

STATE INTERNALLY GENERATED REVENUE AND HUMAN CAPITAL SUSTAINABILITY; A CASE STUDY OF LAGOS STATE BY

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Abstract

Sustainability concept should be one of the watchwords in public sector when it comes to the provision of social amenities to the citizen as it enhances more quality services. Provision of qualitative education and ensuring that the citizens have access to learning in a conducive environment is one of the major functions of the state governments in Nigeria. Sustainability of education can only be achieved through the proper management of the internally generated revenue (IGR) by each state in the country. This study examined how the internally generated revenue has contributed to the human capital development and its sustainability. The human capital development is measured using capital expenditure incurred on education in Lagos state from 2000-2020. For the purpose of this study education is used as the proxy for human capital development. This study employed ex-post factor research design. Population and sample size comprised the entire IGR and capital expenditures on education sector by Lagos state government from year 2000-2020. Audited financial statements of the state for the periods were gathered from the office of the Accountant General of the state. The data were analyzed using correlation and Ordinary Least Square regression method. The findings showed that the internally generated revenue has a significant positive effect on the sustainability of education in Lagos state while other internally generated revenue like fees and fines imposed by the state government has an insignificant negative impact on the sustainability of education in the state. In conclusion, it was gathered that Lagos state has been efficient in the utilization of its IGR towards the sustainability of education in the state. The study recommended that education sustainability should be recognized as an integral part of Human Capital Development and Sustainability Goal of all the states in Nigeria.

Keywords: Sustainability, education, internally generated revenue, capital expenditure, human capital development.

Introduction

The concept of sustainability should be one of the criteria in public sector when carrying out their primary responsibility to the citizens in the area of provision of social amenities. The facilities include road infrastructure, medical facilities and electricity. All these do not exclude the provision good education to the citizen. Education for sustainable development involves the process of improving the learning and teaching habit by considering the various recent development in the world to be part of education. The global challenges like climate

change, environmental degradation, poverty and inequality facing the world today can be addressed through education for sustainable development as it empowers all ages or sex with knowledge, skills, values and attitudes for learning.

According to Akpan (2015), educational sector of an economy is said to be sustainable when the level of investment, technology development, institutional changes and appropriate resources being channel to the sector were in line with the future as well as present situation in the global

world. This Education for sustainable development should be expressed at all levels of education; primary, secondary and tertiary level. Ukpong and Uzoigwe (2020) observed that, plenty of stakeholders in the Cross River state higher institutions desire proper and result-oriented way of managing the state University education for sustainability. However, lack of good amenities in the government owned Universities are major challenges in achieving a sustainable way of teaching and learning in the state.

Bamino (2017) opined that unemployment challenges in other sectors in the country contributed to poor education and depletion of intellectuals of the academia. This implies that most people coming into education sector for teaching have no passion for academics but accepted to take up the job due to unemployment in their primary field. As such, poor quality of lecturers was found in most of our schools in the country at tertiary, secondary and primary level. Higgs and Macmillan (2016) stated that some of the buildings in which lectures were being carried out in our universities were obsolete and requiring major renovation, also the use of modern day skills in teaching the students were outdated. This implies that to achieve a sustainable development in our education sector, there is need to apply some appropriate strategies such as experimentation and inquiry in impacting knowledge to the students to an appreciable level. Percy-Smith (2018) further stated that the institutional administration should encourage experimental and practical way of learning which will further help the students in their various field of work after study and in the long run contribute to sustainability at all level of education in Nigeria especially the higher education. Higgs and Macmillan (2016) suggested that to achieve sustainability in state education, three set of academia personnel should be seen as a frontier to this sustainability through which we can promote the learning about sustainability for education: the individual staff, teachers and the curriculum implementers.

World Bank (2016) stated some of the problems being faced in the education sector in Lagos state. This include: inability of the low income

earners to have opportunity to education, the gender discrimination in attending secondary schools, reduction in the requirement for education for skills job, high rate of depriving the teachers, inadequate policy making that could sustain the education sector, the school agenda does not meet up with the standard of the labor market and low investment in education sector by the government in addition to poor accountability.

