Original Article

Domestic Resource Mobilisation, Quality Education and Economic Growth in Nigeria

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Abstract: *Domestic Resource Mobilisation (DRM), which entails the creation of funds from domestic resources and their allocation to economically and publicly dynamic investments like infrastructure, public safety, education, and health care, has remained a crucial component in accomplishing the SDG. Nonetheless, educators have a difficulty in their efforts to improve pedagogical techniques, support student growth, and advance society due to the scarcity of resources. This study looks into the connection between Nigeria's economic growth, high-quality education, and mobilisation of local resources. From 1992 to 2021, time series data were gathered from reliable sources such the CBN Statistical Bulletin, the World Bank, and UNESCO. The analysis methods include the Auto Regressive Distributed Lag Model (ARDL) regression, the unit root test, and the co-integration test. The results showed that although tax revenue was statistically significant, it eventually had a negative connection with economic growth. In the short term, nonetheless, it had a positive impact on economic growth. Additionally, research indicated that oil revenue was a key factor in both the short- and long-term rises in economic growth. It was discovered that educational spending was statistically unimportant over the long and short terms. In a similar vein, literacy was shown to be negligible but has the potential to boost Nigeria's economy both now and in the future. Additionally, research showed that tax income has a major impact on the quality of schooling. However, the outcome demonstrated that tax revenue had little long-term positive impact on Nigerian education standards. It did, however, demonstrate a short-term favourable correlation with high-quality education, albeit one that lacked statistical significance. On the other hand, both immediately and over time, oil revenue has a major impact on the quality of education. Considering that the education sector has been allotted appropriate financing, the government should establish oversight and accountability systems based on the findings in order to prevent the misallocation of education spending. More forcefully, in order to encourage the participation of economically disadvantaged people in education, government support for basic educational supplies and equipment is necessary to lower the cost of education.*

Keywords: Domestic Resource Mobilisation, Quality Education, Economic Growth, Tax Revenue, Oil Revenue Literacy, Expenditure on Education.

I. INTRODUCTION

The realisation of the sustainable development goals has been acknowledged to be contingent upon the 2015 Addis Ababa Action Agenda's affirmation of the necessity of utilisation and effective domestic resource usage (Oyinlola et al., 2020; Gershon et al., 2020; Callistar&Ifelunini, 2019; UNECA, 2016). As it entails the creation of funds from domestic resources and their allocation to economically and publicly dynamic initiatives, domestic resource mobilisation (DRM) has remained a crucial component in the achievement of the SDG (Fakile, Adegbie&Faboyede, 2014; World Bank, 2016). Since many lower-income nations have the ability to enhance their revenue collection by 2-4% of GDP without incurring the obligation of equity or growth, DRM has been recognised as essential to accomplishing development objectives (Junquera et al., 2017). According to Junquera et al. (2017), increasing DRM has helped several countries surpass the 15% tax-to-GDP ratio, which is the minimal amount needed to finance essential state services including infrastructure, public safety, education, and transportation.

A common belief is that education is the essential cornerstone necessary for civilization to advance. These phenomena can be explained by its capacity to promote economic growth and development by making it easier for people to acquire the critical knowledge and skills needed for an economy to successfully adapt to developing technologies (Odit, Dookhan & Fauzel, 2010). Governments around the world have made investing in education a top priority in order to enhance the quality of social resources and increase the pool of skilled labour needed for economic development. Abubakar (2014) asserts that education is

seen as a precious resource. As a result, countries make significant investments in education to fully realise its benefits, especially in terms of promoting economic growth and guaranteeing sustainability over the long run (Adetula et al., 2017).

Furthermore, one of the goals of the Nigerian government is to restructure the educational system so that everyone has access to fair and high-quality education, so transforming the nation into a centre of knowledge and learning. Furthermore, there is compelling evidence to support the need for higher education in Nigeria to increase its current capacity in order to handle the growing number of students enrolling in order to satisfy social and economic demands. This is because the public sector is unable to provide all of the resources required for the growth and development of high-quality education. In order to achieve the desired results, it is therefore necessary to look for alternate ways to obtain the funds needed to finance higher education (Afolayan, 2015; Bamiro & Adedeji, 2010; Ahmed & Adepoju, 2013). Consequently, this study highlights the necessity for the government to focus on domestic financing sources through DRM in order to supply funding for the advantages of high-quality education and the expansion of the economy as a whole.

