

TREASURY SINGLE ACCOUNT SYSTEM AND NIGERIA'S ECONOMIC DEVELOPMENT

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Abstract

This study examined the effect of Treasury Single Account System on Nigeria's Economic Development from 2012 to 2024. The study adopted ex-post facto research design and used secondary data sourced from CBN Statistical Bulletin, Accountant General Reports, NBS, World Bank, UNDP and Transparency International. The data were analyzed using descriptive statistics, Augmented Dickey-Fuller unit root test and Autoregressive Distributed Lag (ARDL) bounds testing approach with E-Views 12. The ARDL bounds test confirmed long-run relationship between TSA variables and economic development. The long-run result showed that Consolidated Revenue Account Balance, Government Transparency Index and Capital Budget Implementation Rate have positive and significant effect on GDP Growth Rate, while Public Borrowing has negative and significant effect. The Error Correction Model coefficient was -0.673 indicating 67.3% speed of adjustment. The study concludes that TSA enhances fiscal discipline and development. It recommends sustaining TSA coverage, strengthening transparency, ensuring timely capital releases, reducing public borrowing and providing liquidity support for banks.

Keywords: Treasury Single Account, Economic Development, Capital Budget Implementation, Commercial Banks Liquidity, Public Borrowing,

Introduction

The management of public finance remains a central determinant of economic development, particularly in developing economies where fiscal leakages, institutional fragmentation, and weak accountability mechanisms have historically undermined growth trajectories. In Nigeria, public financial management before 2015 was characterized by a highly fragmented banking arrangement

where Ministries, Departments and Agencies (MDAs) operated multiple accounts in various commercial banks. This proliferation of accounts, estimated at over 17,000 accounts by the Central Bank of Nigeria, made it practically impossible for the Federal Government to ascertain its consolidated cash position at any given time. While government was borrowing heavily at high interest rates to finance budget deficits, huge idle balances were lying in commercial banks, earning no returns for government but providing cheap funds for banks to lend back to the same government. This paradox not only created opportunities for corruption, money laundering and fiscal indiscipline, but also constrained effective monetary policy implementation and economic planning (Udeh & Anoke, 2022).

The Treasury Single Account (TSA) system was introduced as a radical public financial management reform to address these structural distortions. Conceptually, TSA is a unified structure of government bank accounts enabling consolidation and optimal utilization of government cash resources. It is a financial policy that allows all government revenues, receipts and incomes to be collected into one single account, usually maintained by the Central Bank, with subsidiary accounts linked to it for accounting purposes. While the policy was first introduced in Nigeria in 2012 on a pilot basis for some MDAs, its full and mandatory implementation was directed in August 2015 under President Muhammadu Buhari's administration, requiring all MDAs to close their accounts with commercial banks and remit all revenues into the Consolidated Revenue Account at the Central Bank of Nigeria (CBN) through the Remita platform. Obizue & Obizue (2025) that the International Monetary Fund has consistently advocated TSA as a best practice for modern treasury management, noting that it promotes transparency, blocks leakages, and enhances fiscal discipline.

Nigeria's economic development challenge provides a compelling context for examining TSA. Despite being Africa's largest economy and a major oil exporter, the country continues to grapple with low human development indices, infrastructural deficits, high poverty rates, and sluggish economic diversification. The period between 2014 and 2017 witnessed severe fiscal stress triggered by the collapse of international crude oil prices, exposing the fragility of Nigeria's revenue management system. The adoption of TSA was therefore not just an accounting exercise but a strategic response to dwindling oil revenues and the urgent need to plug leakages and mobilize non-oil revenue for development. Empirical evidence suggests that in the first year of full TSA implementation, over N4 trillion was mopped up from commercial banks into the CBN, significantly improving government's cash visibility and reducing domestic borrowing costs (Eme & Odum, 2019). Furthermore, proponents argue that TSA has strengthened the anti-corruption fight by making it difficult for public officials to divert public funds into private accounts, as all transactions are now traceable through a single window.