Roshan, Lomme, Hima and Santibanez (2016) opined that the inadequate amenities, low level of learning materials and non-professional teachers being employed contributed to the low standard of secondary school education in the state. All these triggers the need for quality education which will result in the sustainability of education in Nigeria states which resulted in the creation of a project named: 'LAGOS EKO Secondary Education Project' in 2016 by Lagos state government through the support of World Bank. The EKO project was initiated by Lagos State Government as against the federal government intervention on state education with the intention of achieving sustainability of education in the state. As a result, it was being executed by the Ministry of Education in the state with the assistance of State Universal Basic Education Board (SUBEB), Local Government Education Authority (LGEA) districts and federal agencies in order to improve the standard of education in Lagos state.

Achieving educational sustainability involves good and conducive environment for learning in each states of the federation, the state government need to invest more of its revenue in the education sector. Ukpong, *et al.*, (2020) opined that the sustainability of University education can be achieved based on different strategies adopted towards the management of the internally generated revenue accruing to the University. The internally generated revenue accruing to the university is: school charges, tuition fees investment income, grants, gifts, endowment and revenue from consultancies within the systems with the exception of the subventions from the government.

Orimoloye & Adegbe (2020) revealed from their study that the total internally generated revenue of the state if properly managed will have a

positive effect on the capital projects of any state but fees, levies and fines would result in negative effect on education sector in the states. Onigbinde (2018) argued that with the level of revenue being generated by Lagos state government, it is expected that the capital projects in the state relating to schools and road infrastructures should be of global standard but rather still lag behind in these areas compare with the revenue generated.

As such, to obtain a sustainability of education in the states, a significant portion of the state internally generated revenue should be budgeted and allocated education in order to achieve the maximum objective in carrying out several capital projects on education.

Literature Review

Ukpong and Uzoigwe (2020) carried out a study to examine how the management of internally revenue generated (IGR) influenced the sustainability of University education in Cross River State. The study adopted a survey research design with principal officers in the management and administrative position of the universities as the study population while the census sampling approach was used to select the principal officers. Questionnaire was used to obtain information from One Hundred and Eighty-Six (186) respondents. Cronbach Alpha Test was adopted to ascertain the internal consistence index of the responses and 0.89 was established which made them reliable for the study.

Analysis tools made used of One-Way Analysis of Variance (ANOVA) and Multiple Linear Regression statistics to analyze the response collected. The finding from the study revealed that the management of internally generated revenue significantly influenced the sustainability of university education. It also revealed that investment income, school charges and consultancies were significant determinant of sustainability of education in Cross River state and recommended that the management of the University should develop a system that will prevent fraudulent act and embezzlement of the revenue generated internally which were meant for the sustainment of education in the state.

Orimoloye and Adegbe (2020) carried out a study to examine the effect of revenue generation on the capital projects development in Lagos State from year 2000 to 2020. The study adopted *ex-post facto* research design, secondary method of data collection was adopted to obtain the record of the internally generated revenue and capital expenditure incurred by state for the period from the office of the Accountant General of the state and Central bank of Nigeria Bulletins. Their study made use of correlation and regression analysis method to analyze the data collected. The study findings revealed that the internally generated revenue has a significant effect on the total capital projects development in the state. It was also revealed that the tax revenue when regressed with the overall capital expenditure, capital expenditure on road infrastructure and education sector shows that it has a significant positive effect on them.

Whereas, other components of internally generated revenue has an insignificant negative effect on total capital expenditure and capital expenditure on education but insignificant positive effect on road capital expenditure. The conclusion from the research was that the state government maximizing the usage of the revenue generated in the execution of capital projects development. It was recommended the state government should reduce other means of financing capital projects like borrowing and establish an effective revenue policy that will improve the capital projects development in the state.

Adenle, Chan, Sun and Chau (2021) carried out a study to assess the relative importance of sustainability indicators for smart campuses, using higher educational institution in Nigeria as a case study. The reason for the study was to propose a formidable policy in order to achieve designed smart, healthy and sustainable campuses in Nigeria higher institutions. In order to achieve this, the study carried out a relative importance and weights of selected indicators was used via the analytic hierarchy process (AHP). According to the social media users-generated content, the appropriated indicators which relates to Nigeria higher educational institutions were established. Eighteen certified town planning professionals were identified

all over the country through the AHP for the purpose of the study. The findings from the study reveals that transportation is the most important features for planning the smart campuses of higher education in Nigeria including any other country operating in similar environment like Nigeria. The study recommended the development of a spatial data infrastructure in order for the government to attain their objective on smart campuses. The study further expressed the meaning of smart to be Specific, Measurable, Achievable, Relevant or Realistic and time-specific.