SDG 4, which aspires to guarantee inclusive and equitable provision of high-quality education for children and youth worldwide by 2030, is one of the ambitious sustainable development goals. Spending is a major obstacle to achieving SDG 4 in Nigeria; according to a 2015 UNESCO estimate, the country will need around USD 34 billion annually in spending between 2015 and 2030. Many developing nations have recently turned inward for resource mobilisation in response to the call for DRM to improve finance for economic growth (Callistar & Ifelunini, 2019). The government of Nigeria has come to the conclusion that outside funding sources like AIDS and foreign direct investments might not be able to sustainably fund development objectives, much less help Nigeria emerge as a significant global force by 2030. The Nigerian economy has been adversely affected by the worldwide oil price, and as a result, the country has prioritised implementing policies, programmes, and tax revenues that emphasise disaster risk management (DRM).

There has been a claim made that Nigeria's economic development and growth are directly impacted by high-quality education (Ahmed, 2015). Because of this, the public sector has been supplying the majority of the funding required for the system to operate well, with the higher education sector receiving up to 90% of the funds. According to Ojo (2023), the budget's second-highest allocation goes to the education sector, trailing only the defence and security sectors, which take up N2.98 trillion. The government's inability to provide a sufficient financial allocation for higher education has recently hampered educational funding, which has a direct impact on labour market development patterns (Odunewu, 2023). As a result, the higher education system has suffered from poor facility accessibility, low quality and substantial value, and insufficient funding to address modern issues. Nigeria, a country with a population of over 200 million (National Population Commission, 2019), has been severely underfunding higher education. In light of this, this study explores the potential connections between Nigeria's economic growth, high-quality higher education, and domestic resource mobilisation.

However, other research investigated the connection between DRM and growth and development using various methodological techniques. Obasi, Amuche, and Anthony (2016), for example, looked into the potential Nigeria had when it came to the effective and efficient mobilisation of its own resources, financing accessibility, and inclusion for inclusive growth. Akhigbemidu (2017) examined how Nigerian health outcomes were affected by the mobilisation of domestic resources. Wujung and Aziseh (2016) examined how Cameroon's economic growth was impacted by the mobilisation of domestic resources. Numerous studies have also looked at the connection between economic growth and high-quality education in various nations, such as Asia, Pakistan, Libya, and India (Kotaskova et al., 2018; Alsanousi, 2017; Hassan & Rapaz, 2017; Mallick & Dash, 2015). Studies on the relationship between education and economic growth in Nigeria, however, are scarce (Adetula et al., 2017; Babatunde and Adefabi (2005)). The purpose of the argument is to show how extensively writers have discussed DRM, education, and economic expansion. Nevertheless, none of the writers gave any thought to investigating the connection between Nigeria's economic expansion, high-quality education, and the mobilisation of local resources. since of this, this research is special since it attempts to close knowledge gaps and advance DRM, high-quality education, and economic prosperity.

II. LITERATURE REVIEW

A. Domestic Resource Mobilisationand Economic Growth

Research on domestic resource mobilisation and economic growth were covered in detail in this part. Through various indices of DRM (tax revenue, oil revenue), education, and domestic resource mobilisation, numerous studies have presented evidence to support the idea that these factors drive Nigeria's economic growth. Ovunda (2018) performed a study in which the author examined the urgent issues pertaining to Nigeria's tax system and tax reforms, with a particular focus on the effects of

these reforms on revenue output. Using Rivers State as a case study, the study discovered that tax reform has a significant impact on revenue production and positively correlates with it.

Olaniyi (2013) looked at the relationship between domestic credit and economic growth in the Nigerian environment in a different study. Annual time-series data covering the years 1970–2012 were used in this study. The findings point to a positive correlation and reciprocal causal relationship between domestic credit and Nigeria's economic expansion. Given that domestic credit has a statistically significant and substantial impact on economic growth in Nigeria, it is clear that domestic credit is important. The Granger Causality test was the only analytical method used in this study, which could have been a limitation. Granger causality is used just to determine the predictive value of one time series compared to another; it does not reveal the causal relationship between one variable and another.

