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ASSESSMENT OF THE RELATIONSHIP OF DISTRIBUTIVE TRADE ON PUBLIC SECTOR FUNDS GENERATION FOR ECONOMIC GROWTH IN BAUCHI STATE

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Abstract

This study assessed the relationship of distributive business on public sector funds generation for economic growth in Bauchi State. The consideration of distributive trade was of great importance because of its significant activities in the state and the volume of businesses traded hence also of great importance to support the revenue generation to the state. The design and structure of this study was descriptive survey. This was adopted to describe and analyze the way government funds could have been generated more from that aspect of business. The methodology included a studied population of 570, made up of various investors in the various distributive product businesses in Bauchi metropolis. The population age bracket for this study was forty years and above, with no discrimination of gender or religion. The researcher used the whole population and went further to select the distributive trade by physically visiting major active and booming distributive businesses in Bauchi metropolis, Bauchi State. The population was formed into strata within four week of active business activities. The source of data used for this study was primary and the instrument for the data collection used was a self-administered copies of questionnaire, made up of both open-ended and close-ended questions. The instrument was validated by six senior seasoned lecturers in the departments of accounting, by making available to each, copies of the questionnaire. The method of data analysis was by Chi-square statistical tool employed to test the hypotheses and to see deviations of the actual observations (observed frequency) from the expected that led to the acceptance or rejection of the null hypotheses. Findings revealed that most distributive businesses in Bauchi State are **not fully** recognized hence the state government could not generate enough funds for the growth of the state. Also they are not fully, adequately and formally registered with the Bauchi State government registry agency hence also could not generate enough public sector funds for the growth of the state. These two findings revealed that the Bauchi State government needed to step actions to generate funds from this sector of business. Several factors were adduced to have jeopardized the generation of funds from this sector in Bauchi State. In conclusion, the importance of public sector funds for the growth of Bauchi State was paramount hence the activities of distributive trade

Keywords: Assessment, Public, Fund, Growth, Distributive, Business

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business activities in the state must be quickly considered. Recommended are, as a matter of urgency, the government of Bauchi State should embark on full recognition of distributive trade in the state; considering their importance, it behooves on the government of Bauchi State to swung into action by adopting lasting and proper strategic plans, like street by street recognition of distributive businesses. Also the government of Bauchi State should embark on full, adequate and formal registration of the distributive businesses, taking stock of what they do, adopting a term plate to be reviewed yearly, all for the purpose of generating more funds to the coffers of the state. To encourage the activities of the distributive business, the government could allocate land on concessional basis to the distributive businesses among other incentives.

Introduction

The activities of businesses in Nigeria have many dimensions. Among these dimensions is the distributive business. This business is unique in such a way that the activities perform serves as a link to customers' satisfaction and subsequent benefits to the domiciled state. The end users of product produced are always in a link with the distributive business investors. Most distributive trade businesses do businesses the way they so like which if not properly coordinated by the government, certain developments will not get to the government.

Distributive business is the totality of all forms of trade activities, from the procurement of goods from the manufacturer, to delivery these goods to the consumers. It includes wholesale and intermediation trade, retail and trade in motor vehicles and motorcycles trade. In a related development, distributive trade is a key sub-sector of both domestic and foreign trade. More so, it is seen at the third biggest contributor to most country's Gross Domestic Product (GDP) and the second largest in terms of employment after manufacturing. The distributive trade industry is in wholesale.

According to Adejoke (2015) distributive trade account for a substantial proportion of economic activities in every country like Nigeria, whether measured in terms of contributions to the Gross Domestic Product or share of total employment. Adejoke (2015) said in Nigeria in particular, the sub-sector's share of GDP is over 10 per cent and that there are no reliable estimates of the percentage of able-bodied Nigerians employed in this sub-sector, but casual observation suggests that it is remarkably high in spite of the increasing rate of under-employment. The importance of distributive trade cannot be overlooked. Therefore, it is of the opinion of the researcher to narrows this study to Bauchi State, Nigeria.

