IMPACT: International Journal of Research in Business Management (IMPACT: IJRBM)
ISSN (E): 2321-886X; ISSN (P): 2347-4572
Vol. 4, Issue 5, May 2016, 71-84

EFFECTS OF ELECTRONIC INTERNALLY GENERATED REVENUE ON INFRASTRUCTURAL DEVELOPMENT OF EBONYI STATE (2011 – 2014)

SAMUEL YAKEDOHO NKANOR & GABRIEL OBASI CHIDOZIE UDU

Ebonyi State University, Abakaliki, Nigeria

ABSTRACT

This study evaluated the effects of electronic internally generated revenue (e-IGR) on infrastructural development of Ebonyi State. The main objective of the study is to determine the degree of manual and electronic internally generated revenue's impact on infrastructure using capital expenditure as proxy. The dwindling revenue from oil and continued need for public utilities caused the need to empirically determine this relationship. To achieve the main objective of this study, three hypotheses were formulated. Ex-post facto research design was used in this work which involved the use of existing data. Data components of manual and electronic revenue and capital expenditure (infrastructure) of Ebonyi State government between 2011 and 2014 was collected and analyzed using regression and Pearson correlation method with the help of SPSS version 17.0. Results show that the extent of relationship between each independent variable (IGR and e-IGR) were very low on the dependent variable which is Infrastructure development using capital expenditure, but cannot ignore the rate at which their degree changed, signifying an increase in associations. In general, it was discovered that there exist no significant degree of relationship of variables studied. This implies that capital expenditure on infrastructure did not largely depend on electronic internally generated revenue in Ebonyi State within the years studied, rather on monthly statutory allocations which is largely from oil revenue. The study therefore recommends that the electronic approach to internally generated revenue be reviewed as a matter of urgency because of the dwindling oil revenue to the State. The executive arm of the state should also take implementation of state revenue laws more seriously.

KEYWORDS: e-IGR, Manual and Electronic Internally Generated Revenue's Impact on Infrastructure Using Capital Expenditure as Proxy

INTRODUCTION

Background of the Study

The increasing cost of governance coupled with declining and fluctuating revenue has stimulated all the three tiers of government in Nigeria to brainstorming and innovating measures to improving their revenue bases. The state of the National Economy has also brought about critical financial depression to the various levels of government in the country (Hamid, 2008). This is because, it is governments' responsibility to provide enabling environment for economic and social activities to thrive through infrastructural development. From the inception of oil boom to dates, more than three quarter of the revenue accruable to the consolidated revenue fund of the various levels of government comes from the petroleum sector of the economy instead of the non-oil sources of revenue, notwithstanding the various types of revenue sources within the jurisdiction of the various levels of government as enshrined in the 1999 Constitution of the Federal Republic of Nigeria (CBN, 2010). Consequently, the global decrease of crude oil prices in recent times has resulted in the reduction of

available funds in the Federation Account for sharing by the various levels of government. The need for State Governments to source for sufficient fund from within their jurisdiction calls for urgent prioritization.

Revenue generation in Nigeria is majorly from oil sources whereas the neglected non-oil source such as tax forms the minor part of the revenue. Tax is a mandatory levy imposed by the various tiers of governments on a person, group or corporate organizations who resides or operate in a particular state for more than six months (Olaoye, 2008). Therefore, tax is an important aspect of revenue drive. The history of man shows that every individual has to pay tax either in cash or in kind, initially to his chieftain and later on a form of organized government (Ojo, 2003).

Revenue generation is a corner stone for infrastructural development in today's globalized world. Infrastructural development associates with funds and much revenue is needed to plan, execute and maintain infrastructures at the state level. The needed revenue generated for such developmental projects, such as construction of good roads, bridges, construction of schools, markets, construction of hospitals, and others are sourced from all form of tax, haulages, fines, fees, royalties and aids from within the states, federal and foreign governments and agencies. Thus, the State Governments cannot draft capital expenditure framework, execute it and adopt comprehensive measures and approach to maintaining them without adequate revenue generation.