In their research on non-resource tax collections in Nigeria, Amusa et al. (2015) posed questions about how foreign aid can affect domestic resource mobilisation (DRM). Secondary time series data from 1980 to 2013 were employed in the Gaussian Mixture Model (GMM) method. The results of the study show that loans from outside sources are the most effective way to support the mobilisation of domestic resources. The study's major focus was solely on non-resource tax collections; alternative revenue streams were not taken into consideration.

On the other hand, Wujung, Vukengkeng, and Fozoh's (2015) research looked at how Cameroon's economic growth was affected by the mobilisation of domestic resources. Regression analysis was performed using the Instrumental Variable Generalised Method of Moments (IVGMM) in this study, which used data from the World Development Indicator, 2014, which covered the years 1980–2013. The study found a strong correlation between Cameroon's economic growth and digital rights management (DRM) channels. The study was carried out in a separate geographic area. It would be beneficial to consider Africa's collective economies.

Ogunleye and Fashina's (2012) study sought to evaluate the role that domestic resource mobilisation plays in promoting long-term growth and recovery in sub-Saharan Africa (SSA) after a disaster. By carefully examining the various challenges related to Digital Rights Management (DRM) in Sub-Saharan Africa (SSA), the study underscored the need for DRM. A panel dataset comprising 38 countries in Sub-Saharan Africa (SSA) was subjected to the Arellano-Bond generalised method of moments (GMM) approach. The results show that investment and savings have a big impact on economic growth and are important factors in determining DRM. That being said, the data shows that DRM is not significantly impacted by any of the other tax income variables that were looked at. A recommendation has been made addressing the need to enhance the DRM process.

B. Education and Economic Growth

There is general agreement within the Nigerian education system that it has fallen short of expectations (Umar, 2020). As Samuel, Bassey, and Olorunfemi (2012) found and Simbowale (2003) conjectured, the system's performance is, in fact, showing a declining trend. Since Nigeria attained independence sixty years ago, its higher education institutions have seen enormous expansion and change. However, it is unfortunate that there are numerous obstacles in the way of their ability to serve as catalysts for social advancement and economic growth. In the current debate, higher education is commonly acknowledged as a vital and noteworthy national asset that plays a critical role in accomplishing a range of policy goals. It is recognised as a reliable source of fresh perspectives and imaginative ideas as well as a provider of qualified personnel with credible credentials.

In addition, universities foster innovation by drawing in talent from throughout the world and encouraging corporate investment. Additionally, they are seen as agents of social justice and upward mobility, influencing the general health and well-being of the populace as well as the sustainability of social and cultural components (Bamiro & Adedeji, 2010). These elements lend credence to the claim that education is still seen as a "public good," both generally and particularly in the context of higher education. Higher education institutions are now acknowledged by both developed and developing countries as catalysts for transformative processes that promote economic growth and advancement. As a result, funding these institutions to successfully fulfil their core responsibilities of community development, research, and education in line with the advancement of the country has received a lot of attention (Ahmed &Adepoju, 2013).

There aren't many studies on the connection between economic growth and higher education in Nigeria, and the most of them were written by academics from outside the country. For example, Adetula et al. (2017) used the ordinary least squares regression technique to study the financial benefits of investing in education to grow Nigeria's economy. The study produced

strong evidence that the education sector has made a substantial contribution to Nigeria's economic growth. On the other hand, it has been noted that in order for the industry to effectively raise the yearly gross enrolment rate in elementary, secondary, and postsecondary education, it must be provided with adequate financial resources.

Kotaskova et al. (2018) looked into the relationship between economic growth and education in India between 1975 and 2016. To examine the data, the researchers used Granger Causality and Co-integration methods. The study examined education at the primary, secondary, and postsecondary levels and found a favourable relationship between different educational attainment and India's economic development. Hassan and Rafaz (2017) studied the impact of female education on economic growth in Pakistan between 1990 and 2016. For their investigation, the researchers used the basic ordinary least squares method. It was found that a 1% increase in female education, female labour force participation, education spending, and female fertility rate correlated with a significant 96% rise in Pakistan's GDP. The study's conclusions offer strong evidence in favour of the theory that women's education in Pakistan contributes significantly to the nation's economic growth. The report suggested that more funds be provided by the government to Pakistan in order to advance women's education.

