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The treasury single account as an institutional moderator in the interplay between fiscal revenue accretion and gross domestic product trajectories in Nigeria

Egbere Michael Ikechukwu, PhD[1], Tijjani Ahmed Ajayi, Ph.D[2]

Department of Accounting Dennis Osadebay's University Asaba, Delta State NIGERIA[1,2]
Shehu Shagari University of Education Sokoto, NIGERIA[3]
[1]Email: Egbere.michael@dou.edu.ng

Abstract - This study investigates the Treasury Single Account (TSA) as an institutional moderator in the relationship between fiscal revenue accretion and Nigeria's gross domestic product (GDP) trajectory. The aims are to evaluate whether TSA-induced changes in revenue mobilization alter the strength and pattern of the revenue–GDP nexus, and to quantify any moderating effect across pre- and post-implementation periods. Using an ex post facto, longitudinal design, the study employs annual and quarterly data on federally collected oil and non-oil revenues and GDP obtained from Central Bank of Nigeria, FIRS and NBS publications, covering pre-TSA and post-TSA eras. Analysis combines difference-in-means tests with moderated regression models interacting TSA status with disaggregated revenue components to capture institutional effects on growth responsiveness. Results are expected to show that, while aggregate revenue performance is mixed, TSA strengthens the positive association between non-oil revenues and GDP, and stabilizes growth trajectories through enhanced transparency and cash management. The study concludes that TSA functions as a critical fiscal governance infrastructure, conditioning how revenue gains translate into macroeconomic performance.

Keywords: Treasury Single Account; fiscal revenue accretion; GDP trajectory; institutional moderation; public financial management; economic governance

1. Introduction

Nigeria's growth trajectory has long been constrained by volatile oil receipts, weak non-oil mobilization, and pervasive leakages in public finance. Government revenues were historically fragmented across thousands of bank accounts operated by ministries, departments and agencies (MDAs), fostering opacity, idle cash balances and corruption (Dorcas, 2017; Okore et al. 2022).

The adoption of the Treasury Single Account (TSA), piloted from 2012 and fully implemented in 2015, sought to centralize all federally collected revenues at the Central Bank of Nigeria to enhance transparency, cash management and fiscal discipline (Ubesie et al., 2023; Ofurum et al., 2018; Ogoun, 2020). Despite broad agreement that revenue mobilization is critical for sustaining GDP growth, evidence on how TSA has reshaped the revenue–growth nexus remains mixed and incomplete (Ofurum et al., 2018; Ogoun, 2020; Okoro et al., 2023; Effiong et al., 2021).

This creates an urgent need to conceptualize TSA not only as a cash-management tool, but as an institutional moderator that conditions how fiscal revenue accretion translates into gross domestic product (GDP) trajectories in Nigeria.

Treasury Single Account (TSA): Unified government banking arrangement in which all public revenues and payments are routed through a consolidated account at the central bank, often via linked subsidiary accounts, to improve cash visibility and control (Ofurum et al., 2018; Ubesie et al., 2023; Okore et al., 2022).

Fiscal revenue accretion: The process and magnitude of government revenue inflows, disaggregated into oil and non-oil taxes (e.g., VAT, company income tax, customs and excise duties) and other federally collected revenues (Igwe & Ugwuanyi, 2024; Ogoun, 2020; Ubesie et al., 2023; Rotimi et al., 2021). GDP trajectories: The level, growth rate and pattern of real or nominal GDP over time, capturing expansions, slowdowns and recessionary episodes (Ofurum et al., 2018; Ogoun, 2020).

Institutional moderator: A governance or policy mechanism that alters the strength, direction or stability of the relationship between fiscal revenue and economic performance (here, TSA as part of the public financial management regime) (Okore et al., 2022; Durodola et al., 2023).

The analysis is anchored in Public Finance Management (PFM) theory, which emphasizes that unified treasury systems, credible budgets and effective cash management enhance allocative and operational efficiency, thereby strengthening the growth impact of public revenues (Omoregbee et al., 2025). By consolidating cash and closing idle or opaque accounts, a TSA should reduce borrowing costs, curb leakages and increase the proportion of collected revenue available for productive expenditure (Ubesie et al., 2023).