Bauchi State government needs in-depth understanding and knowledge of the activities of distributive businesses, particularly, in the state. To be able to generate public funds for the state, the government agencies responsible to manage and monitor the activities of distributive businesses equally, need to know how to grow these businesses. The Bauchi State government would grow when they take partial control of and participate in the activities of distributive trade businesses. Therefore, the relationship between distributive trade businesses and public funds to grow Bauchi State revenue profile comes to play. Assessing can be seen to be to determine the value, significance, extent; appraise, estimate, set among others of an event or activity or performance to arrive at a conclusion. The focus of Bauchi State in this study is to see how the relationship and harmonization of distributive trade business would generate more revenue to the

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coffers of the state. Public funds are about what the general masses are to benefit. These funds must also come from the masses, like from the distributive businesses.

Distributive trade is an economic activity comprising wholesaling and retailing 2. Increasingly, distributive trade provides a link not only between producers and buyers of goods who are residents of a given economy, but also between producers and buyers operating as exporters and importers on the global markets.

Any state government like, Bauchi State, has many areas of generating funds. Among funds include; Grants from the federal and state government in Nigeria, Special levies, Statutory allocation, Income from commercial ventures, Income from investments, Loan from the bank, Property and tenant rates, Court fines, Rates,. Share from Value Added tax (VAT). The Bauchi Investment Corporation (BIC) Limited is committed to investment in the designated priority sectors of the national economy and in particular areas where Bauchi State has factor endowments.

Yakubu, Y., Umar, A. D., and Sule, B. (2021) posited that every business or start-up should be well known by the government official ranging from local, state and federal level in Nigeria. The study further went to say small and medium enterprises, for them to operate its perquisite to follow the due process registration by ministry of commerce and industry at state level and the various agencies responsible for registration. This challenge represents both widespread personal misfortune for individuals and a lost opportunity for critical national and global economic development. This study examines the challenges that affect the growth and development of sm all and medium enterprises in Bauchi state, Nigeria .

STATEMENT OF THE PROBLEM

Many state governments in Nigeria generate funds from different sources. These sources are akin to the need and structure of the state. In fact, it is of peculiarity. The drive to generate funds for the state is associated with the way the state funds generating agencies approach the goals. Therefore, in this study, distributive trade is considered for research. It is good to know that distributive trade is one business subsector that have not given adequate attention by Bauchi State as one very important sources of funds to the government. It could be said that not much of it has been mentioned as a source of public funds in the state.

Most of the distributive trade activities appeared not to be fully recognized by the Bauchi State government. If this be the case, then public funds in the state might not be sufficient to meet proposed expenditure budget. But by the generation of funds from distributive trade activities, growth in the state performance would be enhanced. If this aspect of recognition of this subsector of business is properly handled, public funds for the state government would increase at a geometrical level.

In a similar situation, it appears that distributive trade businesses in Bauchi State are not fully, adequately and formally registered with the State government agencies responsible for this purpose. If truly this is the position and situation, it then means the state public funds generation is lagging behind thereby, hindering growth in the State. Facts remain that without full, adequate and formal registration of this subsector by the government, it will be difficult for the government to generate more funds. Distributive trade is akin to voluminous nature of activities which talks of volumes and complication. Therefore, it would be proper for this strudy to research on the extent

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of distributive trade activities in contributing to the public funds generation strategies of Bauchi State.

PURPOSE OF THE STUDY

This main aim of this study is to assess the relationship of distributive business on public sector funds generation for economic growth in Bauchi State

The focus of this study tends:

1. To assess the extent of the full recognition of distributive trade by the Bauchi State government for funds generation to enhance growth in the State.
2. To assess the extent of the full, adequate and formal registration of distributive trade by the Bauchi State government for funds generation to enhance growth in the State.