In a research project carried out in Libya, Alsanousi (2017) looked into the relationship between economic growth and higher education quality. The study's findings showed that, in the Libyan setting, there is a strong correlation between economic growth and higher education. The survey found that Libya's economic success was greatly influenced by higher education. Mallick, Das, and Pradhan (2016) investigated how spending on education affected the economic development of fourteen well-known Asian nations. The time period covered by the research for this study was 1973–2012. After the data was analysed using the completely modified ordinary least squares approach, it was discovered that the 14 well-known Asian countries' economic growth was positively impacted by their investments in education. Mallick and Dash (2015) investigated the relationship between education and economic growth in India between 1951 and 2012 using co-integration and Granger causality econometric analysis. The study's findings demonstrated a causal relationship that was favourable and revealed a long-term link between economic development and education.

C. Economic Theory

Natural resources are thought to promote local economic growth, according to economic theory. By utilising mineral resources and taking into account the distinctive features and productive structures of each region, a community's welfare can be improved. In contrast to economies devoid of natural resources, countries possessing an abundance of natural resources are said to have slower rates of economic growth (Sachs and Warner, 1997). The "natural resources curse" is the term used to describe these phenomena. Empirical research indicates that the resources that have the greatest negative effects on economic growth are minerals and petroleum. In a study that was carried out in Colombia, Perry and Olivera (2010) looked at a particular region and used cross-sectional data to investigate how rents from coal and oil affected the socioeconomic development of local populations. The researchers found, among other things, that the levels of economic development in the towns are positively impacted by the production of coal and oil. Furthermore, it is discovered that, in contrast to oil production, coal output shows a positive correlation with departments' economic progress. In light of the study's objectives, this theory is important since it will support the theorists' assertion that resources and economic growth are related.

E. Human Capital Theory

Human Capital Theory has its roots in Adam Smith's influential book "The Wealth of Nations." Smith (1776) talks at length about the significant impact that the labour force's education and training may have on the expansion and advancement of the economy. The investments made in education, training, and healthcare—all of which are regarded as investments in people's abilities, wisdom, well-being, and morals—are referred to as human capital. Their investments are intended to increase their income and well-being (Becker, 1964). By investigating investment in human capital and estimating its value, Becker (1964) developed the human capital hypothesis. Workers place a high value on education since investing in technical skills and knowledge increases productivity and yields higher wages (Cooper & Davis, 2017). The human capital theory is a conceptual framework that is used by many researchers. They frequently use Psacharapoulos and Patrrinos (2004), who discovered that, in contrast to people without a degree or related experience, university graduates' salaries rise significantly with each new certificate they obtain. Atuahere (2008) explores the challenges of funding higher education in Ghana in his research and emphasises the value of human capital in comprehending this divisive topic. The significance of human capital as a way to share costs for paying higher education is emphasised by the researcher. This theory emphasises the value of investing in education to improve human capital, making it pertinent to the topic at hand.

F. Educational Theory

There are three main points that emphasise how important education is for promoting economic development. These theories include the information transfer strategy, the modernization method, and the basic human capital approach (Omodero & Nwangwa, 2020). According to the human capital idea, education is essential for enhancing the knowledge and abilities of a nation's workforce. This results in higher productivity and competency with modern technology, both of which are critical for promoting economic growth (Earle, 2010). Earle (2010) posits that the modernization strategy fosters the acquisition of innovative ideas and technological knowledge, so establishing a link between education and economic advancement. The knowledge transfer model states that education serves as a medium for the dissemination of relevant data and the know-how required to successfully use new ideas and technologies (OECD, 2010). To put it simply, education is essential to a country's economic growth. This organization's main goal is to supply the needs of a country's growing labour force, both in terms of quantity and quality. Additionally, it is essential to encourage nations to embrace and improve modern manufacturing technologies and to make it easier for them to be integrated into manufacturing (Mercan & Sezer, 2014). According to Mercan and Sezer (2014), the gap in educational attainment levels is the main cause of the economic disparities between developed and developing nations. Since one of the main goals of this work is to investigate the relationship between high-quality education and economic growth, the argument made by this theory is relevant to the current research.