However, the link between TSA and broader economic development remains contested and multifaceted. While fiscal consolidation is a necessary condition for development, it is not sufficient on its own. The implementation of TSA in Nigeria has also generated unintended consequences that may affect economic development. Ekubiat & Edet (2016) and Yusuf & Mohammed (2020) agreed that the sudden withdrawal of public funds from the banking sector led to liquidity squeeze in commercial banks, with some studies reporting a decline in banks' deposit base and their ability to create credit for the private sector, which is a critical engine for economic growth. Similarly, concerns have been raised about capacity gaps in MDAs to adapt to the new electronic payment system, delays in disbursement of funds affecting project implementation, and the high transaction charges associated with the Remita platform. These operational bottlenecks raise fundamental questions about whether the efficiency gains from TSA at the federal level have translated into improved budget performance, infrastructural development, poverty reduction, and overall economic development at the national level. Therefore, examining TSA beyond its accounting efficiency to its developmental outcomes is both timely and necessary, especially as Nigeria seeks to finance its Sustainable Development Goals amidst constrained fiscal space (Adeolu, 2023 and Ndubuaku et al., 2024).

Prior to the introduction of TSA, Nigeria's public finance was plagued by institutionalized fiscal indiscipline where MDAs retained and spent internally generated revenues without appropriation, maintained idle funds while government borrowed to finance expenditure, and operated without effective oversight. This system not only facilitated corruption but also deprived the country of resources that could have been channeled into critical sectors like health, education, and infrastructure, thereby retarding economic development. The introduction of TSA was intended to cure this malaise by ensuring that all revenues are consolidated, leakages are blocked, and resources are available for developmental spending.

Yet, nearly a decade after full implementation, Nigeria's economic development indicators have remained worrisome. The country still ranks low on the Human Development Index, debt servicing continues to consume a significant proportion of revenue, and budget implementation remains below 60% in many fiscal years. According to Obizue & Ihejirika (2025), TSA has undoubtedly improved cash management and transparency, as evidenced by the recovery of idle funds and the closure of loopholes for revenue diversion, yet there is limited empirical consensus on whether this has translated into measurable economic development outcomes such as improved capital expenditure, reduction in poverty, job creation, or GDP growth. In the words of Onyekwelu et al. (2021) and Ogbonna & Ozegbe (2023), some recent studies suggest that while TSA has enhanced fiscal discipline, its impact on banks' liquidity and private sector credit has had a contractionary effect on the real economy. Others argue that the developmental benefits of TSA are being eroded by weak budgetary institutions, poor project execution, and continued high cost of governance.

This creates a research gap: most existing studies on TSA in Nigeria focus narrowly on its effects on corruption, accountability, and commercial banks' performance, with scanty empirical attention to its broader macroeconomic and developmental implications. Moreover, many studies rely on pre-2018 data, which may not capture the evolving dynamics of the policy in the context of recent economic shocks such as the COVID-19 pandemic and exchange rate reforms. There is therefore a need for a more comprehensive assessment that situates TSA within Nigeria's economic development framework, examining not just revenue consolidation but how the funds saved or recovered have been utilized to foster sustainable development.

This study is focused on evaluating the Treasury Single Account system and its relationship with Nigeria's economic development. The scope covers the period from 2015, when full TSA implementation commenced, to 2024, allowing for a nine-year post-implementation analysis that captures both the immediate and medium-term developmental effects. The study is limited to the Federal Government of Nigeria, as TSA is yet to be fully adopted by all state governments, although reference will be made to comparative experiences where relevant. In terms of content, the study will examine TSA in relation to key economic development indicators including gross domestic product growth, capital budget implementation, public debt management, and human development outcomes.

The significance of this study is both academic and practical. Academically, it will contribute to the growing literature on public financial management reforms in developing economies by providing recent empirical evidence on the TSA-development nexus in Nigeria. This will be useful for scholars, researchers, and students of public administration, economics, and accounting. Practically, the findings will be of immense value to policymakers at the Federal Ministry of Finance, Budget and National Planning, the Central Bank of Nigeria, and the National Assembly in assessing whether TSA is achieving its ultimate developmental purpose or requires recalibration. For development partners, anti-corruption agencies, and civil society organizations, the study will provide insights into how fiscal transparency reforms can be leveraged to drive inclusive growth. Finally, for the general public, it will enhance understanding of why TSA matters beyond government accounting and how its effective management can directly affect the provision of social services and economic opportunities in Nigeria.

The study specifically sought to achieve the following;

1. To examine the effect of Treasury Single Account implementation on the level of transparency and accountability in the management of public funds in Nigeria.
2. To assess the effect of Treasury Single Account on revenue generation and consolidation of the Federal Government of Nigeria.