Revenue generation in Ebonyi State is mainly derived pay as you earn (PAYE), fees from haulages, vehicle registration and licensing, environmental fees, rates from Landlords, government commercial activities among others. However, in various states of the federation, contributions derived from tax revenue has been worrisome hence, government expectations are cut short (Olaoye, 2008). Fraudulent practices such as misappropriation, diversion and non-remittance of revenue to the State Consolidated Revenue Fund and tax evasion indicators are strongly associated with low and dwindling revenue (Ipaye, 2009).

Though different scholars and authors defined taxation in diverse ways, this study see taxation as a mandatory levy imposed on indigenes (individuals and corporate organizations) residing within a state with the aim of funding and providing infrastructural developments, maintaining and improving social facilities in the state at large. Taxation is backed up by laws and any refusal to pay on demand attracts legal sanctions or punishment stipulated by law. It is the weaknesses of manual collection of taxation and growth in information and communication technology that introduced electronic internally generated revenue method. Some of such weaknesses include printing of personal receipts, non remittance of collected revenue, physical presence of the payer at the point of payment, risk of loss of fund to robbers and others. Electronic internally generated revenue (e-IGR) is the use of information and telecommunication technology (ICT) in the assessment and collection of taxes and other levies due to the government.

STATEMENT OF THE PROBLEM

Although it is perceived that electronic internally generated revenue method is a veritable tool for the provision of infrastructural development and for eliminating the vices associated with the manual method, certain problems requiring solutions still exists even with the new regime. They include how to eliminate tax evasion; misappropriation and diversion of fund; mismanagement of available funds meant for optimum leadership, which has deterred the provision of infrastructures and development by state governments in Nigeria (Dotun, 2012).

Other problems associated with taxation in Ebonyi State includes; Administration on fiscal policy, theory of public expenditure and its application to the economy, inaccurate records and poor implementations due to in-effective internal control system. Problem of illiterate and unskilled personnel in tax operations in Ebonyi State, using personal accounts by some stakeholders to generate government revenue, lack of target setting to revenue agents in the State, and embezzlement of internally generated revenue by government tax agents has been proven by the state government in the past (Ebonyi state 2007 Gasate).

Based on the problems stated above, it has become imperative to carry out a research on effects of electronic internally generation revenue on infrastructural development in Ebonyi State.

RESEARCH HYPOTHESES

The following hypotheses are stated to examine and test the degree of relationship between electronic internally generated revenue ant capital expenditure.

- The size of manual internally generated revenue does not have significant impact on infrastructural development.
- The size of electronic internally generated revenue does not have significant impact on infrastructural development.

CONCEPTUAL REVIEW

Revenue

Several authors and scholars have described and interpreted revenue in diverse ways. Nightingale (2002) posited that the fund needed for governance in the public sector to finance government activities is referred to as revenue. He added that these funds can be generated from non-oil sources such as income and other forms of tax, royalties, fines, fees, rates and aids from the federal government and foreign financial institutions and countries. Revenue is also described as the cumulative income accruable to an organization (public or private) from one period to another (Ipaye, 2009). Hence, Ebonyi state government revenue comprises of receipts from taxation, the sale of government properties or other interests and returns from loans and investment earning. Bhatia (2006) contends that revenue receipts include “routine” and “earned” income. For these reasons, according to him, revenue does not include borrowings and recovery of loans and advances previously given to the third tier of government and other associated persons rather, it is comprised of income taxes, vehicle haulages, sales of government unserviceable properties, aids, royalties, rates, fees among others.

