State will be examined with the theory of Fiscal Federalism. Oates, W. E. (1972) is the major proponent of the theory of Fiscal Federalism. Fiscal federalism explores the distribution of financial responsibilities and resources between different levels of government. In Nigeria, the revenue-sharing formula among the federal, state, and local governments plays a crucial role in socio-economic development in the Country.

Fiscal Federalism theory envisages the judicious use of financial resources allocated to the Federating units in order to foster development of the Nation. When applied to this study, Fiscal Federalism theory views revenue allocation as an instrument through which funds are disbursed to various Federating unit and as well as geopolitical zones base on the principles of derivation for even development and whatever is given to Akwalbom State interms of statutory allocation and 13% derivation must be Judiciously utilized for even development of the State.

Methodology

Research Design

The qualitative and quantitative research methods were adopted in the study.

Population of the Study

The population was made up of the entire officers/staff of the ministries of works, Health and power in Akwa Ibom State which was 9,804, which includes; The Commissioners, permanent secretaries, Directors and all the Civil Servants in the ministries, department and Agencies (MDAs) includes health workers in the government hospitals. Human Resources Dept, Ministry of works (2024). Human Resources Dept ministry of Health (2024). Below shows the number of people per ministry.

Sample Size and Sampling Technique

The sample size for this study was four hundred (400). A simple random sampling technique was used for research as respondents were drawn from the ministries Departments and Agencies in the State. This was adopted because it is this very technique which allow the respondents to have equal chances of being selected. The research adopted Taro Yamani formula of 1964 to determine the sample size. The formula states below:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

N = Sample size

N = Population Size (9,804)

e = level of significant of 5% (0.05)

1 = Constant

To determine the Sample Size

$$n = \frac{9,804}{1 + 9,804 \times (0.05)^2}$$

$$n = \frac{9,804}{1 + 9,804 = 2452 \times 0.0025}$$

$$n = \frac{9,805}{6.13}$$

$$= 399.8$$

Approximately: 400

The weighted sampling distribution technique was used in determining the sample size for each Ministries, and is tabulated below;

Data Collection Method;

This study is based on the two possible sources of data which are the primary and secondary sources. The primary data for this study consists of raw data generated from responses by the respondents through the administration of questionnaire and interviews. The secondary data were also obtained through the review of literature, that is, journals, monographs, textbooks, and other periodicals.

Instrument of Data Collection.

The instrument which the researcher used to gather information was questionnaire.

Method of Data Analysis;

The data collected were analysed using descriptive/ quantitative approach, while the Simple regression techniques were adopted to test the research hypotheses respectively. The hypotheses were tested with 0.05 level significance. The information gathered through both secondary and primary (interview and questionnaire) were used respectively in chapter four of this study.

Revenue Accrued from the Federation Account to Akwa Ibom State (2013-2022)

Years	Revenue Allocated to Akwa Ibom
2013	N118,376,321,177.07
2014	N121,688,345,222.01
2015	N115,436,231,256.02
2016	N116,672,362,112.06
2017	N143,616,212,432.09
2018	N145,657,644,255.01
2019	N142,633,567,321.08
2020	N122,683,467,228.07
2021	N139,688,568,434.03
2022	N144,699,443,222.05
TOTAL	N1,311,152,162,659.49

Source: National Bureau of statistics (2024).

Akwa Ibom State Development; in the areas of Physical Infrastructure, Health care and Power infrastructure (2013-2022)

Table 4.2.5

S/N	Developments (Infrastructure)	Location
1.	14km, of road	Ikot Ibritam, Oruk Anam L.G.A
2.	Ring road Project	Uyo
3.	Ikot Oku Ikono Fly Over	Ikot Oku Ikono, Uyo
4.	International Worship Centre	Uyo
5.	Ikot Oku Usung Ekefe road	Ukanafun
6.	Dualization of Uyo Ikot Ekpene road.	Ikot Ekpene,
7.	Awa Iman Ikot Nkan road, Onna	Onna,
8.	Dualisation of Eket Ibeno road	Eket, Ibeno,
9.	Dualisation of Etinan Eket road	Etinan Eket,
10.	Construction of Assembly Hall	Ame zion school, Ndon Ebom, Uruan
11.	4 class room blocks at Community school	Eka Obong, Ikot Ekpene
12.	Construction of Model primary sch	Awa Ubium, Onna L.G.A
13.	Fencing of primary schools across the state	In all the 31 Local governments
14.	4 class room blocks constructed at Methodist senior science college. 4 class room blocks renovated at Government primary school.	Oron Ukpata, Afaha Eduok, Oron.
15	A total of 208 classroom blocks and Hostels in both primary and secondary schools	In the 31 LGAs