Iyoha and Arodoye (2015) examined the different responses, causality and interrelationships among the government expenditure on education, economic growth and taxation in Nigeria between 1981 and 2013 using the VEC Granger causality and the VECM statistical tools to analyze the data collected. The findings from the study revealed that there was unidirectional causality among the government expenditure on education, taxation and economic growth in Nigeria. It was also discovered that a bi-directional causality subsists between the economic recession indicator, government expenditure on education and human capital development. The study made adopted Forecast Error Variance Decomposition and uncovered that increase in tax revenue profile contributed to the movements in government expenditure on education as well as growth rate in real per capital GDP. The VECM estimation shows that the economy slightly responds to the changes in government expenditure on education while the government expenditure on education is significant and exceeds the responsiveness of human capital development, real GDP, per capital growth rate and total tax revenue. It was recommended that the government should carry out a restructuring and a future-oriented fiscal policy that will support the achievement of macroeconomic objectives.

Omotor (2004) carried out a study to analyze the federal government expenditure in educational sector of Nigeria and its implications for national development of the country. A model was developed to analyze the trend of the government expenditure in education sector from 1977-1998 in Nigeria using the ordinary least square (OLS)

technique. It was found that the government revenue is the only determinant of expenditure model. It was recommended that in order to develop the educational sector other sources of finance should be considered.

Research Problem/Gap

In most part of the world, basic education has been seen as the right of each citizen which the government is saddled with the responsibility to ensure that every individual have access to quality education. Specifically, the revenue being generated by the government was being channeled to other sectors of the economy leaving education sector to experience high level of set-backs due to the lack of financing.

Education at all tiers of the government faces a lot of challenges ranging from inadequate funding, shortage of competent lecturers, shortage of infrastructural amenities, fluctuation in the academic calendar, corruption within the education sector, lack of security provisions to the students and the teachers, lack of intellectuals in the system, poor leadership and the recent challenges poses by COVID-19 (Ogunode & Abubakar, 2020).

From the study of Ukpong, *et al.*, (2020) it was concluded that the determinant of sustainability of University education in Cross River State is the internally generated revenue within the school premises. The gaps in their study were the fact that the revenue that influences the sustainability of the education was limited to revenue within the school premises but ignore the revenue from the Federal and State government which are the main driver of revenue to the education sector. Also, the study was limited to University in Cross River State.

This study will examine the effect of internally revenue generated by the Lagos State government on the sustainability on education in the state.

Objective

The main objective of this study is to examine the effect of internally generated revenue on the sustainability of education in Lagos state from year 2000 to 2020.

Hypothesis

The hypothesis was tested in line with the stated objectives:

H₀: Internally generated revenue has no significant influence on the sustainability of education in Lagos state.

Theoretical Consideration

This research considered the following theories:

Human Capital Development Theory

The theory was propounded by Gary Becker in 1930 and was modified in 1993 stating that investment in human capital will lead to greater economic output. The theory believes that since it is human being who run the economy which include education sector, investment of human capital will help to achieve desired outcomes. This theory is related to this research because it is individual or group of individuals who will provide and enforce policies to improve internally generated revenue. Therefore, training aimed at promoting capacity of responsible officers like Staff of State Internal Revenue Service Board should be enhanced. Akpan (2015) also agree with this theory that those responsible for generating revenue for funding critical sector of the economy like education and health should be properly trained to achieve desired objectives.

Tax-and-spend Theory

Friedman (1978) propounded this theory with the assumption that the tax revenue generated by the government determines the level of amount of money that will be spent on projects. This implies that the capital expenditure required to achieve the sustainability of education will depend on the state of revenue being generated by the government. The study further explained that the drive to increase the revenue of the government will lead to increase in government expenditure. As such, it will enable the government to reduce its budget deficit. Due to the increase in government revenue as assumed by the theory, more funds can be channeled to the education sector in the state for the achievement of the sustainability of education.

