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INTERNALLY GENERATED REVENUE AND GRASSROOTS DEVELOPMENT IN THE NSUKKA LOCAL GOVERNMENT AREA, 1999-2014

BY

EZE, PHILIP OKEKE
PG/M.Sc/11/12/63596

BEING A DISSERTATION SUBMITTED TO THE DEPARTMENT OF POLITICAL SCIENCE, UNIVERSITY OF NIGERIA, NSUKKA, IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE MASTER OF SCIENCE (M.SC) IN POLITICAL SCIENCE (PUBLIC ADMINISTRATION)

JANUARY, 2014
TITLE PAGE

This is to certify that this work entitled ‘Internally Generated Revenue and Grassroots Development in the Nsukka Local Government Area since 1999’ has been approved for the Department of Political Science, University of Nigeria, Nsukka.

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External Examiner
DEDICATION

This work is dedicated to Almighty God who made it possible for me to accomplish this Masters programme.
ACKNOWLEDGEMENTS

I am greatly indebted to my able supervisor, Professor Obasi Igwe, who guided, directed and assisted me from the beginning to the end of this project work. His patience, tolerance, constructive suggestions and strict adherence to current standard spurred me to work very hard in order to put necessary and needed quality into this work.

My special thanks also go to my lecturers, Professor Jonah Onuoha (Head of Department), Professor A.M. Okolie (PG Coordinator), P.C. Chukwu, Dr. Ede H.C. and Professor E.O. Ezeani for their contributions towards my academic career. I owe a lot of thanks to my wife, Mrs. Eze Maureen, N. and children, Eze Chidera J., Eze Mmaduabuchi V., Eze Makuachukwu V., and Eze Chizaramekpere F., as well as other well-wishers who in one way or the other contributed to the success of this work, especially Mr. K.C.

Finally, my profound gratitude goes to our Almighty God for His guidance, protection and direction throughout the period of my study in University of Nigeria, Nsukka. To God be the glory.

Eze, P.O.

December, 2013
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ABSTRACT

The expediency for the creation of local government anywhere in the world stems from the need to facilitate development at the grassroots. The extent to which local government in any country performs this task largely depends on the revenues available to such local government. Despite the numerous sources of revenues available to local governments in Nigeria, development at the grassroots in the country has remained an enigma. To this end, this study takes a critical examination of the internally generated revenue and grassroots development in the Nsukka local government area since 1999. In doing this, we hypothesized thus: (1) Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development; (2) There is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems; (3) Poor auditing and monitoring of rural development projects contribute to the internal generated revenues and grassroots development problems of Nsukka local government council. To empirically interrogate these hypotheses, the study was anchored on descriptive survey as a method of data generation from primary and secondary sources. Our method of data analysis was based on David Easton’s systems theory and the use of simple frequency tables and percentages. Against the discoveries of the study, we recommended, among others, that a state/local government body outside the ministry and commission should be established and saddled with the responsibility of monitoring the manner under which the Nsukka local governments’ funds are generated and used in execution of projects and programmes at the grassroots.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The expediency for the creation of local government anywhere in the world stems from the need to facilitate development at the grassroots. Thus, the importance of local government is a function of its populace (Abubakar, 1989:10). All forms of government, regimes or political systems have so far ensured the attainment of this goal. Such strategy for ensuring national administrative development and political efficacy is found in the concept and practice of local government. Whatever is the mode of government, local government has been essentially regarded as the path to and guarantor of national integration, administration and rural development. Thus, according to the United Nations Office for Public Administration (cited in Asaju, 2010: 101) local government is

… a political subdivision of a nation (in a federal system) state, which is constituted by law and has substantial control of local affairs including the powers to impose taxes or to exact labour for prescribed purposes. The governing body of such an entity is elected

Similarly, the Guideline for Local Government Reform in Nigeria (1976:2) defines local government as:

Government at local level exercised through representative councils established by law to exercise specific powers defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their traditional institutes, that local initiative and responses to local head and conditions are maximized.
According to Asaju (2010), the implication of the foregoing definitions of local government is that local government must be a legal entity distinct from the state and federal government and must be administered by democratically elected officials. Besides, local government must have specific powers to perform a range of functions assigned to it by law and enjoy substantial autonomy to perform an array of functions, plan, formulate and execute its own policies, programmes and projects, and its own rules and regulations as deemed for its local needs. This autonomy includes power to control its finance, recruit and discipline its staff. However, for local government to discharge its functions effectively, especially as it affects rural development, adequate revenue is required. As such, local government revenue and the grass root development had since, become of great interest to academicians and practicing managers despite the inherent problems, especially in the developing and Third World Countries such as Nigeria.

Nonetheless, what is known today in Nigeria as local government system has indeed, a chequered historical origin. It could however, be traced to colonial penetration and administration in the country (Ubah, 1985). Although contact with Europeans dates back to the fifteenth century, it was not until 1861 that the first steps were taken to establish local administration by Britain. The colonial administration that was established was based on indirect rule. This requires that the administration should be carried out through traditional rulers and institutions. This led to the establishment of native authorities in their most rudimentary forms from the 1890s to the 1930s. The main function of the native authorities was to maintain law and order. The first native authority ordinance recognized traditional rulers as native authorities.