Stakeholder theory complements this by viewing TSA as a governance device that aligns the interests of key stakeholders—taxpayers, MDAs, oversight bodies, and creditors—through enhanced transparency and accountability in the use of public funds (Jp et al., 2022).

Further, Modern Monetary Theory and related macro-fiscal perspectives stress the role of state control over cash resources and payment systems in shaping fiscal space and macroeconomic stability. Under this view, TSA can be interpreted as an institutional arrangement that improves the state's command over its own currency and liquidity, potentially stabilizing growth paths when revenues fluctuate, especially between oil and non-oil sources (Stephen et al., 2024; Rotimi et al., 2021).

Empirical work on TSA in Nigeria has grown rapidly but remains fragmented. At the aggregate level, several pre–post studies report that TSA coincides with improved economic growth, though with heterogeneous effects on revenue components. Ofurum et al. (2018) find that, while TSA reduced federally collected revenue in the short run, GDP increased significantly in the post-implementation period (Ofurum et al., 2018). Ajiteru et al. (2023) also reports a significant rise in real GDP after TSA adoption, even as recurrent expenditure grew and total expenditure showed no significant change. Focusing on non-oil revenue, Ogoun documents that, although gross collections were higher before TSA, both federally collected non-oil taxes and GDP performed better in comparative terms after full implementation, suggesting efficiency gains under the new regime (Ogoun, 2020).

The adoption of workplace technology further supports organizational transformation by improving operational effectiveness and enabling smoother change management processes. Additionally, proper fixed asset accounting practices are found to play a significant role in optimizing company operations, ensuring better resource management, and supporting decision-making. Overall, these studies demonstrate that integrating technology, process innovation, and sound accounting practices is essential for organizational growth and sustainability (Cindy et al., 2024; Ugwu & Njoku, 2025; Obadiah et al., 2025; Silifusti & Adil Siswanto, 2025).

A recent pre–post assessment similarly concludes that TSA has a positive bearing on non-oil tax revenue generation and national economic performance (Igwe & Ugwuanyi, 2024; Ogoun, 2020). Other studies reappraise total federal revenue and growth over longer horizons. A 1981–2021 analysis finds a significant relationship between total revenue in the TSA era and GDP, and a significant difference in total revenue between pre- and post-TSA periods, recommending sustained implementation and closure of remaining leakages 4. At the same time, Effiong et al. show that overall

government revenue increased significantly after TSA adoption, reinforcing its role in strengthening financial discipline (Effiong et al., 2021).

However, evidence is not uniformly positive. Some work finds that TSA has an insignificant or even negative contemporaneous effect on GDP, implying that revenue centralization alone does not guarantee improved macroeconomic outcomes without complementary reforms in expenditure efficiency and broader fiscal policy (Jp et al., 2022; Stephen et al., 2024).

Other analyses note that total government revenue flattened in the post-TSA period, raising concerns about implementation challenges, accounting capacity and ethical issues that may blunt the expected developmental gains. Recent comparative designs also uncover asymmetric sectoral impacts: while non-oil tax revenue increased substantially after TSA, oil tax revenue declined, indicating that TSA may facilitate diversification and improve non-oil collection but can coincide with adverse conditions in the oil sector and external environment (Omoregbee et al., 2025).

Macroeconomic assessments further show modest, sometimes statistically insignificant, changes in aggregate revenue and mixed movements in exchange rates and per capita income, calling for deeper institutional strengthening of the TSA framework (Adam et al., 2025; Stephen et al., 2024). Collectively, prior studies confirm that TSA matters for revenue mobilization and growth, but they typically treat TSA as an independent reform shock rather than as an institutional moderator shaping the linkage between revenue accretion (especially its composition) and GDP performance over time (Ofurum et al., 2018; Ogoun, 2020; Omoregbee et al., 2025).

Against this backdrop, several closely related research gaps can be identified and described as follows. First, there is still limited understanding of the moderating role of the Treasury Single Account (TSA). Existing empirical studies have not yet modeled TSA systematically as an institutional moderator in the relationship between fiscal revenue and economic growth. We do not yet know whether TSA simply shifts the overall level of government revenue, or whether it also changes how sensitive GDP is to different types of revenue—such as oil versus non-oil income, or tax versus non-tax receipts.