Also, Otunbala (2011) postulated that government revenue includes the entire fund generated from oil and non-oil sources other than fund raised from issue of debt instrument such as government bonds, stocks, treasury certificates and treasury bills from capital and money market. He adds that the non-oil source includes; income tax receipts, charges, royalties, fees, utilities, miscellaneous revenues among others. Stephen and Osagie (1985) opined that public revenue is concerned with the numerous ways in which government raises revenue. From the above definitions, it can be seen that the total amount of cash-inflows accruing to a Ebonyi state Government Consolidated Revenue Fund from various oil and non-oil sources within a stipulated time frame constitutes her revenue. Osisami (1994) opined that revenue that accrues to State Governments in Nigeria is basically categorized into internally generated revenue and external which is collected from the

distributable pool. Internally generated revenue are those revenues generated within the state, which includes; taxes (pay as you earn, direct assessment, capital gain taxes, etc), motor vehicle licensing, royalties, among others. While the statutory allocation from the distributable pool which includes; proceeds of Oil, excess crude fund and value added tax (VAT) forms part of the revenue which is not within the state government jurisdiction. Most states of the federation get the bulk of their revenue in form of statutory allocation from the distributable pool to finance their capital and recurrent expenditure programmes (Mukhtar, 1996; Abdulkadir, 1998; Hamid, 2008). It should be noted that sources of revenue are by no means uniform among the states within the country. States derive their revenue depending on the resources available to them (Anyafo, 1996; Daniel, 1999; Adam, 2006). The share of the distributable pool account to states constitutes 57.97% in 2002 of the total revenue plus grant and this rose to 65.82% in 2006; while the internally generated revenue declined from 13.38% in 2002 to 8.11% in 2006 (CBN, 2006).

Strategies for Internally Generated Revenues

Hofer and Schedal (1978) defined strategy as a plan of action through which short, long term and overall goals of an organization are attended. Strategy can also be defined as the fundamental pattern of present and planned resource department and environmental interaction that indicate how the organization will actualized its vision and mission. Several strategies are needed to boost revenue generation, Hofer and Schedal (1978) identified the following strategies:

- Discovering and enumerating new sources of internal and external revenues and its collections, custody and stewardship.
- Making available motivation packages that will induce revenue generation staff towards positive attitudes.
- Periodic supervision and inspection of revenue points.
- Timely assessment of taxpayers, collection and maintenance of good internal control system to keep track of records.
- Conducting effective awareness campaign and education of the taxpayers and citizens of the state on the importance of complying with tax laws and policies.
- Conducting back-duty assessment of taxpayers.

Electronic Internally Generated Revenue (e-IGR)

Bizzdesk Global Solution (2013), defined e-IGR solution as a point of sales (POS) or pay-direct technology developed for electronic collection of taxes, duties, levies, fines and penalties; keeping track records of internally generated revenue for Federal, State, Local Governments and other revenue collection agencies with the assistance of information and communication technology devices and resources. Electronic Internally Generated Revenue (E-IGR) is targeted at assisting the revenue collection process and providing information for tax administration and planning while monitoring and coordinating all revenue generating activities. Computerized systems have shown that it has the capability of introducing massive efficiencies to business processes that can result in increased revenue (Tetteh, 2012).

EMPIRICAL REVIEW

Adesoji, (2013), studied the effect of Internally Generated Revenue on infrastructural development of Lagos State. The research design used by the researcher is purposive and survey sampling methods to sampled respondents from the State Internal Revenue Board (SIRB). The data collection instrument used in the study was questionnaire whereas Descriptive (Simple Percentages) and Inferential (Spearman's Rank) statistical tool was used to analyze data collected. Two hypotheses were formulated to ascertain the correlation between internal generated revenue and infrastructural development. The result obtained shows that there was a positive relationship between the dependent and independent variables. The study however recommended that; the revenue administration agencies need to be revived if additional and improved revenue is to be generated in the state.

Nnanseh and Sunday, (2013), studied the effects of internally generated revenue on infrastructural development in Akwa Ibom State. This is because the State as the second tier of government needs revenue to provide basic social amenities to the people. Thus, the researcher specifically sought to ascertain the extent to which IGR has contributed to the provision of such infrastructures as water, electricity, and road. An ex-post facto research design was adopted and the data used were obtained from secondary sources. The research data were analyzed with simple percentage statistics while simple regression statistics was used in testing the hypotheses. The result showed that IGR contributed significantly and positively to the provision of water, electricity and roads. However, these contributions were skewed more to roads than electricity and water. The study concluded that IGR has made positive, but uneven contribution to the development of infrastructures in the State as some aspect of infrastructure like road was found to receive more boost from IGR than other infrastructures. Consequently, a balanced approach to IGR appropriation for infrastructural renaissance in the state was recommended. By this, IGR allocation would be redirected to such infrastructures as water that is directly and away from such infrastructures like roads that are not directly linked with the life of the common people who incidentally are the majority. It is by this that the people will fully benefit from their contributed revenue that forms the bulk of internally generated revenue for the government.