III. METHODOLOGY

A. Data Sources and Variables Description

The theories of human capital, education, and the economy serve as the foundation for this study. Time series data on certain variables could be gathered thanks to the researchers' adoption of a quantitative study technique. The study made use of secondary data that was gathered from reliable organisations like the World Bank, UNESCO, and the Central Bank of Nigeria (CBN) Statistical Bulletin between 1992 and 2021. The information was gathered on GDP as a proxy for economic growth, adult population (aged 15 and above) as a proxy for literacy rate, expenditures on education, and domestic resources as a proxy for tax and oil revenue.

B. Model Specification

The model for this study was derived from the claims made by theorists that economies endowed with natural resources typically grow more quickly and that education improves a country's workforce's knowledge and skills, mostly for increased productivity (Sachs & Warner, 1997; Earle, 2010). The regression model is therefore described as follows:

$$RGDP = f(TAX, OIL, EED, LIT) \text{.. (i)}$$

The variables were transformed by logging each to convert the series to econometric form. The log and long-run regression model model for the estimate is specified as follows:

$$\log RGDP_t = \beta_0 + \beta_1 \log(TAX_1) + \beta_2 \log(OIL_2) + \beta_3 \log(EED_3) + \beta_4 \log(LIT_4) + \varepsilon t \text{...... (ii)}$$

While the short run is stated below:

$$\log RGDP_t = \beta_0 + \beta_1 \log TAX_{t-1} + \beta_2 \log OIL_{t-1} + \beta_3 \log EED_{t-1} + \beta_4 \log LIT_{t-1} + \omega ECM_{(t-1)} + \varepsilon t \text{............(iii)}$$

The second model examine the effect of domestic resource on quality of education. The long run and short run models is stated below:

$$\log REED_t = \beta_0 + \beta_1 \log(TAX_1) + \beta_2 \log(OIL_2) + \varepsilon t \text{...... (iv)}$$

While the short run is stated below:

$$\log REED_t = \beta_0 + \beta_1 \log TAX_{t-1} + \beta_2 \log OIL_{t-1} + \omega ECM_{(t-1)} + \varepsilon t \text{............(v)}$$

Where RGDP = Real Gross Domestic Product; TAX = Tax Revenue; OIL = Oil Revenue; EED = Expenditure on Education; LIT = Literacy Rate.

C. Measurement of Variables

The income obtained from the collection of different taxes, including those levied on people's earnings and income, social security payments, taxes on goods and services, payroll taxes, taxes on the ownership and transfer of property, and other types of taxes, is referred to as tax revenue. One crucial metric used to gauge domestic resource mobilisation is taxation.

An additional metric used to gauge domestic resource mobilisation is oil revenue. The government's resource, oil revenue, is anticipated to be correlated with the expansion of the national economy.

Education spending is an independent variable used to gauge the quality of education. The significance of this variable was determined by the expectation that educational costs will have an impact on economic growth.
An additional independent variable used to gauge higher-quality schooling is literacy. The chosen findings from educational theory make the case that it is beneficial and pertinent to enhancing the expansion of the economy. The dependent variable in this study is economic growth, which is measured by real gross domestic product. Gross domestic product is the total market value of a nation's commodities at any one time.

D. Analytical Techniques

The unit root test, co-integration test, and auto-regressive distributed lag model (ARDL) regression are among the analytical methods used. To ascertain whether or not the series are co-integrated, or have a long-run relationship, unit root and co-integration tests were performed to assess the integration order of the series. To determine the relationship between the variables of interest and the impact of quality education and domestic resource mobilisation on Nigeria's economic growth, ARDL regression was performed.

Additionally, pertinent diagnostic tests were performed, including tests for linearity, serial autocorrelation, and normality. To determine whether there was a linear relationship between the dependent and independent variables, a linearity test was performed. To ascertain whether autocorrelation existed, a serial autocorrelation test was performed. Additionally, to determine whether the residual is regularly distributed, a normality test was performed.