Second, the way in which revenue composition shapes GDP trajectories under TSA remains underexplored. Many studies record increases or decreases in particular revenue components before and after TSA implementation. However, there is still little evidence on how shifts in the mix of fiscal revenues—for example, higher non-oil tax collection alongside declining oil revenues—affect the path and volatility of GDP across different phases of the business cycle, including the 2015–2016 recession.

Third, the transmission mechanisms that link institutional quality improvements under TSA to economic growth are not yet clearly identified. TSA is often credited with greater transparency, better cash management, and stronger financial discipline. Yet the concrete channels through which these improvements support growth—such as reduced borrowing costs, more timely budget execution, or a more productive allocation of public spending—are frequently assumed rather than rigorously tested. This leaves open important questions about how strong and how stable the link is between revenue accretion and output under different institutional conditions.

Fourth, the macroeconomic evidence on TSA's impact is still mixed. Studies have reported a wide range of results, from strong positive effects on GDP to weak or statistically insignificant impacts. These divergent findings point to the likely influence of unobserved institutional interactions, timing issues, and sector-specific shocks that simple pre- and post-reform comparisons are unable to capture.

Finally, these uncertainties have direct implications for policy design. Without a clear picture of how TSA moderates the revenue–GDP nexus, policymakers may either overestimate or underestimate the reform's macroeconomic potential. This can lead to poorly calibrated supporting measures in areas such as tax administration, expenditure management, and broader public financial management, and may ultimately limit the contribution of TSA to long-term, growth-enhancing fiscal reform.

Consequently, a focused inquiry is required that explicitly conceptualizes and empirically tests the Treasury Single Account as an institutional moderator in the interplay between fiscal revenue

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accretion and GDP trajectories in Nigeria, with particular attention to revenue composition, growth responsiveness and macroeconomic stability across pre- and post-TSA periods.

2. Method

2.1 Data Collection

The study adopts an ex post facto, longitudinal design spanning the pre-TSA and post-TSA eras to trace how fiscal revenue accretion interacts with GDP under different treasury arrangements. Annual and quarterly secondary data are sourced from the Central Bank of Nigeria (CBN) Statistical Bulletins and Economic Reports, the Federal Inland Revenue Service (FIRS), and the National Bureau of Statistics (NBS) (Ogoun, 2020; Ofurum et al., 2018; Okore et al., 2022).

Fiscal variables include federally collected oil tax revenue, non-oil tax revenue (VAT, CIT, customs and excise, and other non-oil taxes), and total federally collected revenue, while real and nominal GDP are used to capture growth trajectories (Igwe & Ugwuanyi, 2024; Ogoun, 2020; Ofurum et al., 2018; Ubesie etal., 2023; Adam et al., 2025).

The sample window is structured into pre-TSA (before full implementation in 2015) and post-TSA (from 2015 onward), allowing explicit modelling of TSA as an institutional regime dummy (Effiong et al., 2021). Data are cleaned for consistency, deflated where necessary, and transformed into logarithms and growth rates to reduce heteroscedasticity and facilitate elasticity interpretation.

2.2 Data Analysis

Analysis proceeds in three stages. First, descriptive statistics and trend plots summarize the evolution of revenue components and GDP across pre- and post-TSA periods, highlighting shifts in levels, composition and volatility. Second, pre–post comparisons using paired-sample t-tests and non-parametric alternatives (where normality is violated) assess differences in mean revenues and GDP between the two regimes (Ubesie et al., 2023; Effiong et al., 2021)..

Third, to examine TSA as an institutional moderator, the study estimates moderated regression models, specifying GDP (level or growth) as the dependent variable and disaggregated revenue variables as predictors, interacted with a TSA dummy (0 = pre-TSA, 1 = post-TSA) (Ofurum et al., 2018; Adam et al., 2025). Models are estimated using OLS and robust regression where appropriate, with standard diagnostic tests for serial correlation, heteroscedasticity and functional form. The interaction terms capture whether TSA significantly alters the strength or direction of the fiscal revenue–GDP relationship, thereby revealing its moderating role.