Developments in the area of Health Care		
1.	200 bed capacity complex at Oko Ita	Oko Ita in Ibiono
2.	Establishment of Immanuel Hospital	Eket
3.	Establishment of General Hospital	Iquita Town in Oron L.G.A
4.	Upgrading of Etinan General Hospital	Etinan
5.	Specialist Hospital	Itu mbarang
6.	Upgrading of General Hospital	Ikot Okoro
7.	Establishment of emergency operation center (EOC) at Infectious Disease Hospital.	Ikot Ekpene
8.	Provision of residential Quarters for 48 House Officer in the State Hospitals and 50 in the University of Uyo Teaching Hospital (UUTH).	Uyo
Development in the power sector		
1.	Ibom power plant	Ikot Abasi
2.	Sub -Power Station	Ikot Ekpene

	Power sub-Station	Edet Akpan Avenue, Uyo
	Ekim Sub Station	Mkpat Enin
	Sub Station(uncompleted)	Etim Ekpo
	Eket power Transmission	Eket
	Number of transformers in Uyo senatorial district.	364
	Number of transformers in Ikot Ekpene senatorial district.	53
	Number of transformers in Eket senatorial district.	94

Source: A publication of the ministry of information and strategy. Uyo Capital City.

The Total Amount of Money Budgeted by Akwa Ibom State Government (2013-2022), and its Achievements Within the period under Review.

Table 4.2.6

Years. (Ten)	Revenue budgeted (2013-2023).	Physical Infrastructure	Health Care Facilities (No. of Hospitals)	Power Infrastructure (No. of Transformer and power stations)	Total
2013	N120,376,321,177.07	38	5	50	93
2014	N123,688,345,222.01	45	3	54	102
2015	N117,436,231,256.02	25	2	53	80
2016	N118,672,362,112.06	26	2	64	92
2017	N145,616,212,432.09	19	4	25	48
2018	N147,657,644,255.01	17	4	75	96
2019	N144,633,567,321.08	19	2	26	47
2020	N124,683,467,228.07	11	3	24	38
2021	N141,688,568,434.03	13	3	50	66
2022	N146,699,443,222.05	12	3	50	65
Total	N1,311,172,162,659.49	225	31	471	727

Source: Field work (2024).

Discussion on findings

Revenue Allocation and Physical Infrastructure in Akwa Ibom State

From the table above, it could be noted that from 2013-2022, Akwa Ibom State Government budgeted the total sum of N1,311,172,162,659.49 of which the physical infrastructure developed were 225, as such finding of this study revealed that revenue allocation has brought about physical infrastructural development in Akwa Ibom State. This result is in line with the findings

of Hambleton (2021) conducted a study on fiscal federalism and infrastructure on how has federal and provincial infrastructure spending changed in Canada. Moreover, the research employs quantitative methods to assess trends in federal and provincial infrastructure spending from 2009-2019. Ultimately, there is an evidence to suggest that certain provinces have increased infrastructure spending; in consonance with the federal government. From the works of Hambleton, the study however concluded that revenue allocation has brought about physical infrastructural development. It is also in line with the works of Akujobi and Kalu (2009), Edogbanya and Ja'afaru (2013) and Akabom-Ita (2013) who conducted similar research and found that there is positive relationship between allocations received from the federation account and capital expenditure with a p-value of 0.024 which represents the state's commitment towards the development of infrastructure. It has disconfirmed the works of Martinez-Vazquez and Mc Nab (2002), it has disconfirmed the work of Yilmaz (2000). Again, this result has also disconfirmed other studies (such as Emengini & Anere, (2016) and Bello & Olalekan (2012) and Amin (2018).