IV. ANALYSIS AND FINDINGS

A. Analysis and Results

Using the Augmented Dickey-Fuller (ADF) unit root test, the goal of the unit root test is to determine the degree of integration of the variables selected for the investigation. The results of the Augmented Dickey-Fuller (ADF) test are shown in Table 1:

Table 1: Unit Root Test

	T - Statistic	10% level	5% level	1% level	Prob.*	Order of Integration
Log (GDP)	-6.954840	-3.225334	-3.580623	-4.323979	0.0000	I (1)
Log (Tax revenue)	-5.576723	-3.229230	-3.587527	-4.339330	0.0006	I (1)
Log (Oil revenue)	-5.277268	-3.225334	-3.580623	-4.323979	0.0011	I (1)
Log(Educational expenses)	-5.798468	-4.339330	-3.587527	-3.229230	0.0003	I (1)
Log (Literacy rate)	-4.370499	-4.394309	-3.612199	-3.243079	0.0105	I (1)

Source: Authors' computation (2023)

The unit root test results are shown in Table 1. The findings indicated that the GDP, tax revenue, oil revenue, and education spending logs were all significant at 10%. The literacy rate, at 5%, was noteworthy in contrast. The variables were stationary at first differencing, or integrated of order zero (I (1)), but none of them attained stationarity at the ordinary level. The model's variables exhibit a linear combination, or long-run relationship or equilibrium, according to the residual (EGDF), which indicates otherwise (i.e., I (0)). As a result, long-run regression is appropriate for study, and the outcome of the ordinary least squares approach is devoid of unwanted effects.

Table 2: Co-integration Test

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.832217	90.09927	69.81889	0.0005
At most 1	0.587037	45.47225	47.85613	0.0823
At most 2	0.379829	23.36229	29.79707	0.2287
At most 3	0.226488	11.41829	15.49471	0.1870
At most 4 *	0.181202	4.997953	3.841466	0.0254

Trace test indicates 1 cointegratingeqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level

Source: Authors' computation (2023)

When it comes to time series variables like the real gross domestic product, tax revenue, oil revenue, educational costs, and literacy rate, co-integration analysis is used in econometrics to estimate and test stationary linear linkages, or co-integration relations. After the unit root test results, Johansen co-integration was used to evaluate a long-term relationship among the variables. Using the Akaike Information Criterion (AIC), Schwarz Information Criterion (SC), and Hannan-Quinn Information Criterion (HQ) criteria, we first determine the ideal lag length criteria for the variables before running the co-integration test. It turns out that 1 lag is more appropriate for the analysis. There is at least one co-integration equation by trace test, according to the Johansen co-integration test result shown in the above table. The presence of one co-integration equation in the model was also verified using the max-eigenvalue test. Therefore, it can be said that there is a long-term relationship between the variables. Because of this outcome, the Error Correction model must be estimated.

a) Analysis of Domestic Resources Mobilisation, Quality Education and Economic Growth

Table 3: Long Run Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LTAX	-0.915563	0.407858	-2.244806	0.0369
LOIL	0.646712	0.181195	3.569144	0.0020
LEED	0.051232	0.172575	0.296871	0.7698
LLIT	0.373614	0.866522	0.431165	0.6712
C	7.986157	3.715343	2.149507	0.0447

Source: Authors' computation (2023)

From the long-run regression results reported in Table 4, the long-run coefficient of tax revenue is negative but statistically significant at a 5% level. It indicates sufficient statistical evidence that tax revenue negatively reduces GDP in the long run. Assuming zero effect of other factors in the model, it thus follows from the estimated negative coefficient of tax revenue that in the long run, there will be a decrease in the volume of GDP by about 0.92 percent. In the case of other regressors in the model, oil revenue is statistically significant and has a long-run positive relationship with GDP. It implies that a 1 percent increase in oil revenue will lead to a 0.65 percent increase in GDP. However, educational expenses and literacy rates are not statistically significant but have a long-run positive relationship with GDP. The long-run estimated coefficient of educational expenses and literacy rate are about 0.05 percent and 0.37 percent, respectively. The result implies that a unit increase in educational expenses will lead to a 0.05 percent increase in GDP. Similarly, a 1 percent increase in literacy rate will lead to a 0.37 percent increase in GDP. However, they are not statistically significant; hence, they only have the potential to increase economic growth.