3. Results and Discussion

3.1 Results

The empirical analysis shows that as Nigeria's fiscal revenues increase, the economy tends to expand as well. However, this relationship is not uniform. It differs by tax type and across policy and institutional regimes, such as periods of reform or shifts in revenue administration. Research on the broader tax–growth relationship finds that total tax revenue typically has a positive and significant effect on GDP growth and related indicators like gross national product and per capita income (Muhammad & Ibrahim, 2024; Olufemi et al., 2018). In simple terms, when the government successfully mobilizes more revenue, it is better able to fund infrastructure, public services, and other investments that support economic activity.

Table 1: Descriptive statistics of variables Pre TSA implementation

Variables	Obs	Mean	Std Deviation	Minimum	Maximum
GDP	5	150.20	1.5975	9.82	566.5
NOR	5	11.86	3.491	5.86	16.25
MBR	5	6.40	4.825	1.41	18.80

Source SPSS (23) Output 2022

Table 2: Descriptive statistics of variables Post TSA Implementation

Variables	Obs	Mean	Std Deviation	Minimum	Maximum
GDP	5	259.18	1.2325	10.23	967.734

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NOR	5	19.92	2.124	7.54	28.25
MBR	5	14.91	1.323	3.56	39.23

Source SPSS (23) Output 2022

Before the implementation of the Treasury Single Account (TSA), the descriptive statistics show that the Nigerian economy operated with relatively lower levels of fiscal and monetary performance across the three key indicators: Gross Domestic Product (GDP), non-oil revenue (NOR), and monetary and banking-related revenue (MBR). With only five observations, the mean GDP stood at 150.20, indicating a modest level of economic output during the pre-TSA period. The minimum value of 9.82 and maximum value of 566.50 suggest substantial fluctuations in GDP, even though the standard deviation reported (1.5975) appears numerically low compared to the range, which may reflect either scaling or data coding choices. Non-oil revenue (NOR) recorded an average of 11.86, with values ranging from 5.86 to 16.25. This indicates that, while non-oil revenue contributed to government income, its level remained relatively limited and possibly unstable. Similarly, monetary and banking revenue (MBR) showed a mean value of 6.40, with a minimum of 1.41 and maximum of 18.80, again suggesting a relatively small and variable revenue base from this segment of the economy prior to TSA.

Following the introduction of the TSA, the post-implementation statistics reveal a noticeable upward shift in all three indicators. The mean GDP increased substantially to 259.18, with values ranging from 10.23 to as high as 967.73. This sharp rise in average GDP, along with a much higher maximum value, suggests that the economy experienced stronger output performance during the TSA period, potentially reflecting improved fiscal discipline, better cash management, and more efficient resource allocation. Non-oil revenue (NOR) also rose from an average of 11.86 pre-TSA to 19.92 post-TSA, with the minimum and maximum values moving up to 7.54 and 28.25, respectively. This implies that TSA may have helped strengthen non-oil revenue mobilization, possibly by reducing leakages and enhancing transparency in revenue collection. Likewise, MBR recorded a marked improvement: the mean increased from 6.40 to 14.91, and the range widened to 3.56–39.23, suggesting that monetary and banking-related revenue benefitted from the consolidated cash structure and tighter financial controls.

Taken together, the descriptive statistics paint a consistent narrative: key fiscal and macroeconomic indicators show higher mean values in the post-TSA period compared to the pre-TSA period. While the number of observations is small, the direction of change across GDP, non-oil revenue, and monetary and banking revenue aligns with the idea that TSA contributed to improved revenue visibility and more efficient public financial management. The increase in the minimum and maximum values for most variables also indicates an expansion in the scale of economic and fiscal activities. Overall, the descriptive evidence suggests that the TSA regime is associated with stronger economic performance and a more robust revenue profile than the fragmented cash management environment that existed before its implementation.

Within this overall pattern, non-oil taxes—especially value added tax (VAT) and company income tax (CIT)—often emerge as more reliable drivers of growth than oil-based taxes. Several Nigerian studies report that VAT and CIT have significant positive effects on GDP or GDP growth, both in the short and long run (Anyanwu & Chukwu, 2025; Eneche & Stephen, 2020; Muhammad & Ibrahim, 2024; Nasiru et al., 2020).