Revenue Allocation and Health Care in Akwa Ibom State

From the table above, it could be noted that from 2013-2022, Akwa Ibom State Government budgeted the total sum of **N1,311,172,162,659.49** of which the health care facilities developed were 31, as such the outcome of the research question two revealed that revenue allocation has not enhanced health care development for the people of Akwa Ibom State. Though there is a positive relationship. This result is in line with Akpan (2014) who opines that fiscal federalism in Nigeria has had mixed implications on social service delivery. While spending on primary health delivery has been transferred to both States and Local Governments, the Federal Government retains financial responsibility for tertiary health care. The study adopted simple linear regression statistical techniques and found that revenue allocation has enhanced health care development for the people.

Revenue Allocation and Power Infrastructure in Akwa Ibom State

From the table above, it could be noted that from 2013-2022, Akwa Ibom State Government budgeted the total sum of **N1,311,172,162,659.49** of which the power infrastructure were transformers and power stations which were 471 and the total developments in the three sectors were 727 which were developed, between 2013 and 2022 period.

In the third research question, the analyses of the results showed a positive and insignificant impact of revenue allocation on power infrastructure in Akwa Ibom State. This result is as a result of a mismatch between the revenue accrued from the federation account to Akwa Ibom State and what has been recorded in the power sector in Akwa Ibom State within these period (2013-2022). This result is in line with the works of Martinez-Vazquez and Mc Nab (2002), it has confirmed the work of Yilmaz (2000). Again, this result has also confirmed other studies (such as Emengini & Anere, (2016) and Bello & Olalekan (2012) and Amin (2018).

However, this result has also disconfirmed the work of Essien (2015), it is not in line with Ehule (2015), Akinlo (1999), Akujobi and Kalu (2019), Aigbokhan (1999), Akeem & Usman (2011), Jimoh (2013).

Conclusion

The study critically examined the impact of revenue allocation and socio-economic development in Akwa Ibom State. It has been noted that about **N1,311,152,162,659.49** was accrued from the Federation account to Akwa Ibom State Government and were able to development about 727 developmental projects within the period of 10 years, from 2013 to 2022. It has been observed that State government has done well in the area of physical infrastructure. It has also been noted that despite the huge amount of money received by Akwa Ibom State government between 2013 and 2022, it has performed poorly in the power sector. It could also be noted that much were not done in the health sector of the state base on what has been recorded in this sector which is not intandem with the volume of money received by the State government within a period of 10 years (2013-2023). Government must do everything within it powers to channel more resources to area of health and power.

However, this study has explained financial relationship of Nigerian State government and Federal Government using theory of Structural functionalism. There is no State government that can perform creditably without adequate finance. In view of the above, there is need to improve both external and internal sources of revenue and to rationalized its expenditure patterns so as to, at least, achieve optimum performance.

Recommendations

Based on the findings of this study, the following recommendations were made:

1. Akwa Ibom State Government should judiciously utilize revenue allocated from the Federation account to provide infrastructural facilities and also have functional monitoring teams to foresee the maintenance of the infrastructure in order to foster physical infrastructural development in Akwalbom State.
2. Government should do well to have a budget that will improve upon the health sector in order to enhance health care development for the people of Akwa Ibom State.
3. Akwa Ibom State Government should declare power sector a state of emergency and improve upon the application of methods and use of revenue to significantly impact on power infrastructural development in Akwalbom State.