Akabom-Ita, (2013), conducted a study into the Revenue base and Social Assets creation. The study focused on local government areas of cross River State. The researcher conducted this study to unveil the ultimate cause of the local government areas' inability to discharge its obligations. To achieved the purpose of the study, data on social assets and components of revenue base of sampled local government areas between 1997 and 2011, were obtained and analyzed with the used of regression analysis. The study revealed that there is a positive relationship between revenue base and the creation of social assets. Furthermore, the study shows government neglect of the internal revenue generation which has shown improvement as a result of over dependent on the share of statutory allocation from the distributable pool account. Conclusion drawn from the study showed that local government areas' lack of commitment and poor revenue base which is caused by the neglect of revenue generation among others are the reasons for their inability to discharging their grass root functions. The study recommended that local government areas should not neglect internal revenue generation because of over-dependent on statutory allocation. Rather, the third tier of government should strive to generate adequate revenue to assist the discharge of its responsibilities to the urban dwellers.

Edogbanya, (2013), study focused on Revenue Generation and Its Impact on Government Developmental Effort of selected Local Council in Kogi Senatorial District. The research methodology adopted by the researcher was descriptive

design which was use to sample three (3) Local government areas out of the nine (9) local government areas in Kogi East Senatorial District. Secondary method of data collection was used by the researcher to collect data from text books, research work on similar subject, local government internal revenue and statutory allocation reports and journals. The analysis conducted by the researcher showed the following findings;

- That government revenue and infrastructural development positively correlated.
- That there is significant relationship between allocation from the excess crude oil account and government development effort.
- It showed also that government could generate more internal revenue if proper machineries are put in place to complement statutory allocation.

The researcher recommended that government should put necessary modern technological machineries in place as this will boost its internal revenue generation and subsequent provision of adequate social amenities to its citizenry.

Sani, (2013), studied Automated Internal Revenue Processing System in Kogi State. Research design used by the researcher is survey and purposive sampling method to select respondents among the Staff of Kogi State Internal Revenue Board. Interviews, group discussion, direct observation and document study were instruments used for information and data collection for the study. From the information gathered a number of problems inherent in the manual method of operations were extracted. These problems include: delay in the remittance of collected revenue to the State Consolidated Revenue Fund due to huge computation involved in bringing together all revenue collected from thirty Area Offices within the State, diversion of the revenue collected into private pockets by staff of the Board, difficulty in identifying and locating tax evaders for necessary legal and prohibitive actions to be taken against them, computational errors, high level of redundancy and inconsistencies in record, low level of data security, inability to quickly and accurately retrieve and assemble relevant data for prompt decision making. A combination of Structured Systems Analysis and Design Methodology and Object Oriented Analysis Methodology was deployed to develop a feature rich software program called Computerized Internally Generated Revenue Processing System. The application was developed using MySQL database platform as backend and Visual Basic 6.0 as front end. The implementation of the application resulted in the elimination of the identified problems and this has started to generate impact on the State infrastructural development.

Techniques of Data Analysis

The researcher adopted the Karl Pearson's Co-efficient of correlation method for testing hypothesis one (1). In the application of this technique, a number of tables were used in analyzing the statistical results run with statistical package (SPSS). The Pearson co-efficient of correlation between variables x and y is measured by the product moment correlation co-efficient r and testing procedure is as follows;

$$r = \frac{n\sum xy - \sum x\sum y}{\sqrt{([n\sum x2 - (\sum x)2]\ [\ n\sum y2 - (\sum y)2])}}$$

Where; N = the number of items (in pairs)

Decision Rule

If the x calculated is less than the x tabulated, we accept Ho. If the calculated is greater than x^2 tabulated, the alternate Hypothesis H_1 will be accepted, while H_o will be rejected. Also, the researcher would adopt the ordinary least square method of estimations for hypothesis two (2).