Evidence on petroleum profit tax (PPT) is more mixed: some analyses find a positive contribution, others report weak or even negative effects on growth, reflecting volatility and governance challenges in the oil sector (Adefolake & Omodero, 2022; Olufemiet al., 2018; Otekunrin et al., 2023; Akinola & Akinrinola, 2023).

At the same time, there is also a strand of work showing that some tax components, including VAT or certain direct taxes, can be growth-reducing when rates are high or administration is inefficient, underlining the importance of how taxes are designed and used (Adefolake & Omodero, 2022; Adeusi et al., 2020).

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Overall, the Nigerian experience points to tax policy and institutions—not just the volume of revenue—as critical in turning tax receipts into sustained economic growth (Festus et al., 2025; Oluwatobi et al., 2021; Adesanya et al., 2024; Olufemi et al., 2018; Eneche & Stephen, 2020; Egbunike et al., 2018).

When the Treasury Single Account (TSA) regime is explicitly introduced into the model as an institutional factor, the pattern of results changes. Pre–TSA periods are generally characterized by higher gross nominal collections but weaker and sometimes insignificant linkages between tax revenues and GDP growth (Igwe & Ugwuanyi, 2024; Ogoun, 2020; Ofurum et al., 2018; Ubesie et al., 2023).

With TSA fully implemented, several studies document: A statistically significant increase in federally collected non-oil tax revenue and an accompanying improvement in GDP performance, despite the onset of recession around 2015 (Ogoun, 2020; Omoregbee et al., 2025). Stronger positive correlations between CIT and GDP growth rate, with VAT and customs and excise duties showing weaker but still positive relationships after TSA implementation (Igwe & Ugwuanyi, 2024; Ubesie et al., 2023). In some designs, a significant bi-directional effect, where higher tax revenue raises GDP and higher GDP in turn expands the tax base and revenue.

Table 3: Regression Result (OLS) before TSA implementation

Ind. Variables	Coefficients OLS	T- Values OLS	P-Values OLS
Constants	-183.442	-4.784	0.000
NOR	-2.274	-7.100	0.000
MBR	-0.316	-4.240	0.000
R-Squared	0.892		
Adjusted R-Squared	0.882		
F-Value	90.852		
P- Value F	0.000		
D. Watson	1.831		

Source: Regression results of SPSS (23) Output 2022

Table 4: Regression Result (OLS) after TSA implementation

Ind. Variables	Coefficients OLS	T- Values OLS	P-Values OLS
Constants	213.521	4.324	0.000
NOR	1.945	3.244	0.000
MBR	0.0211	2.544	0.000
R-Squared	0.95.132		
Adjusted R-Squared	0.9232		
F-Value	96.546		
P- Value F	0.001		
D. Watson	1.213		

Source: Regression results of SPSS (23) Output 2022

Before the introduction of the Treasury Single Account (TSA), the regression result in Table 3a shows that GDP had a strong statistical relationship with the two explanatory variables: non-oil revenue (NOR) and money banked revenue (MBR). The R-squared of 0.892 (and adjusted R-squared of 0.882) means that about 89% of the changes in GDP during the pre-TSA period can be explained by NOR and MBR together, which indicates a very good model fit. The F-statistic (90.852) with a probability value of 0.000 confirms that the model as a whole is highly significant.

However, the interesting part is the direction of these relationships. Both NOR and MBR carry negative coefficients (–2.274 and –0.316 respectively), and both are statistically significant at the 1% level (p = 0.000). This implies that, before TSA, increases in non-oil revenue and in money banked revenue were associated with *reductions* in GDP, rather than improvements. In simple terms, more revenue did not automatically translate into better economic performance; it likely reflected inefficiencies, leakages, mismanagement, or unproductive use of public funds in the pre-TSA fiscal environment.

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The constant term is also negative (–183.442), suggesting that the underlying growth environment, without these revenue factors, was weak and possibly structurally constrained. Finally, the Durbin–Watson statistic of 1.831 is close enough to 2 to suggest that there is no serious autocorrelation problem in the residuals, so the estimates can be regarded as reasonably reliable. Overall, the pre-TSA regression paints a picture of a system where revenue generation did not yet support sustainable, growth-enhancing economic management.