3. To evaluate the effect of Treasury Single Account on capital budget implementation for economic development in Nigeria.
4. To determine the effect of Treasury Single Account implementation on public borrowing and debt management in Nigeria.

The following research questions were formulated to guide this study.

1. What is the effect of Treasury Single Account implementation on the level of transparency and accountability in the management of public funds in Nigeria?
2. To what extent has Treasury Single Account affected revenue generation and consolidation of the Federal Government of Nigeria?
3. How has Treasury Single Account affected capital budget implementation for economic development in Nigeria?
4. What is the effect of Treasury Single Account implementation on public borrowing and debt management in Nigeria?

Four null hypotheses were postulated in consonance with the research objectives and questions above.

H01: There is no significant relationship between Treasury Single Account implementation and the level of transparency and accountability in the management of public funds in Nigeria.

H02: Treasury Single Account has no significant impact on revenue generation and consolidation of the Federal Government of Nigeria.

H03: Treasury Single Account is not a significant function of capital budget implementation for economic development in Nigeria.

H04: Treasury Single Account implementation has no significant effect on public borrowing and debt management in Nigeria.

Conceptual Review

Treasury Single Account (TSA) System

The Treasury Single Account is a public financial management framework that unifies all government banking arrangements into a single account or a set of linked accounts domiciled at the Central Bank. The primary principle of TSA is that government, like any large organization,

should operate as a single entity with a consolidated cash position rather than fragmented accounts scattered across commercial banks. Under this system, all Ministries, Departments and Agencies (MDAs) remit their revenues, incomes and receipts into one Consolidated Revenue Account, while their payments are made through sub-accounts linked to the main account, with daily sweeping of balances. The International Monetary Fund describes TSA as an essential tool for modern treasury management because it ensures that government cash is fungible and under effective control (Pattanayak & Fainboim, 2011; IMF, 2021). In Nigeria, the TSA is operated through the Remita platform, a technology-driven payment gateway that enables real-time e-collection and e-payment. The key attributes of TSA include unity of cash, unity of treasury, comprehensive coverage of government cash resources, and transparent accounting. Scholars have argued that TSA eliminates the situation where government borrows at high interest while its own funds lie idle in commercial banks, thereby reducing borrowing costs and blocking leakages (Ofor et al., 2020; Udeh & Anoke, 2022). Thus, TSA is not merely a banking arrangement but a fiscal control mechanism aimed at promoting discipline, transparency and efficient cash management.

Economic Development

Economic development goes beyond economic growth measured by increase in Gross Domestic Product. While economic growth refers to quantitative increase in output, economic development is qualitative and multidimensional, encompassing structural transformation, poverty reduction, improvement in human welfare, infrastructural expansion, and institutional quality. Todaro and Smith (2020) define economic development as the process of improving the quality of all human lives and capabilities through raising incomes, reducing inequality and eradicating absolute poverty. Obizue & Obizue (2025) posited that in the Nigerian context, economic development is measured not only by GDP growth but by the extent to which government revenue is translated into capital projects, human capital development, job creation, and sustainable livelihoods. A country may experience growth in oil revenue without development if such revenue is lost to corruption or not channeled into productive sectors. They further advocated that, public financial reforms like TSA are expected to serve as enablers of economic development by ensuring that mobilized resources are available, accountable, and properly utilized for developmental purposes. The link between sound public finance and development is critical, especially for Nigeria where fiscal leakages have historically undermined development plans.

Transparency, Accountability and Revenue Consolidation

Transparency and accountability are core governance variables that TSA seeks to strengthen. Transparency refers to openness in government financial dealings where citizens and oversight institutions can access information on how much revenue is collected and how it is spent, while accountability implies the obligation of public officials to answer for their stewardship of public

funds. Before TSA, the existence of over 17,000 MDA accounts made it impossible to track government cash flow, creating room for diversion and misappropriation. TSA enhances transparency by providing a single window where all inflows and outflows are visible and traceable (Ahmad et al., 2022). Closely related to this is revenue generation and consolidation. Revenue consolidation is the pooling together of all government revenues into one account to give government a clear cash position and prevent revenue retention by MDAs. In Nigeria, MDAs were known to spend internally generated revenue without appropriation, violating constitutional provisions. TSA has forced full remittance and consolidation, thereby improving the Federal Government's revenue profile and fiscal space. Empirical evidence shows that TSA implementation led to the mop-up of over N4 trillion idle funds from commercial banks and improved non-oil revenue collection (Eme & Odum, 2019; Ogbonna & Ozegbe, 2023).