RESEARCH QUESTION

1. To what extent has the full recognition of distributive trade by the Bauchi State government generated funds to the state for the state growth?
2. To what extent has the full, adequate and formal registration of distributive trade by the Bauchi State government generated funds to the state for the state growth??

HYPOTHESES

Ho: Distributive businesses are not fully recognized by the Bauchi State government to generated funds to the state for the state growth

H1: Distributive businesses are fully recognized by the Bauchi State government to generated funds to the state for the state growth

Ho: Distributive businesses are not fully, adequately and formally registered with the Bauchi State government to generated funds to the state for the state growth

H1: Distributive businesses are fully, adequately and formally registered with the Bauchi State government to generated funds to the state for the state growth

LITERATURE REVIEW

No government runs its administrative responsibilities without funds. Generation of these funds comes in many ways. For this study, therefore, the researcher looks at the aspect of distributive trade as one of the sources of funds to Bauchi State. Research has shown that the distributive business is one core sector of business sectors in any country and so is its financial contribution to public funds. The Conceptual framework, theoretical framework and empirical studies were reviewed under the literature review.

Conceptual Approach

Distributive trade is associated with the totality of business activities from the manufacturer to delivering goods to the consumer. The concept here is that it is chain of distribution process where stages or channels are involved through which finished goods are moved from the manufacturers or producers to the final consumers. The process of distribution of goods involves all human and physical means which aid the smooth transfer of such goods. The process involves middlemen. These middlemen could also be called agents with the human elements distributing goods from the manufacturer to the final consumers. Of particular notice of the distributive trade is the

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wholesaler. Wholesaler with the attitude of buying and breaking in **Bulk breaking:** The wholesaler purchase goods in bulk or large quantity from the manufacturer and sells in small quantities to the retailers.

A public fund is associated with government under which some authorities and powers are enacted to see how to generate monies from individuals and corporate organizations. The concept of public funds is generally covered with the idea that monies must be generated and spent for the benefit of all.

Theoretical Approach

Theory of Distribution according to Obi (20180 is a special case of the theory of price as goods are distributed. As the prices of products are explained with the interaction of the demand for and supply of them, similarly distribution is conceived as the determination of prices of the factors which are also explained with interaction of demand for and supply of them. In the theory of distribution, however, we determine the prices not of the factors of production but of their services.

EMPIRICAL REVIEW

Otubor, Dariye,, Gbande, and Onumah (2017) posited in their paper to assess the extent of Financial Education to Distributive Trade Business Sustainable Development in Plateau State that most distributive business investors did not have adequate knowledge and transaction dynamics on financial education specifically on distributive business thereby jeopardizing the sustainable development of that aspect of business. Also that, the importance of the distributive trade business for both national economic and individual satisfaction cannot be overemphasized. They recommended that considering their importance, it behooves on all those concerned particularly the investors to engage them in constant business training and make they constantly available to seminars and symposia for sustainable development.

Marina and Dubravka (2012) posited that the global economic crisis affected all world countries, the restructuring of value chains and the way of doing business. Marina and Dubravka (2012) recommended that in order to stay competitive, companies must develop competencies that will differentiate them from others, turn to differentiation and specialization, and select profitable, viable market niche.

Yunana, Yunana, and Muhammad (2021) Investigated the impact of Internally Generated Revenue on the development of Local Governments in Kaduna State where they found out internally generated revenue displayed a positive but significant influence on development of Chikum local government. Yunana, Yunana, and Muhammad (2021) recommended that internal revenue sources of local government such as market taxes, licenses, fines and fees, should be reconstructed and re-engineered through public awareness, keeping of accurate data and methodical manner of collection should be improve to the development of the local government.

Ironkwe and Ndah (2016) examine the impact of Internally Generated Revenue on the Performance of Local Governments in Rivers State and found out that Tax revenue displayed a positive but insignificant influence on road construction and maintenance. They recommended that Tax revenue and Non-Tax revenue are vital ingredients in improving the Performance of Local Government Councils in Rivers State.