PRESENTATION OF DATA

The data below ranges from January to December of 2011-2014, for Ebonyi state government infrastructure development (ID) which is used as the dependent variable, while internal generated revenue (IGR) and electronic internal generated revenue (e-IGR) ranges from 2011-2012 and 2013 to 2014 respectively and are both used as independent variables for the analysis to be done.

Table 1: Monthly Manual IGR, eIGR and Monthly Cost of Infrastructure from 2011 - 2014

Year	Month	Infastructure	IGR	Year	Infastructure	e-IGR
2011	JAN	1,171,418,180.25	672,580,206.65	**2013**	1,200,500,197.12	475,187,214.18
	FEB	2,414,140,773.25	922,580,216.65		3,001,567,102.15	613,018,114.05
	MAR	1,493,171,887.18	1,022,580,246.05		2,496,712,000.00	718,001,203.18
	APR	3,001,480,192.97	1,122,580,276.65		4,100,219,816.97	855,187,212.32
	MAY	2,900,478,400.15	1,172,580,416.38		1,800,512,116.17	897,100,586.97
	NOV	1,455,600,197.18	1,381,600,480.60		2,167,200,118.97	908,969,512.09
	JUL	2,501,661,818.17	1,591,400,467.01		3,900,150,916.15	1,001,207,594.01
	AUG	2,909,300,190.97	1,047,800,617.39		2,158,961,354.20	1,124,679,513.94
	SEP	2,700,518,472.19	1,237,120,034.08		2,411,188,645.51	998,457,819.00
	OCT	3,424,916,400.90	1,426,331,450.77		1,923,651,219.70	1,014,667,725.17
	NOV	2,990,002,238.41	1,567,800,141.67		2,245,115,100.15	890,145,926.06
	DEC	2,007,000,527.54	906,007,926.06		2,032,157,339.35	765,624,126.89
2012	JAN	2,880,191,430.63	412,300,169.96	**2014**	1,162,198,140.15	700,512,687.13
	FEB	4,870,463,440.15	441,617,879.01		1,900,500,198.30	879,848,112.14
	MAR	3,118,964,118.20	476,613,451.02		2,450,150,150.00	995,600,121.15
	APR	4,200,191,628.15	596,714,819.34		4,500,650,190.15	1,279,848,771.34
	MAY	2,800,497,218.95	719,820,156.84		1,810,750,600.33	1,419,813,121.14
	NOV	4,113,500,621.20	651,421,860.76		2,070,149,450.40	1,800,419,139.55
	JUL	1,978,518,181.30	580,463,917.09		3,800,190,115.44	2,006,719,512.15
	AUG	1,200,500,189.40	653,661,117.34		2,150,650,440.50	1,979,845,716.71
	SEP	1,181,798,180.50	754,117,854.33		1,150,115,230.15	1,761,114,812.17
	OCT	1,015,661,190.57	945,632,115.67		1,647,719,644.23	1,324,167,114.15
	NOV	2,109,731,367.88	843,443,701.15		2,657,043,702.50	824,116,820.15

	DEC	2,020,001,979.54	741,255,286.65		1,136,000,850.00	386,543,328.12

Source: Ebonyi state government financial report, (2011 – 2013)

The above data was further transformed into their natural logarithm with the use of excel package in other to reduce the large values of numbers and its table is presented below.