This theory was being supported with the research carried out by Orimoloye, *et al.*, (2020) which revealed that the state tax revenue influences

the capital expenditure on education positively. However, same study was contradicted with other internally generated revenue which has a negative relationship with the government expenditure on education. Balogun (2017) also found out that Nigeria government practices spend-revenue rather than revenue-spend theory.

Benefit Received Theory

Wicksell (1896) and Lindahl (1919) propounded the benefit received theory by establishing a relationship between the government and the citizen. The theory assumed that the government is responsible for the provision of basic amenities to its citizen who are being referred to as the tax payers, as a result of that the citizen need to carry out their civil responsibility in the area of tax payment to the government in order for the government to have enough funds to meet up with its primary responsibility. This implies that, every citizen benefited from the services of the government must pay taxes in return to the government.

Appah and Ebiringa (2012) supported the theory by stating that there is an existence of an exchange of relationship between the activities of the government and individual taxpayers.

The Investment Theory of Higher Education

This theory was first postulated by Schultz (1961) and later supported by Becker (1993) and Mincer (1974). The theory established that investment education by both public and private organization will lead to human capital development. It was concluded that when the government invest in education it leads to economic growth in the economy through increase in productivity, social stability and healthier lifestyles. Also, investment in education by private entity can results into increase lifetime earnings for those that possesses higher qualification by access to better paying jobs, shorter time will be spent in the unemployment market (Wahrenburg & Weldi, 2007).

This theory was opposed by Psacharopoulos (1994) by stating that there are lot of imbalances and inconsistencies when it comes to the returns that will be earned from the investment in education. This imbalances and inconsistencies can

be identified with the gender differences, degrees, subject studied and levels of qualifications obtained among others. Also stated that the employment market at times does not react in a fair way.

Methodology

The study adopted a secondary method of data collection to obtain the records of all internally generated revenue and capital expenditure on education in Lagos State. The data were captured from the annual report of Lagos state government through the office of the Accountant General of the State. Time series design was used for the purpose of the analysis. This design has been adopted by several researchers (Orimoloye, *et al.*, 2020 and Balogun, 2017). The population and sample size was the same as the study was basically on Lagos state of Nigeria, the entire internally generated revenue to the state in line with the requirement of the constitution of the Federal Republic of Nigeria as well as the entire capital expenditure incurred on education by the state for the period 2000-2020.

Secondary method of data collection was adopted to examine how the internally generated revenue has impacted on the sustainability of education in Lagos from 2000-2020. The data was obtained from the annual financial statement of Lagos through the office of the Accountant General of the State. In order to place high level of reliance on the financial statements obtained for the study, we ensure that the Auditor General for the state certified the report prepared by the Accountant General, as well as the attestation of the State House of Assembly was on the statements after the review of Auditor General's report.

This research work assesses the impact of internally generated revenue on the human capital development in Lagos state for the periods 2000 to 2020. The dependent variable is the human capital development sustainability which is measured by the amount of capital expenditure being incurred on education (DCAPEX) on a yearly basis while the independent variable is the internally generated revenue generated (IGR) by the state from 2000-2020 with state tax revenue (STR) and other internally generated revenue (OIGR) as its proxies. The other internally generated revenue (OIGR) is

made of the revenue inform of levies, fees fine and investment income to the state. The time series data for the variables was collected and analyzed using the following tools and test:

Descriptive Analysis

Under this analysis the data gathered were presented in graphical form in order to express their trends on a yearly basis. The mean, maximum, minimum and probability of Jarque-Berra statistics were used to express the data collected in a numerical form. For the purpose of decision making, if the Jarque-Berra statistics result is greater than the level of significance of 5% used, that means the series is normally distributed (Orimoloye, *et al.*, 2020).

Correlation Analysis

This is used to examine the relationship between the dependent variables (capital expenditure on education) and the independent variables; internally generated revenue including its proxies (STR and OIGR) for Lagos state from 2000-2020.

Regression analysis

The type of relationship between the dependent variable and the independent variables including its proxies were determined through the adoption of coefficients of regression. Ordinary Least Square (OLS) method was used for the estimate. However, the variables were logged before carrying out the analysis in order to take care of the outliers in the data collected and to be able to express our interpretation in percentage.