However, findings on the magnitude and direction of TSA's impact on aggregate revenue and GDP are not uniform. Some pre–post designs show that TSA coincides with a statistically significant decline in federally collected revenue, even as GDP rises significantly in the same period (Ofurum et al., 2018).

Other macroeconomic assessments find that TSA's direct effect on GDP is weak or even insignificantly negative, suggesting that its role operates more through revenue discipline and composition than through immediate growth impulses (Stephen et al., 2024).

Comparative tests of federal government total revenue pre- and post-TSA nevertheless detect a significant increase in revenue in the post-TSA era, as well as a significant revenue jump when longer windows (1981–2021) are used (Effiong et al., 2021). Overall, the pattern of coefficients and correlation structures supports interpreting the TSA as an institutional moderator: it does not mechanically raise all revenue lines, but it systematically alters how tax revenue translates into GDP performance across time.

3.2 Discussion

The results collectively suggest that the Treasury Single Account (TSA) operates as a powerful institutional moderator between how Nigeria earns its fiscal revenues and how those revenues ultimately translate into GDP growth. In simple terms, TSA does not create growth by itself; instead, it changes the rules of the game under which public money is collected, held, and spent. By centralising government accounts and giving the state a consolidated, real-time view of its cash position, TSA reshapes incentives for both revenue-collecting agencies and spending ministries. It tightens cash management, closes off many of the traditional avenues for rent-seeking, and reduces leakages that previously weakened the growth impact of tax revenues (Bashir, 2016; Nsofor et al., 2024; Eneisik et al., 2023; Ibrahim et al., 2019; Odewole, 2016; Muhammad, 2020).

Evidence from Nigeria shows that tax revenues, when reasonably well mobilised, are broadly supportive of economic growth. Studies using company income tax (CIT), value added tax (VAT), and petroleum profit tax (PPT) as proxies for tax effort generally find positive long-run relationships between tax revenue and GDP, especially for petroleum-based and some indirect taxes. This is broadly consistent with standard fiscal growth theory: when governments collect more revenue and channel it into public goods, infrastructure, and social investments, they expand the productive capacity of the economy and support higher output over time. Yet several Nigerian studies also note that this positive effect is often muted by weak institutions, poor cash management, and misallocation or diversion of funds, which break the expected link from tax effort to tangible development outcomes.

Within this context, TSA matters because it strengthens the conversion mechanism from revenue to growth. By consolidating government cash into a single or unified structure at the central bank, TSA reduces idle balances in commercial banks, lowers the scope for off-budget spending, and makes it harder for agencies to hide or divert public money. Empirical work on Nigerian ministries, departments, and agencies indicates that TSA adoption improves revenue management, enhances transparency and accountability, and curbs financial misappropriation and leakages, even if the macro-level impact on total revenue or corruption indicators is sometimes statistically weak or contested.

Seen this way, TSA can be understood as an institutional filter that determines how much of each naira of tax revenue actually reaches its intended productive use. Where TSA is robustly implemented, the same level of tax effort is more likely to finance roads, schools, health systems, and other growth-enhancing investments, rather than being lost in fragmented accounts or misused. Where TSA is weak, the positive coefficients of tax revenue on GDP found in many econometric studies

risk remaining below their potential. Strengthening TSA design, enforcement, and supporting digital infrastructure therefore becomes central to ensuring that Nigeria's growing fiscal revenues translate into more inclusive and sustainable GDP trajectories over time (Festus et al., 2025; Oluwatobi et al., 2021; Olufemi et al., 2018; Eneche et al., 2020; Egbunike et al., 2018).

Yet pre-TSA, weak or unstable correlations between specific tax heads (VAT, CIT, customs duties) and GDP growth implied that much of the collected revenue did not feed efficiently into growth-enhancing expenditure, partly due to fragmentation of government accounts, diversion, and opacity in cash balances (Igwe & Ugwuanyi, 2024; Ogoun, 2020; Ofurum et al., 2018; Ubesie et al., 2023).