Table 2: Natural Logarithm of Table 1

Year	Month	Infastructure	IGR	Year	Infastructure	e-IGR
2011	JAN	20.88	20.33	**2013**	20.91	19.97921942
	FEB	21.6	20.64		21.82	20.23390504
	MAR	21.12	20.75		21.64	20.3919818
	APR	21.82	20.84		22.13	20.56683096
	MAY	21.79	20.88		21.31	20.61467855
	NOV	21.1	21.05		21.5	20.62782211
	JUL	21.64	21.19		22.08	20.7244727
	AUG	21.79	20.77		21.49	20.84076396
	SEP	21.72	20.94		21.6	20.72172247
	OCT	21.95	21.08		21.38	20.73782703
	NOV	21.82	21.17		21.53	20.60689597
	DEC	21.42	20.62		21.43	20.45620191
2012	JAN	21.78	19.84	**2014**	20.87	20.36732304
	FEB	22.31	19.91		21.37	20.59525985
	MAR	21.86	19.98		21.62	20.71885625
	APR	22.16	20.21		22.23	20.97000776
	MAY	21.75	20.39		21.32	21.0737911
	NOV	22.14	20.29		21.45	21.31128533
	JUL	21.41	20.18		22.06	21.41976714
	AUG	20.91	20.3		21.49	21.40628476
	SEP	20.89	20.44		20.86	21.28921286
	OCT	20.74	20.67		21.22	21.00404951
	NOV	21.47	20.55		21.7	20.52982285
	DEC	21.43	20.42		20.85	19.77275452

Source: Ebonyi state government financial report, (2011 – 2013)

Table 3: Annual Sum of Each Variable

Year	Infastructure	IGR	Year	Infastructure	e-IGR
2011	28,969,689,279.16	14,070,962,479.96	**2013**	29,437,935,926.44	10,262,246,547.86
2012	31,490,019,546.47	7,817,062,329.16	**2014**	26,436,118,712.15	15,358,549,255.90

Source: Ebonyi state government financial report, (2011-2014)

From tables 1 and 3 above, IGR significantly reduced in 2012 when compared monthly to 2011 and the annual sum percentage drop of about 80% within the same period. e-IGR rises gradually from the period of 2013 to 2014 on a monthly basis except for the last two months which witnessed drops and the annual sum rise at about 50%, but ID witnessed the opposite in both scenario (as IGR reduces, ID increases and as e-IGR increases, ID reduced)

Test of Hypothesis One

The size of internal revenue generated manually has no significant impact on infrastructural development.

Table 4

Correlations			
		Ln ID	**Ln IGR**
Pearson Correlation	Ln ID	1.000	-.122
	Ln IGR	-.122	1.000
Sig. (1-tailed)	Ln ID	.	.286
	Ln IGR	.286	.
N	Ln ID	24	24
	Ln IGR	24	24

Correlations			
		Ln ID	**Ln EIGR**
Pearson Correlation	Ln ID	1.000	.271
	Ln EIGR	.271	1.000
Sig. (1-tailed)	Ln ID	.	.100
	Ln EIGR	.100	.
N	Ln ID	24	24
	Ln EIGR	24	24

Correlations			
		ID	**IGR**
Pearson Correlation	ID	1.000	.054
	TIGR	.054	1.000
Sig. (1-tailed)	ID	.	.358
	TIGR	.358	.

N	ID	48	48
	TIGR	48	48

The statistical test in table 4 above shows the multiple R (correlation) of e-IGR to ID from the year 2013-2014, IGR to ID from the year 2011-2012, and the joint correlation of IGR/e-IGR(TIGR) to ID from the year 2011-2014. The test as showed in the table was further analysed.

Test of Hypothesis Two

The size of internal revenue generated electronically has no significant impact infrastructural development.

Table 5

Model Summary for 2013-2014					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error Of The Estimate**	**Durbin-Watson**
1	.271[a]	.073	.031	.38555	1.896
a. Predictors: (Constant), Ln EIGR					
b. Dependent Variable: Ln ID					

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	16.230	3.990		4.067	.001
	Ln EIGR	.254	.193	.271	1.320	.201
a. Dependent Variable: Ln ID						

ANOVA						
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	.259	1	.259	1.741	.201[a]
	Residual	3.270	22	.149		
	Total	3.529	23			
a. Predictors: (Constant), Ln EIGR						
b. Dependent Variable: Ln ID						

The statistical test or the first order test, as in table 5 above shows test like, t-statistic, standard error test, F test and R^2 as estimated in the model.