Model Specification

The study has two variables, dependent variable and the independent variable. The dependent variable is the sustainability of education in Lagos state which is measured by the amount of capital expenditure incurred by government on education while the independent variable is the total internally generated revenue with its proxies; state tax revenue (STR) and other internally generated revenue (OIGR) of Lagos state from 2000 to 2020.

Econometric Model

The model for the regression analysis of the data collected is presented as follows:

$$\text{Log(DCAPEX)} = \beta_0 + \beta_1 \text{Log(STR)}_t + \beta_2 \text{Log(OIGR)}_t + \varepsilon_t \dots \text{Model}$$

Data Presentation and Analysis

This section provides detail presentation, analysis and interpretation of the data collected as well as in-depth discussion of findings.

Descriptive Statistics

This gives an in-depth analysis of the data collected as well as their various features. To carry out this analysis, graphical and numerical data representation was used.

The graphical representation in figure 4.1 shows the trend of total internally generated revenue with its proxies (state tax revenue and other internally generated revenue) and education capital expenditures incurred by the Lagos state government from 2000 to 2020 while table 4.1 shows the numerical representation of total internally generated revenue with its proxies (state tax revenue and other internally generated revenue) and education capital expenditures incurred by the Lagos state government from 2000 to 2020.

The line graph plotted shows that the TIGR, STR, OIGR and DCAPEX fluctuated over the years. It could be seen from the graph that the amount

spent by the government between 2000 and 2001 reduces compare to the internally generated revenue and its components with upward slope. However, the DCAPEX started experiencing upward movement in respond to the increase in IGR from 2005 up to 2008 after which it drops again, while the IGR maintains upward movement. In 2020, DCAPEX, TIGR, STR and OIGR all experience their peak result.

Table 4.1 explained the various values of the capital expenditure on education and internally generated revenue and its components. This is being evident with the minimum and maximum values for each of the variables for the period 2000-2020. All the variables TIGR, STR, OIGR and DCAPEX shows a positive skewness indicating that the variables were all skewed to the right, which implies that the right tail is long relative to the left tail. Kurtosis result shows that all the variables TIGR, STR, OIGR and DCAPEX were below the threshold of 3 which result to a playtykurtic, meaning that the data collected have small outliers with the exception of DCAPEX which is close to the threshold. The outcome of the probability of the Jarque Barra statistics shows that TIGR, STR, OIGR and DCAPEX were normally distributed.