Table 4: Short Run Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LTAX)	-0.342935	0.194678	-1.761548	0.0942
D(LOIL)	0.242233	0.061950	3.910131	0.0009
D(LEED)	-0.084736	0.071917	-1.178239	0.2532
D(LLIT)	0.139941	0.318147	0.439864	0.6650
CointEq(-1)	-0.374562	0.091461	-4.095300	0.0006
Cointeq = LGDP - (-0.9156*LTAX + 0.6467*LOIL + 0.0512*LEED + 0.3736*LLIT + 7.9862)				

Source: Authors' computation (2023)

In the short run, the effect of tax revenue on GDP is positive and statistically significant at 10 percent. As a result, the tax revenue positively determines GDP growth in the short run. The level of the short-run impact of tax revenue on GDP is approximately 8.329092 (7.986157+0.342935), which means that GDP will increase by 8.33 percent if the tax revenue is further increased by 1 percent. In addition to the primary explanatory variables of interest, the effect of oil revenue is positive and statistically significant at a 1% significance level. The short-run coefficient of oil revenue is about 7.74 (7.986157-0.242233). It implies that GDP increased by 7.74 percent when a 1 percent increase occurred in the country's oil revenue.

Educational expense is statistically insignificant, having a p-value of 0.2532. The expenses on education are positive 8.070893 (7.986157+0.084736) but statistically insignificant. This indicates that a 1 percent rise in educational expenses will lead to an 8.07 increase in GDP. Also, a 1 percent increase in literacy rate will lead to a 7.85 percent increase in GDP. The estimated error correction coefficient of -0.374562 is highly significant at 1%, has the correct sign, and implies a high speed of adjustment of economic growth to equilibrium after a shock. It suggests that economic growth is adjusting to the shock from the value of proxies of domestic resource mobilization and qualitative education while moving from a state of disequilibria in the short run to a state of equilibrium in the long run at a speed of 37.5% every year.

b) Analysis of Domestic Resources Mobilisation and Quality Education

Table 5: Long Run Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LTAX	-2.402757	0.545357	-4.405840	0.0002
LOIL	0.941820	0.088028	10.699140	0.0000
C	3.816251	1.719769	2.219048	0.0366

Source: Authors' computation (2023)

c) DV: Educational Expenses

Table 6: Short Run Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LTAX)	-0.654302	0.592129	-1.104999	0.2806
D(LOIL)	0.692871	0.132040	5.247429	0.0000
CointEq(-1)	-0.735672	0.097835	-7.519510	0.0000
Cointeq = LEED - (-2.4028*LTAX + 0.9418*LOIL + 3.8163)				

Source: Authors' computation (2023)

In the long run estimates tax revenue has a significant effect but revealed a negative relationship with qualitative education proxied by educational expenses. It implies that quality education reduces by 2.40 percent when tax revenue increases by 1 percent. However, oil revenue showed a significant and positive effect on quality education. The result showed that a 1 percent increase in oil revenue would significantly lead to a 0.94 percent increase in quality education. In the short run, tax revenue was statistically insignificant but maintained a positive relationship with quality education. The result showed that a 1 percent increase in tax revenue in the short run would lead to a 4.47 percent increase in the quality of education. However, oil revenue revealed a significant and positive relationship with quality education. The result showed that a 1 percent increase in oil revenue would significantly lead to a 3.12 percent increase in the quality of education.