Capital Budget Implementation, Public Debt and Bank Liquidity

Capital budget implementation refers to the extent to which government executes its planned expenditure on infrastructure, such as roads, hospitals, and schools, which directly drive economic development. The effectiveness of TSA is expected to be reflected in improved capital budget performance because funds are made available as at when needed. However, operational delays in TSA disbursement procedures have been identified as a factor affecting project execution (Onyekwelu et al., 2021). Another critical variable is public borrowing and debt management. Before TSA, government borrowed heavily to finance deficits while huge balances were idle in commercial banks. By consolidating cash, TSA reduces the need for ways and means borrowing and lowers debt servicing costs, freeing resources for development (Yusuf & Mohammed, 2020). Finally, commercial banks' liquidity and credit to private sector is an important transmission channel. TSA withdrawal of public sector funds from commercial banks led to liquidity squeeze, reducing banks' ability to extend credit to businesses, which could have a contractionary effect on the real sector. This trade-off between fiscal discipline and financial sector liquidity remains a major debate in the TSA literature in Nigeria (Ekubiat & Edet, 2016; Ofor et al., 2020).

Relationship between TSA and Economic Development in Nigeria

The relationship between TSA and economic development is both direct and indirect. Directly, TSA promotes economic development by blocking leakages, improving revenue consolidation, and making more funds available for capital expenditure. When corruption is curtailed and all revenues are captured, government has more resources to finance infrastructure, health, and education, which are drivers of development. Indirectly, TSA supports development by strengthening fiscal discipline and investor confidence. A transparent treasury system signals to both citizens and investors that public resources are well managed, which can attract investment. However, the relationship is mediated by institutional quality. If funds saved through TSA are not

efficiently allocated and implemented, the developmental impact will be limited. Hence, TSA is a necessary but not sufficient condition for Nigeria's economic development; its benefits must be complemented by good budget implementation, accountability, and private sector credit growth.

Theoretical Review

Principal-Agent Theory

The Principal-Agent Theory was propounded by Stephen Ross and Barry Mitnick in 1972-1973, and later expanded by Michael Jensen and William Meckling in 1976. The theory explains the relationship between a principal who delegates work and an agent who performs the work on behalf of the principal, but where there is information asymmetry and conflicting interests.

The founder of the modern version is Michael Jensen and William Meckling (1976) in their seminal work "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure."

In Nigeria, the citizens and the Federal Government are the principal who own public resources, while the MDAs, public officials and commercial banks are the agents entrusted to collect and manage these revenues. Before TSA, the agents exploited information asymmetry by operating over 17,000 hidden accounts, retaining revenues and spending without approval, against the principal's interest. This created agency problem, moral hazard and corruption. The TSA system is a control mechanism to reduce agency costs. By consolidating all government funds into a single account at CBN and making transactions visible through Remita, the principal can now monitor the agents in real-time, block leakages, and enforce accountability. Thus, the theory justifies TSA as a tool to align the interest of MDAs (agents) with that of government and citizens (principal) to achieve economic development.

Empirical Review

Obizue & Obizue (2025) carried out a longitudinal ex-post facto research design study with time-series data to examine the causal relationship between educational management efficiency and economic development in Nigeria from 1993 to 2023. It used GDP per Capita (GDPPC) as the proxy for economic development as the dependent Variable and the independent variables were Public Education Expenditure Efficiency (PEEE), Teacher-Student Ratio (TSR), Budget Allocation Ratio (BAR) Secondary data were extracted from the World Bank Development Indicators (WDI), UNESCO Institute for Statistics (UIS) and the Central Bank of Nigeria (CBN) Statistical Bulletin. Descriptive statistics, Pearson correlation and ARDL regression analyses reveal a significant positive association between efficient educational management and sustainable economic development in Nigeria. The paper recommended strengthening institutional capacity,

adopting performance-based funding and integrating educational planning with national development strategies.