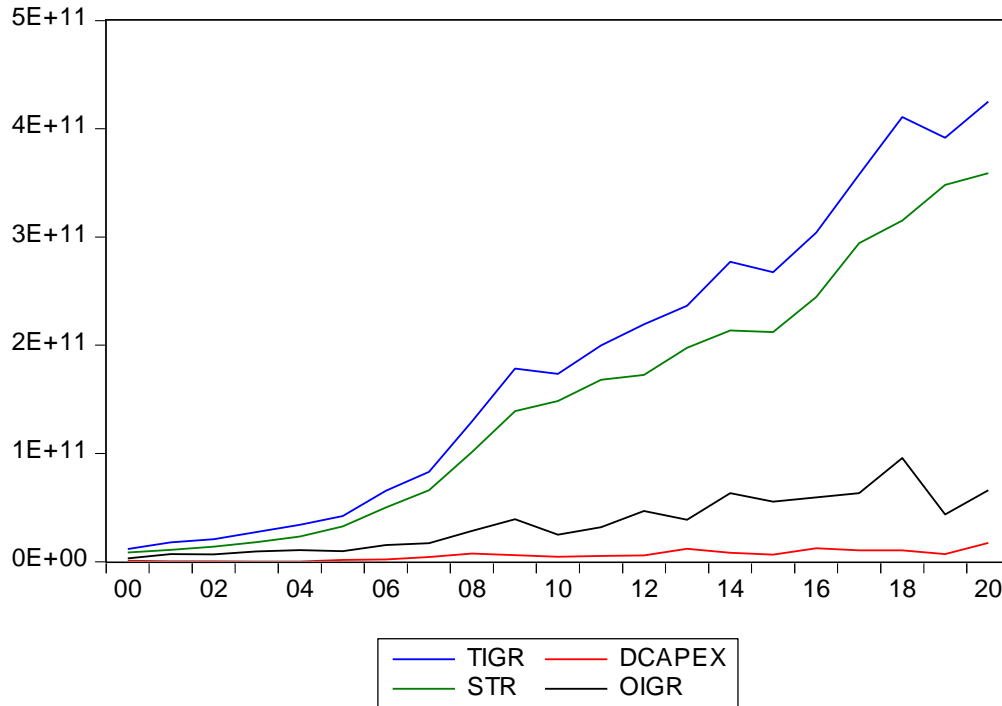


Figure 4.1: Trends of TIGR, DCAPEX, STR and OIGR
Source: Researcher’s Study, 2021

	DCAPEX	OIGR	STR	TIGR
Mean	5.87	3.51	1.49	1.84
Median	5.67	3.18	1.48	1.78
Maximum	1.74	9.58	3.59	4.25
Minimum	0.01	3.18	8.43	1.16
Std. Dev.	4.76	2.54	1.17	1.41
Skewness	0.59	0.58	0.34	0.29
Kurtosis	2.74	2.55	1.88	1.78
Jarque-Bera	1.28	1.35	1.50	1.59
Probability	0.53	0.51	0.47	0.45
Sum	1.23	7.37	3.14	3.87
Sum Sq. Dev.	4.54	1.29	2.76	3.96
Observations	21	21	21	21

Table 4.1: Summary of Descriptive Statistics
Source: Researcher’s Study, 2021

Correlation

This section explained the type of relationship that exists between the dependent variable and the independent variables. From the correlation result shown in table 4.2, it shows that there is a strong relationship between OIGR and

DCAPEX at 0.83, strong relationship also exist between the STR and DCAPEX at 0.88 and TIGR and DCAPEX at 0.88. This implies that the independent variables can strongly affect the dependent variable.

	DCAPEX	OIGR	STR	TIGR
DCAPEX	1.00	0.83	0.88	0.88
OIGR	0.83	1.00	0.89	0.93
STR	0.88	0.90	1.00	0.99

TIGR	0.88	0.93	0.99	1.00
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Table 4.2: Correlation Results

Source: Researcher's Study, 2021

Test of Hypothesis one H₀₁

- Research Objective: Examine the effect of internally generated revenue on the sustainability of education in Lagos state.
- Research Hypothesis H₀₁: Internally generated revenue has no significant influence on the sustainability of education in Lagos state.

Variable	Model Coefficient	Std Error	t-stat.	Prob
C	-2.26	5.00	-0.45	0.66
LOGSTR	1.74	0.53	3.27	0.00
LOGOIGR	-0.83	0.70	-1.18	0.25
R ²	0.81			
Adj. R ²	0.79			
S.E of Reg.	0.72			
F-Statistic	38.49			
Prob. (F-Stat)	0.00			
Obs. After Adjustment	21			
Post Estimation Tests				
Durbin-Watson	1.23			

Table 4.3

Source: Researcher's Study, 2021

Regression

table

Model:

$$\text{Log(DCAPEX)} = \beta_0 + \beta_1 \text{Log(STR)}_t + \beta_2 \text{Log(OIGR)}_t + \varepsilon_t$$

$$\text{Log(DCAPEX)} = -2.26 + 1.74 \text{Log(STR)}_t - 0.83 \text{Log(OIGR)}_t + \varepsilon_t$$

Findings and Implications Of Findings

The regression result in table 4.3 shows the effect of internally generated revenue measured at the log of state tax revenue Log(STR) and log of other internally generated revenue Log(OIGR) on the sustainability of education which is measured by the log of capital expenditure incurred on education Log(DCAPEX) as well as the post estimation test. From the table, the Dubin-Watson result of the post estimation tests shows 1.23, which indicate the existence of positive autocorrelation in the series. As such regressing the model by logging the variables has taken care of the autocorrelation in the series.