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Dagwom, Elizabeth and Ishaya (2016) examine the impact of revenue generation and utilization on social service delivery in Plateau Statewhere they found out that revenue generated and allocated to health and education sectors were not adequately utilized in relation to total revenue generated for the period 2006 to 2015 in Plateau State compared to recommended international standard benchmarks.

Ehule (2015) examined the relationship between internally generated revenue and performance of a public sector. The results from the findings showed that permits and rates have a positive significant relationship with performance of Obio/Akpor Local Government Council.

Ibeogu and Ulo (2015) examined internally generated revenue in the Local Government System and Sustainable Community Development aimed at identifying strategies to improving the sources and utilization of internally generated funds in the local government system in Nigeria. The study established that inefficient monitoring of revenue officials led to poor revenue generation; that absence or poor entrepreneurial skill among revenue officials led to poor revenue generation; that absence or poor entrepreneurial skill among revenue officers brought about inadequate revenue generation capacity of the local government.

Samuel and Tyokoso (2014) posited that taxation has a significant contribution on revenue generation and gross domestic product (GDP). That other sources for funds generation could be exploited which could include fees and rates from distributive trades activities. In a similar way, Afuberoh and Okoye (2014) utilize regression analysis and the study finds a significant relationship between revenue generation through taxation and GDP.

Edogbonya (2013) studied the impact of revenue generation on government developmental efforts. Findings revealed that a positive relationship between internally generated revenue and government capital-projects.

Abosede and Akintola (2020 posited that local government could become entrepreneurial via direct involvement in entrepreneurial activities or making it possible for private entrepreneurs to invest within the local government and thus receive tenements and other levies. A mix strategy of public private partnership (PPP) could be adopted depending on the social level of development.

Enisan and Taiwo (2022), in their study, recommended that government needs to enlighten the public on the need for public-private partnership on infrastructure by including it in school curricular. Also provide site and services scheme where this could be practices.

Abubakar, Imran and Abba (2020) revealed that the role and contribution of SMEs to economies worldwide could not down played by any serious country considering their proven potentials in Increasing GDPs. That SMEs account for the highest number of businesses worldwide and are essential contributors to employment generation and global economic development.

Ramatu, U. and Kasim, S. (2020) investigates the contribution of small and medium enterprises towards the economic development in sub-Saharan African countries. It also examines the SMEs' role in employment creation and the challenges of the sector in accessing credit from most financial institutions. The research reveal that SME's contribution to the economicdevelopments of Sub-Saharan African countries is overwhelming through the creation of employment, GDP, poverty reduction, empowerment of women, and supporting large companies.

RESEARCH METHODOLOGY

For this study, the research design is the descriptive survey conducted in Bauchi State metropolis where distributive business is well pronounced. The population of the study was 570 of distributive

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trade business owners. The population age bracket for this study was forty years and above, with no discrimination of gender. The researcher used the whole population and went further to select the distributive trade by physically visiting major active and booming distributive businesses in Bauchi metropolis, Bauchi State. The population was formed into strata within four week of active business activities. The source of data used for this study was primary and the instrument for the data collection used was a self-administered copies of questionnaire, made up of both open-ended and close-ended questions. The nature of the questionnaire used for this study was a five-point Likert-scale which ranges from "strongly agree" to "strongly disagree" (1 = 'Strongly Agree', 2 = 'Agree', 3 = 'Neutral', 4 = 'Disagree' and 5 = 'Strongly Disagree'). The instrument was validated by six senior seasoned lecturers in the departments of accounting, by making available to each all the questionnaires. The method of data analysis was by Chi-square statistical tool employed to test the hypotheses to see deviations of the actual observations (observed frequency) from the expected that led to the acceptance or rejection of the null hypotheses.