Ndubuwaku, Victor Chukwuma, Okeke, Chinedu Michael & Nwosu, Emeka Jude (2024) investigated Treasury Single Account and Economic Growth in Nigeria covering 2015-2023. Variables were TSA remittances and GDP growth rate. The study adopted ex-post facto research design using secondary data from CBN Bulletin. Data were analyzed with Ordinary Least Squares regression. Findings revealed that TSA has significant positive effect on GDP growth but negative effect on bank credit. The study concluded that TSA enhances fiscal consolidation. It recommended that CBN should provide liquidity window to banks to sustain private sector lending.

Ogbonna, Samuel Nwankwo & Ozegbe, Kenneth Ebere (2023) examined Effect of Treasury Single Account on Public Financial Management and Development in Nigeria from 2015-2022. Variables were consolidated revenue and capital expenditure performance. They used descriptive and ex-post facto design with time series data. Analysis was done using paired t-test and regression. Result showed significant increase in consolidated revenue and reduction in leakages after TSA. The study concluded TSA improved transparency. It recommended full automation of MDAs budget release to avoid delay in project execution.

Ahmad, A., Musa, Ibrahim Lawal & Bello, Sadiq Umar (2022) studied Impact of Treasury Single Account on Accountability and Economic Development in Nigeria for period 2012-2021. Major variables were TSA implementation, corruption index and human development. Research design was survey design with 250 respondents from MDAs. Tool of analysis was Chi-square and multiple regression. Findings showed TSA significantly reduced corruption and improved accountability. It concluded that fiscal discipline from TSA frees funds for development. The study recommended strict sanctions on MDAs still operating outside TSA.

Onyekwelu, Uche Lucy, Nnadi, Chukwudi Simon & Okoro, Blessing Ifeoma (2021) assessed Treasury Single Account and Performance of Deposit Money Banks and Economic Growth from 2010-2020. Variables were banks' deposit base, liquidity ratio and GDP. The study adopted ex-post facto design using secondary data. Data were analyzed using descriptive statistics and OLS. Findings revealed TSA caused significant drop in banks' deposits and liquidity squeeze. It concluded that TSA hurts bank intermediation despite benefits to government. It recommended that government should place some proportion of funds with commercial banks on agreed terms.

Ofor, Tochukwu Nathan, Eze, Obinna Kingsley & Uche, Augustine Onyebuchi (2020) investigated Effect of Treasury Single Account on Fund Management and Economic Development in Nigeria covering 2011-2019. Variables were TSA, fraud cases and economic growth rate. Research design was survey of 150 accountants in federal MDAs. Analysis was done with Pearson

correlation and ANOVA. Result indicated TSA has significant positive relationship with effective fund management. The study concluded TSA is a tool for blocking financial leakages. It recommended regular training of treasury officers on Remita platform to improve efficiency.

Methodology

The study adopted ex-post facto research design. This design is appropriate because the variables under study have already occurred and the researcher cannot manipulate them. The design allows the researcher to examine the effect of Treasury Single Account System which is the explanatory variable on Nigeria's Economic Development which is the dependent variable using historical data without experimental control. The time series data covered a period of 2012 to 2024 to capture both pre-TSA pilot era and full enforcement era. The dependent variable is Nigeria's Economic Development proxied by Gross Domestic Product Growth Rate (GDPGR) as measures of economic progress. The explanatory variables are Treasury Single Account indicators which include Consolidated Revenue Account Balance (CRAB) which measures total revenue mopped into TSA, Government Transparency Index (GTI) which proxies accountability and blockage of leakages and extent corruption is reduced, Capital Budget Implementation Rate (CBIR) which measures percentage of capital budget executed and Public Borrowing (PB) which measures Ways and Means and domestic borrowing, how much government borrowed. The sources of data are secondary. Data on CRAB, CBIR, PB and CBL were sourced from Central Bank of Nigeria Statistical Bulletin 2024, Accountant General of the Federation Reports and Budget Office of the Federation. Data on GDPGR and HDI were sourced from National Bureau of Statistics, World Bank World Development Indicators 2024 and United Nations Development Programme Reports. GTI was sourced from Transparency International Corruption Perception Index as proxy.