B. Discussion of Findings

a) Effect of Domestic Resource Mobilisation and Quality Education on Economic Growth

This research investigates the effect of domestic resource mobilization and quality education on economic growth in Nigeria. The variables such as tax revenue, oil revenue, and expenses on education and literacy were employed to measure domestic resource mobilization and quality education, respectively. Gross domestic product was employed to proxy economic growth. The finding revealed that tax revenue was statistically significant but has an inverse relationship with economic growth in the long run. However, it positively affected economic growth in the short run. The finding is consistent with the results of Adefolake and Omodero (2022). The researchers opined that the relevance of tax revenue to an improved Nigerian economy cannot be over-emphasized as they regarded tax revenue to be an avenue for the government to source funds to use and improve the workings of the economy, and this would lead to economic growth. However, its negative contributions could be owed to tax non-compliance by individuals and companies. Also, findings revealed that oil revenue was a significant variable that increases economic growth in the short and long run. The findings clearly showed that revenue from oil for the period under study significantly and positively affected Nigeria's economic growth. The finding could be related to the country's excessive amount generated from oil and gas, which made the country renowned for oil as the principal source of income. The finding aligns with the result suggested by Akinleye, Olowookere and Fajuyagbe (2021).

Expenditure on education was found statistically insignificant both in the long run and in the short run. Although the variable showed a potential effect on economic growth, the effect was not significant and hence could not affirm its positive effect on economic growth. The results corroborated the findings of Omodero and Nwangwa (2020). Similarly, Torruam, Chiawa, and

Abur (2014) found that public expenditure on tertiary education positively affects economic growth in Nigeria. Similarly, literacy was found to be insignificant but has the potential to increase economic growth in Nigeria in both the short and the long run. The findings demonstrated that expenses on education are a tool that can be used to improve the education sector, but it has yet to be judiciously utilized. The finding validated the result of Mallick et al. (2016) from India, where they found that illiteracy in the economy might have resulted from a lack of funding in the educational sector, which could have reduced people's interest in enrolling in formal education. The result is different from the findings received from other countries, such as India, Pakistan, and Libya, by Kotaskova et al. (2018), Hassan and Rafaz (2017) and Alsanousi (2017), respectively. As mentioned earlier, the researchers revealed that the countries' higher education and economic growth have a positive relationship with their economic growth.

b) Effect of Domestic Resource Mobilisation on Quality Education

The effect of domestic resource mobilization on education was analyzed to examine how tax and oil revenue affect Nigeria's education quality. Findings revealed that tax revenue has a significant effect on the quality of education. Although, the result showed that tax revenue does not improve the quality of education in Nigeria in the long run. However, it showed a positive relationship with quality education in the short run, but the effect was not statistically significant. On the other hand, oil revenue significantly affects the quality of education in the long and short run. The results showed that revenue generated from the oil sector contributes to the quality of education in Nigeria, and its effect showed short-term and long-term effects compared to tax revenue. The finding agreed with the results of Babarinde et al. (2022), who found a long-run relationship between oil revenue and investment in education.

V. CONCLUSION AND RECOMMENDATIONS

In this research, the focus was to look at the relationship between domestic resource mobilization, quality education, and economic growth in Nigeria. Findings have shown that tax and oil revenues significantly and positively affect economic growth. However, findings revealed that tax revenue has only a short-term effect on economic growth. The research demonstrated that investment in education has been largely from oil revenue. It revalidates the argument that oil is the principal source of Nigerian income. However, expenditures on education and literacy level were insignificant, but they were found to have the potential to improve economic growth, as evidenced in the regression analysis. The level of literacy showed a negative effect on Nigeria's economic growth. It showed that there is a low level of literacy in the economy.

On the other hand, resources from oil and tax showed a significant and positive contribution to the country's education quality. Although the tax does not have a long-term effect, as shown in the analysis, oil revenue is revealed to affect the quality of education in both the short and long run. A long-run relationship exists between domestic resource mobilization, quality education, and economic growth. Based on these findings, it is recommended that the government should ensure checks and balances to avoid misspending of education budgets since adequate funding was claimed to have been provided to the sector (Ahmed, 2023). The strategy could improve the standard of education in the economy, enhance the literacy level and contribute positively to economic growth. More certainly, higher quality education should be made less expensive through government funding of primary educational materials and equipment to gear the interest of poor ones in education. Taxes are practical tools that contribute to government revenue and enhance economic growth. Individuals and companies should comply with the rules and regulations established by the government tax agency. The consequence would influence Nigeria's economic growth. Oil revenue is another significant variable in the Nigerian revenue generation system. The government should ensure judicious utilization of the revenue to continue impacting the economy's growth.

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