The adjusted R-squared result of the model gives 0.79, this implies that changes in dependent variable, that is the sustainability of education (DCAPEX) is influenced by 79% of the combined independent variable that is the internally generated revenue (TIGR) while the remaining 21% is being influenced by other factors which are not considered in this study. The coefficient of determination of 81% implies that the regression model for the study has a strong explanatory influence. The F-statistic of 0.00 shows that the result of the regression is significant as it is less than 5% level of significance adopted for this study.

Considering the effect of the independent proxies on the dependent variable, the regression estimate revealed that state tax revenue (STR) has a significant positive effect on the sustainability of education (DCAPEX) with coefficient of 1.74 at Pv=0.00. This implies that for every 1% increase in

state tax revenue (STR), this will lead to 1.74% increase in the sustainability of education in the state. On the other hand, other internally generated revenue (OIGR) has insignificant negative effect on the sustainability of education (DCAPEX) with coefficient of -0.83 at $Pv=0.25$. This implies that for every 1% increase in other internally generated revenue (OIGR), this will lead to 0.83% decrease in the sustainability of education in the state. Although, the effect of this reduction might not be too felt in the education industry.

Decision

The regression analysis revealed that the pro(F-statistic) of 0.00 is less than 0.05 level of significance which is adopted for this research. Therefore, we reject the null hypothesis and conclude that the total internally generated revenue has a significant effect on the sustainability of education in the state. However, if the internally generated revenue is considered in isolation, the state tax revenue also has a significant effect on the sustainability of education while other internally generated revenue will result into negative effect on the sustainability of education.

Robust Check (Comparison With Previous Works—How In Agreement And How Different?)

The outcome of this study is in agreement with the study carried out by Orimoloye, *et al.*, (2020) which revealed that the total internally generated revenue has a significant effect on the capital expenditure on education, also the state tax revenue in isolation has a significant positive effect on the education while other internally generated revenue (OIGR) if separated from the total IGR has an insignificant negative effect on education. The research also shows consistency with findings of Ekwe, Ihendinihu and Omodero (2018) in which it was concluded that internally generated revenue has a significant positive impact on the gross domestic products. As well as Doherty, Kirigia, Okoli, Chuma, Ezuma, Ichoku, Hanson and McIntyre (2018) in their study revealed that the state tax revenue has a significant positive effect on capital projects development in states.

On the other hand, the finding of this study regarding the effect of other internally generated

revenue having an insignificant effect on the sustainability of education contradict the work of Ukpong *et al.*, (2020) in which the finding shows that internally generated revenue has a significant effect on the sustainability of University education in Cross River state and also the internal revenue from fees being imposed on the student is a significant influencer to the sustainability of University education. It also contradicts the result from the study of Oliver, Edeh and Chuckwumani (2017) in which their findings show that the tax revenue has insignificant positive effect on the infrastructural facilities in Nigeria.

Conclusion

This research has examined the impact of internally generated revenue on the human capital development in Lagos state for the period 2000-2020 in which the human capital development is measured by the level of education sustainability in the state. It has been observed from analyzed data that the internally generated revenue by the state can make the education in each state of the federation to be sustainable through the effective utilization of the fund. This implies that, human capital development can be achieved by investing more on the education at all levels.

The result shows that if all components of internally generated revenue were considered when implementing policy on sustainability of education, it will result into a significant positive effect human capital development, but if the likes of school fees imposed on the students is being considered as a factor of sustainability of education in each state of the federation, it is going to have a negative impact on the human capital development as substandard education will be experienced through inadequate amenities for the schools, low quality education will be given to the students and unprofessional teachers would be in rampant in the state schools. This outcome further supports the high level of inequalities in our education due to the inability of the low income earners who are unable to have access to education due to the imposition of high tuition fees in the states' schools.

Recommendation

Education sustainability should be recognized as an integral part of Human Capital Development Goal of all the federating states in Nigeria.

The states should have a strong policy in place to ensure that a significant proportion of the internally generated revenue from each state of the federation are channel to the education sector and also monitor its utilization in order to ensure that it is being used for the purpose it was meant for.

The government must ensure that professional teachers were being employed at all level of education as well as continuous training of these teachers on the utilization of modern tools in education.

The study recommend that the government should not make tuition fee a factor for the sustainability of education in the state, as such education can be made free or affordable to all citizens at all levels in order to close the gap between the rich and the poor in having access to quality education.

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