The chi-square formula is

Chi square $\chi^2 = \dfrac{\sum[(fo - fe)^2]}{fe}$

Where:
O = Observed value (frequency);
E = Expected value (frequency) and
$\sum$ = Summation sign.
Degree of freedom = (Rows - 1) (Column -1)
Level of significance = 0.05

Expected frequency (E) is calculated as;

$E = \dfrac{R \times C}{N}$

Where R = Row total
C = Column total
N = Sample Size

Restate of the hypotheses

Ho: Distributive businesses are not fully recognized by the Bauchi State government to generated funds to the state for the state growth

H1: Distributive businesses are fully recognized by the Bauchi State government to generated funds to the state for the state growth

Ho: Distributive businesses are not fully, adequately and formally registered with the Bauchi State government to generated funds to the state for the state growth

H1: Distributive businesses are fully, adequately and formally registered with the Bauchi State government to generated funds to the state for the state growth

Decision Rule

If the P-value is more than the level of significance 0.05 accept $\mathbf{H_0}$ and reject $\mathbf{H_1}$.
However, if the P-value is less than the level of significance of 0.05 reject $\mathbf{H_0}$ and accept $\mathbf{H_1}$.

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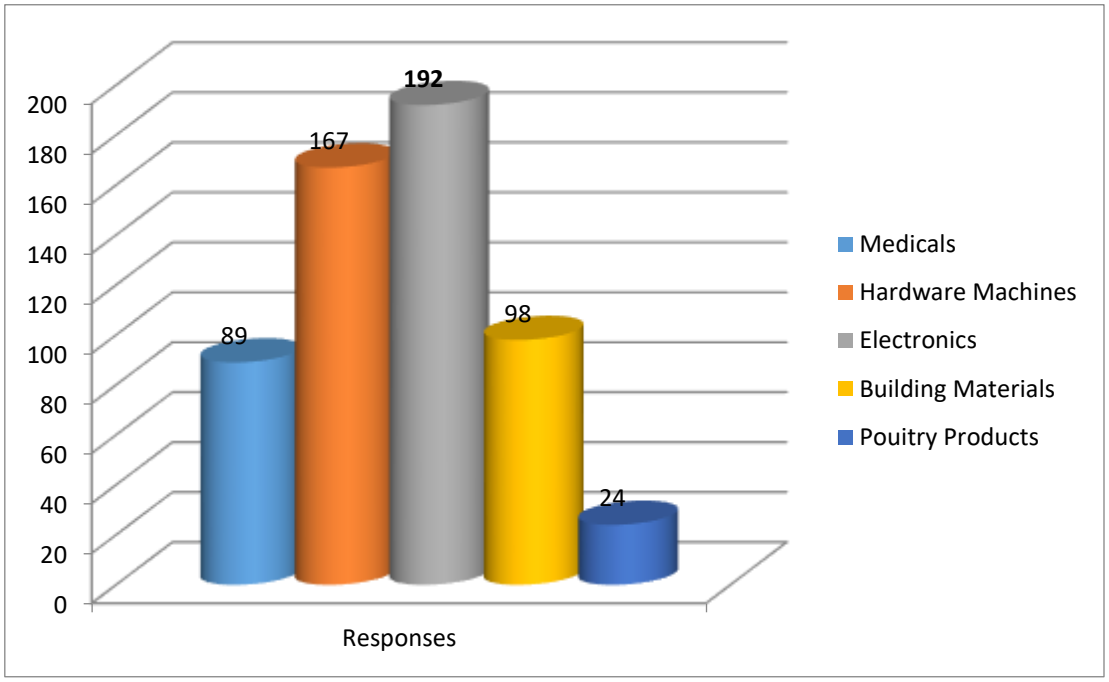
Table 1: Responses received from Distributive Business Investors

Distributive Trade Business	Medical Machines	Hardware	Electronics Materials	Building Products	Poultry	Total
No. of Responses	89	167	192	98	24	570

Source: Researcher's Survey

Table 1 indicates how the investors of distributive businesses responded to the copies of the questionnaire availed them which constituted the sources of data for this study.