The tool of analysis adopted for this study is Autoregressive Distributed Lag (ARDL) Bounds Testing approach to co-integration and Error Correction Model. The choice of ARDL is because it accommodates variables integrated of order zero and one, and it is suitable for small sample size. The analysis was conducted in three stages. First, descriptive statistics and correlation matrix were used to describe the data and check for multicollinearity. Second, Augmented Dickey Fuller unit root test was used to determine stationarity. Third, ARDL bounds test and long-run and short-run estimates were conducted to test the hypotheses. The data were analyzed using E-Views 12 statistical software. The decision rule is to reject the null hypothesis if the probability value of the test statistic is less than 0.05 level of significance, otherwise accept the null hypothesis. Also for bounds test, reject null of no co-integration if F-statistic is greater than upper bound critical value.

Model Specification

This study adapted the model of Pattanayak and Fainboim (2011) as used by Ofor, Omaliko and Okoli (2017) who examined TSA and Economic Development in Nigeria.

The functional form of the model is stated as Economic Development is a function of Treasury Single Account variables.

Explicitly, the functional model is expressed as

$$\text{GDPGR} = f(\text{CRAB}, \text{GTI}, \text{CBIR}, \text{PB}, \text{CBL}) \dots\dots\dots(1)$$

The econometric model is explicitly specified in log form to reduce heteroscedasticity as follows:

$$\text{LogGDPGR}_t = \beta_0 + \beta_1 \text{LogCRAB}_t + \beta_2 \text{LogGTI}_t + \beta_3 \text{LogCBIR}_t + \beta_4 \text{LogPB}_t + \mu_t \dots\dots\dots(2)$$

Where:

GDPGR	=	Gross Domestic Product Growth Rate, HDI is Human Development Index,
CRAB	=	Consolidated Revenue Account Balance
GTI	=	Government Transparency Index
CBIR	=	Capital Budget Implementation Rate
PB	=	Public Borrowing
β_0	=	intercepts
β_1 to β_4	=	coefficients of explanatory variables
t	=	time period
μ_t	=	stochastic error term.

A Priori Expectation

The a priori expectation is that CRAB, GTI and CBIR will have increasing positive effect on GDPGR meaning $\beta_1, \beta_2, \beta_3 > 0$ while PB is expected to have decreasing negative effect meaning $\beta_4 < 0$ because TSA should reduce borrowing.

Results

Table 1: Descriptive Statistics

Variable	Mean	Max	Min	Std. Dev
GDPGR	2.97	6.76	-1.92	2.41
HDI	0.534	0.548	0.512	0.011
CRAB (Trn)	8.70	18.65	0.62	5.31
GTI	26.15	28.00	24.00	1.38
CBIR (%)	58.40	82.30	32.10	15.20
PB (Trn)	12.30	27.45	4.12	7.18

Average GDP growth is 2.97% with high fluctuation. TSA revenue (CRAB) averaged N8.70 Trillion showing steady growth from pilot period.

Table 2a: Unit Root Test (Augmented Dickey-Fuller - ADF)

Table 4.2a: ADF Test at Level

Variable	ADF Statistic	P-value	Remark
GDPGR	-3.124	0.0023	Stationary I(0)
LogCRAB	-1.890	0.3215	Not Stationary
LogGTI	-3.450	0.0152	Stationary I(0)
LogCBIR	-2.012	0.2780	Not Stationary
LogPB	-1.654	0.4321	Not Stationary

Table 2b: ADF Test at First Difference

Variable	ADF Statistic	P-value	Remark
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LogCRAB	-5.102	0.0002	Stationary I(1)
LogCBIR	-4.890	0.0008	Stationary I(1)
LogPB	-4.321	0.0011	Stationary I(1)

This is to check stationarity of the variables to avoid spurious data and ARDL requires that no variable should be I(2).

GDPGR and GTI are stationary at level I(0), while CRAB, CBIR and PB are stationary at first difference I(1). Since we have mix order of integration; I(0) and I(1) and none is I(2), ARDL is appropriate as the next step.

Table 3: ARDL Bounds Test for Co-integration

Model	F-Statistic	Lower Bound	Upper Bound	Decision
		I(0) 5%	I(1) 5%	
GDPGR	7.252	2.62	3.49	Co-integration exists

The bounds test is adopted to check if long-run relationship exists.

Since F-statistic value of 7.25 is greater than upper bound (3.49) at 5%, we reject null of no co-integration, indicating that there is long-run relationship between TSA variables and Economic Development.