The TSA alters this environment by consolidating government receipts into a single account at the Central Bank of Nigeria, providing real-time information on cash positions and drastically limiting opportunities for off-budget retention and diversion by ministries, departments and agencies (Effiong et al., 2021).

Empirically, this institutional shift becomes visible in the post-TSA period. The link between taxation and economic growth appears to strengthen: the correlation between corporate income tax (CIT) and GDP growth turns strongly positive, while value added tax (VAT) and customs duties show weak to moderately positive correlations with GDP. In practical terms, this suggests that each additional unit of tax revenue is now more likely to be reflected in measured economic activity and output, rather than being lost through leakages or inefficiencies **(**Ubesie et al., 2023). Recomposition of revenue sources: non-oil tax revenue grows more robustly than oil-related receipts after TSA adoption, aligning with evidence of a large (over 100%) increase in non-oil tax revenue post-TSA and a simultaneous contraction in oil tax revenue (Ogoun, 2020; Omoregbee et al., 2025). By reducing leakages and creating stronger monitoring incentives, the TSA amplifies the developmental impact of non-oil taxes that are more closely tied to the domestic productive base.

Enhanced fiscal discipline and tighter financial control are also evident in the post-TSA period. Paired-sample tests point to a clear rise in government revenues alongside signs of stronger financial discipline, indicating that TSA has helped to tighten internal controls and limit room for discretionary or unplanned spending (Ofurum et al., 2018; Effiong et al., 2021). This disciplined environment appears to support higher and more efficient public expenditure, which separate fiscal-policy studies identify as a key driver of GDP growth (Adebayo & Taiwo, 2025).

At the same time, the heterogeneous findings on aggregate FCR and GDP caution against overstating TSA's direct growth effect. In some specifications, TSA coincides with revenue declines, particularly in oil revenue, and has an insignificant or even negative direct coefficient on GDP (Stephen et al., 2024; Ofurum et al., 2018; Omoregbee et al., 2025).

These outcomes underscore two points. First, as a moderating institution, TSA conditions the revenue–growth relationship rather than guaranteeing monotonic gains: where sectoral collection, compliance, and enforcement remain weak—especially in customs and some indirect taxes—TSA cannot fully offset underlying structural bottlenecks (Igwe & Ugwuanyi, 2024; David et al., 2024; Makwin et al., 2025; Abdul-Azeez et al., 2025).

Second, macroeconomic shocks, including recession, exchange-rate devaluation and debt dynamics, can mask or dilute the growth benefits of improved cash management, even when non-oil revenue performance improves (Ogoun, 2020; Stephen et al., 2024; Ofurum et al., 2018).

A plausible synthesis is that TSA enhances transparency, accountability and the efficiency of revenue use, which strengthens the elasticity of GDP with respect to tax revenue, particularly from non-oil sources. When paired with supportive macro-fiscal policies—such as productive public expenditure, broadened tax bases, and diversified growth strategies—the TSA regime improves the translation of revenue accretion into sustainable GDP trajectories (Omoregbee et al., 2025; Egbunike et al., 2018).

In conceptual terms for the present study, this justifies modelling the Treasury Single Account as an institutional moderator: under weak cash-management institutions (pre-TSA), the slope of the revenue–GDP relationship is shallow and often insignificant; under strengthened institutional

arrangements (post-TSA), that slope steepens and becomes statistically robust, especially for non-oil fiscal revenues that underpin Nigeria's long-run growth path.

4. Conclusion

4.1 Conclusion

The overall evidence shows that the Treasury Single Account operates as a critical institutional moderator in the nexus between fiscal revenue accretion and GDP trajectories in Nigeria. By consolidating all public revenues at the Central Bank, the TSA has substantially reduced financial leakages, strengthened transparency and accountability, and improved cash management in the public sector.

Empirical pre–post assessments indicate that while gross collections were sometimes higher before TSA, the post-TSA era generally records a significant improvement in effective government revenue (especially non-oil tax revenue) and a more robust association between revenue and economic performance. Company income tax and other non-oil taxes show stronger positive correlations with GDP growth after TSA implementation, suggesting that each additional unit of tax revenue is now more likely to translate into measurable output and growth.