Fig. 1: Graphical representation of Number of Responses from Distributive Businesses



Source: Researcher's presentation

Figure 1, on the other hand, shows the graphical representation of the responses from the distributive business investors. The response received from electronics business is 192, more than others and the least was from the poultry product which is 24. There could be factors to why these responses varied as can be shown. Further studies can handle this situation.

The null hypotheses are:
Ho: Distributive businesses are not fully recognized by the Bauchi State government to generated funds to the state for the state growth
Ho: Distributive businesses are not fully, adequately and formally registered with the Bauchi State government to generated funds to the state for the state growth
So what chi square does is to compare these figures of the observed frequencies with the expected frequencies by chance.
The first question in doing the calculation is, how do we get the expected frequencies? If we are testing the observed frequencies (Table 1) against what we would expect by chance, since we have

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five categories of distributive trade businesses, we would expect one-fifth of the individuals to fall in each of the categories. One-fifth of 570 = 114. So if the selection of distributive trade businesses is largely a chance pattern, we would expect to find 114 people in each distributive trade business

Table 2: Observed and Expected Frequencies for the selection of majors

Small Businesses	O (observed frequency)	E (expected frequency)	O-E	$(O-E)^2$	$(O-E)^2/E$
Medicals	89	114	-25	625	5.5
Hardware Machines	167	114	53	2809	24.6
Electronics	192	114	78	6084	53.4
Building Materials	98	114	-16	256	2.2
Poultry Products	24	114	-90	8100	71.1
TOTAL	570	570			156.8

Source: Researcher's Calculations

Table 2 shows the observed and expected frequencies for each small business, computes the difference between them (O–E), squares O–E ($(O-E)^2$), divides the squares by the expected frequencies ($(O-E)^2/E$), and sums those quantities to give us our X^2, which is 156.8

Restate of the Decision Rule and apply the result of the analysis

If the P-value is more than the level of significance 0.05 accept H_0 and reject H_1.
However, if the P-value is less than the level of significance of 0.05 reject H_0 and accept H_1

Hence; the P-value of 1.568 is more than the level of significance 0.05, therefore, we accept H_0 and reject H_1.

DISCUSSION OF findings

The purpose of this study was to assess the relationship of distributive business on public sector funds generation for economic growth in Bauchi State. After the analysis above, the findings showed that the P-value 1.568 is more than the level of significance 0.05. Going by the decision rule of this study, we, therefore, on both occasions accept H_0 and reject H_1 which are stated as: Distributive businesses are not fully recognized by the Bauchi State government to generated funds to the state for the state growth and Distributive businesses are not fully, adequately and formally registered with the Bauchi State government to generated funds to the state for the state growth. The implication indicates that the government of Bauchi State is losing funds and has a lot to do on how to fully recognize the distributive businesses in the state. In the same direction, the state government has a lot to do to fully, adequately and formally register distributive trade in Bauchi State.

CONCLUSION

In conclusion, the assessment of the relationship of distributive business on public sector funds generation for economic growth in Bauchi State, with particular reference to Bauchi metropolis is

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of utmost importance to all and sundry. The importance of public sector funds for the growth of Bauchi State is paramount hence the activities of distributive trade business in the state must be quickly considered. The government of Bauchi State has the capacity to generate more funds if only more measures are considered and actions effected.

RECOMMENDATIONS

1. The government of Bauchi State should embark on full recognition of distributive trade in the state; considering their importance, it behooves on the government of Bauchi State to swing into action by adopting lasting and proper strategic plans, like street by street recognition of distributive businesses.
2. Also the government of Bauchi State should embark on full, adequate and formal registration of the distributive businesses, taking stock of what they do, adopting a term plate to be reviewed yearly, all for the purpose of generating more funds to the coffers of the state. To encourage the activities of the distributive business, the government could allocate land on concessional basis to the distributive businesses among other incentives.

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