Table 6: Model Summary for 2011-2014

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.054[a]	.003	-.019	.41443	1.442
a. Predictors: (Constant), TIGR					
b. Dependent Variable: ID					

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	20.403	3.068		6.650	.000
	TIGR	.055	.149	.054	.367	.715
a. Dependent Variable: ID						

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.023	1	.023	.135	.715[a]
	Residual	7.901	46	.172		
	Total	7.924	47			
a. Predictors: (Constant), T IGR						
b. Dependent Variable: ID						

The statistical test or the first order test, as in table 6 above shows test like, standard error test, F-test and R^2 as estimated in the model.

DISCUSSION OF FINDINGS

From the analysis of the first hypothesis the researcher found that the extent of relationship between each independent variable (IGR and e-IGR) were very low on infrastructural development (capital expenditure) but cannot ignore the rate at which their degree changed (from very low negative degree during the year 2011-2012 to a low positive degree from 2013-2014) signifying an increase in associations. This implies that capital expenditure does not significantly depend on internally generated revenue of Ebonyi State. When analysed in general (from 2011-2014), it was discovered that there exist no significant degree of relationship of variables.

Secondly, in testing for the next research question, the researcher observed that there is relationship even though very low between electronic internally generated revenue (EIGR) and infrastructural development (capital expenditure) during the period of 2013-2014. This implies that, if the new approach to revenue generation is reviewed, the revenue base of the state will improve in the nearest future.

CONCLUSIONS

The study examined the effect of electronic internally generated revenue on infrastructural development (capital expenditure) of ebonyi state during the period, 2011 – 2014. In this study, the researcher used ex-post facto design and employed correlation and regression analysis to test the stated hypothesis using secondary data and the findings shows that; the dependent variable (capital expenditure) is not significantly affected by the two independent variables (manual internally generated revenue and electronic internally generated revenue) hence, positive low relationship using the new approach (electronic) to revenue generation and negative low relationship using the old approach (manual).

Based on this finding, the researcher concludes that if electronic approach to revenue generation is maintained and reviewed frequently, it will be the right choice and approach to boost internal revenue towards enhancing capital expenditure needs of Ebonyi State.

REFERENCES

1. Adesoji, A. A. (2013). The effect of Internal Revenue Generation on Infrastructural Development, Lagos state. *Journal of Educational and Social Res*earch Vol.3(2).
2. Adesopo, et al (2004). "The Organization of Economic Activity: Issues Pertinent to the Choice of Market versus Non-market Allocations", in *Analysis and Evaluation of Public Expenditures: The PPP System*, Volume 1, pp. 47–64.
3. Akabom-Ita, A. (2013). Revenue Base and Social Assets Creation in Local Government Areas in Cross River State – Nigeria: A Virile Tool for Overcoming Exclusion and Strengthening Inclusion for Sustainable Development in the Third World. IOSR *Journal of Humanities and Social Science* (IOSR-JHSS) e-ISSN: 2279-0837, p-ISSN: 2279-0845. Volume 7, Issue 3rd Jan.
4. Anyafo, A. (1996). Public Finance in a Developing Economy: The Nigeria Case. Department of Banking and Finance, University of Nigeria, Enugu Campus.
5. Bhatia, H. L. (2006). Public Finance Vikex Pub House PVT LTD DEHL.
6. Bizzdesk Global Solution, (2013). Revolutionizing the tax system in States. www.bizzdesk.com.
7. Central Bank Journal, (CBN 2010). *Establishment of effective switching companies and interoperability* of shared ATM/POS - 2010
8. Central Bank of Nigeria (2000a). The Changing Structure of the Nigerian
9. Economy and Implications for Development. Lagos: Realm Communications Limited.
10. Dotun, O. (2012, December 17). Public Private Partnership: The new way to infrastructural provision. *Vanguard.* Retrieved from
11. http://www.vanguardngr.com
12. Edogbanya, A., & Ja'afaru, G. S. (2013). Revenue Generation: It's Impact on Government Developmental Effort (A Study of Selected Local Council in Kogi East Senatorial District). *Global Journal of Management and*

Business Research Administration and Management. Volume 13 Issue 4 Version 1.0. Feb. 2013), PP 59-66.