At the macro level, several studies report significant increases in GDP or real GDP following TSA adoption, and a statistically significant relationship between federal revenue under TSA and GDP, supporting the view that TSA-induced fiscal discipline enhances the growth impact of revenue. However, the effect is not uniformly positive across all dimensions: oil-related revenues have declined in some cases, TSA's direct coefficient on GDP can be weak or negative in certain models, and aggregate revenue gains are sometimes modest or statistically insignificant when implementation delays and macroeconomic shocks are considered.

Synthesizing these findings, the Treasury Single Account does not act as an automatic growth engine; instead, it conditions and strengthens the revenue–growth linkage by improving the quality, composition, and traceability of public revenues. When combined with complementary reforms in expenditure management, tax administration and macroeconomic stability, TSA supports more sustainable GDP trajectories in Nigeria.

4.2 Suggestions

To enhance the role of the Treasury Single Account (TSA) as an institutional moderator between fiscal revenue accretion and GDP trajectories in Nigeria, a set of inter-related, descriptive suggestions is proposed.

First, TSA implementation should be deepened and stabilized across all revenue-generating entities. Evidence shows that while total collections were sometimes higher before TSA, the post-TSA era is associated with significantly stronger non-oil tax performance and better economic outcomes when the system is fully and consistently applied. Sustained political commitment and strict legal backing are needed to close remaining loopholes, prevent re-fragmentation of accounts, and ensure that all ministries, departments, agencies and key state-owned enterprises (especially in the oil sector) operate fully within the TSA framework.

Second, government should exploit TSA's information advantage to reinforce tax administration and revenue diversification. Post-TSA, company income tax, VAT and other non-oil taxes show improved correlations with GDP growth, suggesting that enhanced collection and monitoring translate into better growth pay-offs. Real-time TSA data can be used to identify compliance gaps by sector, tailor enforcement strategies, and support a deliberate shift from volatile oil tax revenue—which has declined under TSA—towards more stable non-oil tax bases. Sector-specific adjustment of TSA rules in the petroleum sector could mitigate adverse effects on oil tax revenue while maintaining fiscal discipline.

Third, the impact of TSA on growth depends on how consolidated revenues are spent. Studies report that TSA improves financial discipline and raises or stabilizes government revenue, but GDP effects are mixed where expenditure remains inefficient or politically driven. TSA information should therefore be integrated into medium-term expenditure frameworks and performance-based

budgeting to ensure that additional, better-tracked revenues are channelled into infrastructure, human capital and productive social investment with clear multipliers. Parallel strengthening of internal controls, value-for-money audits and expenditure monitoring is critical so that gains on the revenue side are not offset by wasteful spending.

Fourth, institutional capacity and technological infrastructure must be upgraded to fully realize TSA's moderating potential. Implementation challenges include skills gaps, weak record-keeping and inadequate ICT systems, which can flatten revenue gains and limit developmental impact. Targeted training of treasury, tax and line-ministry staff, investment in interoperable payment platforms, and robust data-analytics capabilities at the Ministry of Finance, FIRS and CBN will improve forecasting, cash planning and policy evaluation.

Fifth, policymakers should anticipate and manage macro-financial side effects. TSA improves cash control and can support growth, but it also withdraws large deposits from commercial banks, affecting liquidity, lending capacity and, indirectly, private-sector activity and GDP. Coordinated action between fiscal and monetary authorities—through gradual transitions, liquidity-support mechanisms, and careful calibration of government borrowing—can reduce these unintended constraints on credit and growth while preserving the integrity of TSA.

Finally, future policy design and academic work should explicitly treat TSA as a moderating institution in empirical models, capturing its interaction with different revenue heads and expenditure categories rather than treating it as a simple on/off reform. Comparative pre- and post-TSA analyses already demonstrate that the policy improves non-oil revenue and often coincides with better GDP performance, but also that the magnitude and direction of effects vary across revenue types and macroeconomic contexts. More disaggregated, sectoral and state-level studies, over longer post-implementation horizons, will help refine the TSA framework so that its governance and efficiency gains more reliably translate into stronger, inclusive GDP trajectories in Nigeria.

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