References

- A publication of the ministry of information and strategy. Uyo Capital City.
- Aigbokhan B. (2018). *Fiscal federalism and economic growth in Nigeria*. 1999 annual conference, Nigerian economic society, Abuja.
- Akeem, U & Usman, O (2011). Revenue allocation formula and its impact on economic growth process in Nigeria. *Journal of economics and sustainable development*, 2(2), 29-37.
- Akinlo A. (1999). A cross-sectional analysis of the expenditure responsiveness of states to federal allocations during civilian era in Nigeria. 1999 annual conference of Nigeria economic society, Abuja.
- Akpan, E. O. (2014). Fiscal decentralization and social outcomes in Nigeria. *European journal of business and management*, 3(4):167-183.
- Akujuobi, L.E & Kalu, I. U. (2019). State government finances and real assets investments. The Nigerian experience. *African journal of accounting, economics, finance and banking research*, 9(2), 22-29.
- Amin, A. (2018). Impact of internally generated revenue on community development: A case study of Asa local government area, Kwara State. *International journal of politics and good governance*, IX, 9(2),11-29.
- Anderson, B., Renzio, P., & Levy, B. (2022). Assessing the effects of power infrastructure on the life of rural people: A conceptual framework. *Health policy and planning*, 37(1), 1-11.
- Aschauer, D. A. (1989). Is public expenditure productive? *Journal of monetary economics*, 23(2), 177-200.
- Bassey, E. (2023). Revenue Allocation and Infrastructure Development in Akwa Ibom State, Nigeria. *Journal of energy and development*, 48(1), 23-38.
- Bello, A. J & Olalekan, A. S. (2012). Fiscal federalism in Nigeria: a cluster analysis of revenue allocation to states and local government areas, 1999-2008. *Cbn journal of applied statistics*, 3(2), 65-83.
- Buse, K.; Mays, N.; & Walt, G. (2012). *Making health policy*. Open University Press.
- Ehule, A. (2015). The impact of internally generated revenue on performance of public sector. M.sc. Thesis, university of Port Harcourt.
- Ekpo, A. (2014) Intergovernmental fiscal relations the Nigeria experience. Paper presented at the 10th years anniversary of the financial commission of south Africa.
- Emengini, S. & Anere, J. I. (2016). Jurisdiction impact of revenue allocation on states and local government councils in Nigeria. *International multi-disciplinary journal*, 4(2),26-30.
- Essien, N. (2015). Impact of tax revenue on economic growth in Nigeria. M.sc. thesis, university of Port Harcourt.

- Gramlich, E. M. (1994). Infrastructure investment: A review essay. *Journal of economic literature*, 32(3), 1176-1196.
- Green, L. W., & Kreuter, M. W. (2005). Health program planning: An educational approach. McGraw-Hill.
- Jimoh A. (2003). Fiscal federalism: the Nigerian experience. Paper presented at the ad- hoc expert group meeting—economic commission for Africa, Ethiopia. uncc press.
- Martinez-vazquez, J. & Mc Nab, R. M. (2002). Cross-country evidence on the relationship between fiscal decentralization, inflation and growth. In proceedings of the 19th annual conference on taxation, 2001. Washington, dc national tax association Press
- Munnell, A. H. (1992). Infrastructure investment and economic growth. *Journal of economic perspectives*, 6(4), 189-198.
- Murray, C. J., & Frenk, J. (2010). Health systems performance assessment: Debates, methods, and empiricism. World Health Organization.
- National Bureau of statistics (2024). NBS report (2024)
- Oates, W. E. (1972) Flow of fiscal responsibility among layers of government: A case of Nigeria. *European scientific journal edition*, 10(28):1857-7881
- Oxford English Dictionary. (2019). Physical infrastructure. Oxford University Press.
- Rogers, E. M. (2003). Diffusion of innovations. Free Press.
- Sow, M., and Razafimahefa, M. I. F. (2015). Fiscal decentralization and the efficiency of public service delivery. International monetary fund.
- Thomas, S., Mbatsha, S., Muirhead, D., Okorafor, O., McIntyre, D. and Gilson, L. (2003). *Financing and need across health districts in South Africa*. health economics unit, university of Cape Town, centre for health policy, university of the Witwatersrand.
- Ubi, P. E., Eke, S. E., & Oduneka, C. I. (2023). Determinants of power supply seeking behavior among rural dwellers in Nigeria. *Journal of health science*, 23(2), 1-9.
- Udoh, E. E. (2018). Local government and socio-economic development in Nigeria: A Study of Akwa Ibom State. *Journal of local government studies*, 4(1), 1-15.
- Udoh, E. E. (2023). An Assessment of revenue allocation and its impact on power infrastructure development in Akwa Ibom State. *International journal of public finance and management*, 2(1), 34-47.
- Usman, O. S. (2011). *Essays on local government administration: fostering better service delivery, record keeping, accountability and empowerment at the Local government, Kano*. Benchmark publishers.
- World Health Organization. (2019). Health development. A panacea for global health. WHO report (2019)
- Yilmaz S. (2000). The impact of fiscal decentralisation on macroeconomic performance. In Proceedings of the 92nd annual conference on taxation, 1999 Washington, dc: national tax association Press.