13. Ekpo, A. H. (1994). Fiscal federalism: Nigeria Post- Independence Experience, 1960-90, *World Development* Vol. 22, No. 8.
14. Government of Ebonyi State, (2011). Annual Financial Reports, 2011 – 2104; unpublished reports, Ebonyi State.
15. Gujarati, D. N., & Porter, D. C. (2009). Basic Econometrics (Fifth Edition), McGraw-Hill.
16. Hofer, C. W. & Schendel, D., (1978). *Strategy Formulation: Analytical Concepts*. West Publishing Company
17. Ipaye, A. R. (2009). "Taxpayers' Money in Action: The Worth of my tax as a tool for economic, social and infrastructural development – Lagos state as a case study", Association of National Accountants of Nigeria, Commemorative Lecture
18. Kiabel, B. D., & Nwokah, N. G. (2009). Boosting Revenue Generation by Governments in Nigeria: The Tax Consultant Option Revisited, *European Journal of Social Sciences*, Vol. 8, No. iv. 536-539.
19. Nightingale, K. (2002). *Taxation theory and practices*, 4th ed. England Pearson Education Ltd.
20. Nnanseh, M., & Sunday, S. A. (2013). The effects of Internally generated revenue on infrastructure development in Akwa Ibom State. *European Journal of Business and Management. Vol. 5. No.31, 2013.*
21. Ojo, S. A. (2003). Principles of Nigeria Tax. Ilorin: Sagribra Publishing House; 70.
22. Okonjo, I. (2015, April 7). Cause of Nigeria rising debt profile. *Daily Independent. Retrieved from http://* dailyindependentnig.com
23. Olaoye, C. O. (2006). Analysis of Local Government Finance. 1st Edition, Clemart. Publishing, Ijagbo, kwara State pages 10-13.
24. Olaoye, C. O., (2008). Concepts of Taxation Nigeria. Clement Publishing, Ijagbo/Ofa, Kwara State.
25. Oladele O. (2003). 'A' Level Economics Textbook for West Africa. 231pages.
26. Osita, A. (2004). Taxation and Tax Management in Nigeria, 3rd edition, Enugu, Published by Meridan Associates, 431pages.
27. Otubala, O. A. (2011). *Effect of Public Revenues on Economic Growth in Nigeria (1980–2008)*. An Unpublished thesis of Ahmadu Bello University, Zaria in Partial Fulfillment of the Requirements for the Award of Masters of Science Degree In Economics.
28. Sani, F. A. (2013). Automated Internally Revenue Processing System: A Panacea for financial problems, Kogi State. *West African Journal of Industrial and Academic Research* Vol.7. No.1.
29. Stephen, N. & Osagie, E. (1985). A Text Book of Economics for West African Students. Ibadan University Press Limited.
30. Tapang, A. T., (2012). The impact of Revenue Base on Local Government

31. Social Assets in Cross River State Nigeria: 1996 -2010. *International Journal of Physical and Social Sciences*. Volume 2 issue 3.

32. Techvibes Nigeria Limited, (2013). Payroll and Revenue Resources; Electronic Internally Generated Revenue Reports, 2011 – 2014. www.techvibesltd.com.

33. Tetteh, E. G. (2012). *Automation System Procedure of the Ghana Revenue Authority on the Effectiveness of Revenue Collection*. An Unpublished thesis submitted to the Institute of Distance Learning, Kwame Nkrumah University of Science and Technology in partial fulfillment of the requirements for the degree of Common Wealth Executive Masters of Business Administration.

34. Temitope, O. F., Olayinka, M. U., & Abdurafiu.(2010). The Ethic of Tax Evasion: Perpetual Evidence from Nigeria; *European Journal of Social Sciences*, Vol. 8, No. 3 pp. 360-371.

35. The Initiatives (2008). "Internally Generated Revenue (IGR) And The Challenges Of National Development" A Presentation on the occasion of the First National Roundtable for good Proactive Laws And Governance Organized By "The Initiatives"***;*** International Conference Centre, Abuja; 24th April 2008