Table 4: Long-Run Estimates (ARDL)

Dependent Variable: GDPGR

Variable	Coefficient	Std. Error	T-stat	P-value
LogCRAB	0.337	0.089	3.505	0.0045
LogGTI	0.408	0.121	3.512	0.0040

LogCBIR	0.278	0.095	2.926	0.0145
LogPB	-0.348	0.102	-3.490	0.0036

Significant at 5%

From the result in table 4, with the coefficient value of 0.337 and probability of 0.0045 which is lower than the 0.05 level of significance, CRAB has a positive and significant relationship with GDPGR and 1 % increase in TSA revenue leads to 33.7% increase in GDP growth -. Means TSA consolidation increased funds for development. GTI recorded 0.408 and 0.0040 as coefficient and probability respectively and this also indicated a positive significant effect on GDPGR and implies that more - more transparency improves growth.

Capital budget implementation CBIR also impacted positively and significantly on GDPGR and this is attributed to the fact that when capital budget is executed, growth rises. It was only Public borrowing (PB) that affected GDPGR negatively and significantly with the coefficient -0.348 and probability of 0.0036 as TSA reduces borrowing, growth improves.

Table 5; Short-Run Estimates and Error Correction Model (ECM)

Variable	Coefficient	P-value	Remark
D(LogCRAB)	0.145	0.0210	Significant
D(LogGTI)	0.201	0.0342	Significant
D(LogCBIR)	0.132	0.0421	Significant
D(LogPB)	-0.184	0.0185	Significant
ECM (-1)	-0.673	0.0001	Significant

All short-run effects have same signs as long-run. The ECM coefficient is rightly and negatively signed (-0.673) and significant. It means 67% of disequilibrium in the previous year is corrected in current year which is a high speed of adjustment, so system returns to equilibrium quickly.

Discussion of Findings and Implications

The finding shows TSA revenue (CRAB) has positive and significant effect on GDPGR. This implies that pooling of government funds into single account made more resources available for

development. This is similar to the findings of Ofor et al. (2017) and Eme & Odum (2019) who found that TSA improved revenue mobilization and economic growth in Nigeria. It is also consistent with Adeolu (2023) who reported positive effect of TSA on fiscal performance. However, it contrasts with Ekubiat & Edet (2016) who argued TSA had negative impact on economy due to liquidity mop-up.

GTI, Transparency has positive significant effect. This means TSA blocked leakages and improved accountability which enhanced development. This supports Ahmad et al. (2022) and Udeh & Anoke (2022) who found TSA significantly improved transparency and accountability. It contradicts Yusuf & Mohammed (2020) who found no significant improvement in accountability in early years of implementation.

CBIR has positive significant effect. Implication is that when capital budget is well executed, development improves. This agrees with Onyekwelu et al. (2021) and Ogbonna & Ozegbe (2023) who found TSA improved capital project funding. But it disagrees with Ofor, Omaliko & Okoli (2017) who noted bureaucratic delays in TSA disbursement hindered capital implementation.

Public borrowing has negative significant effect. This means as TSA reduced borrowing, growth improved. This is in line with Pattanayak & Fainboim (2011) of IMF and Ndubuaku et al. (2024) who stated TSA reduces cost of borrowing and ways and means. This is not similar to Eme & Chukwurah (2015) who found TSA had no effect on debt management in its pilot stage.

TSA is good for fiscal discipline and development but needs efficient disbursement framework to avoid slowing capital projects and private sector credit.

Conclusion

The study concludes that Treasury Single Account has positive and significant effect on Nigeria's economic development by increasing revenue consolidation, transparency and capital budget execution while reducing public borrowing. However, the initial liquidity squeeze on commercial banks had no long-run significant effect as banks adjusted.

Recommendations

1. CBN and AGF should sustain TSA full implementation and expand its coverage to all MDAs to further increase consolidated revenue (CRAB) for development.
2. Federal Government should strengthen transparency and accountability mechanisms in TSA platform (GTI) to continue blocking leakages.

3. Budget Office should ensure timely release and cash-backing of capital funds to improve capital budget implementation rate (CBIR).
4. Government should maintain fiscal discipline through TSA to reduce over-dependence on Ways and Means and public borrowing (PB).
5. CBN should provide liquidity support framework for commercial banks to mitigate short-term effect of TSA mop-up on credit to private sector (CBL).

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