It is therefore, this system of rule in which the colonial masters administered the various communities through the existing indigenous ruler came to be called indirect rule
system or native administrative system (Kirk-Greene ed, 1969). However, some modifications were made on these indigenous political systems by colonial administrators before they were used. With these modifications necessary to ensure the observance by the traditional rulers of fundamental laws of humanity and justice, the colonial administrators, led by Lord Lugard himself proceeded to constitute the various Emirs into Native Authorities, and established Native Courts and Native Treasuries throughout the Northern protectorate under the appropriate ordinances (Ofoeze, 1997).

Thus, having observed with satisfaction the apparent success of the indirect rule system in the North and apparently unmindful of the historical, cultural and other institutional differences between the peoples of the North and South, Lord Lugard, on amalgamation of the protectorates of the Northern and Southern Nigeria in 1914, introduced the Native Authority (or Indirect rule) administration to the South as well (Ofoeze, 1997). To put this into effect therefore, the South which hitherto consisted of only three divisions was now split into nine provinces each of which was placed under a Resident supported by a team of District Officers (Kirk-Greene, ed, 1969). The Native Authority Ordinance of 1914 introduced to the South the judicial system which hitherto applied only to the North. With all these in place, the British colonialists proceeded to introduce all the other components of the Native Administration to the South, first in the West and later in the East. In the West, carried away by the seemingly absolute authority of the Yoruba Kingship, Lugard, under the Native Authority ordinance of 1916, constituted the Yoruba Obas, who in reality were nothing more than prince primus inter pares into sole Native Authorities (Kirk-Greene ed, 1969).

However, in the Eastern provinces where it was not easy to find traditional rulers wielding sufficient authority the colonial administrators resorted to making people chiefs by
Warrant and constituting such person into Native Authorities or as Lord Lugard has been quoted as saying;

The first step was to endeavor to find a man of influence as chief, and to group under him as many villages or districts as possible and to teach him… to support his authority and to inculcate in him, a sense of responsibility (Kirk-Greene ed, 1969: 12)

However, as things turned out shortly afterwards, as a result of a plethora of factors including the alien nature of this system, corrupt practices on the part of the operators – Chiefs and Obas – including the over-bearing arrogance and high-handedness of these Chiefs and Obas, the incompatibility of the entire system with the culture of the people the system in its entirety in the South, unlike in the North, was rejected by the people and hence, it was a monumental failure (Orewa and Adewunmi, 1983).

This necessitated the first reforms in the 1930s and the 1940s culminating in the establishment of chiefs-in-council and chiefs-and-council in place of sole native authorities. The Chief-in-Council is made up of the chief and members of council. The chief presides at all meetings and acts in accordance with the majority of opinion in the council. But if he disagrees with the council, he would take whatever action he thought best and inform the Governor of the region. Contrarily, in the Chief-and-Council, the chief has no power to act against the decision or advice of the council. Under this arrangement, people particularly representatives of missionaries and British trading interest were appointed into the native authorities. The process of appointment of nominated members by the colonial government meant that nationalists were not appointed to serve on the councils. This led to further agitation for reforms in the native authorities. The adoption of a Federal System of government in 1950 marked another stage of Local government development in Nigeria. The composition of the country into three regions impacted on the Local government system. Each
region decided to adopt its own type or form of local government system. The regional systems of local government, until the collapse of the first republic in 1966, so prevailed with various refinements (Igbuzo, 2009).

In the years 1950-55, the first largely elected local government council based on the British Whitehall model emerged in Lagos and the former Eastern and Western regions. Traditional rulers constituted not more than 25 percent of most council in the then Western region and Lagos. However, in Northern Nigeria, the changes were more gradual. The legal framework for local government at this period was provided by the Eastern region local government ordinance of 1950, the Western region local government law of 1952 and the 1954 Native Authority law in Northern Nigeria. By this time, the councils were given a wider range of functions including primary education, health, police, and judiciary. This was in line with the implementation of the colonial government’s ten-year welfare and development plan (1946-1956). The councils also enjoyed a great measure of autonomy in financial, personnel and general administrative matters. It can therefore be said that the 1950s was the era of pupilage for councils in modern local government throughout Nigeria (Igbuzo, 2009).

Obviously, with the division of Nigeria into three regions in 1946 by the British colonialists, there were remarkable changes in the structure and functions of local government administration among the three regions – East, West and North in the country. Thus, the Eastern House of Assembly, after extensive research work, produced and enacted into law the 1950 Local Government Ordinance. This formally abolished the Native Authority Administration and instituted a radically different local government system in the region (Wrath, 1972). Structurally, the new system introduced three – tiers local government comprising the County, District, and Local Councils, each level of which operated more or less independently. The same was the case in the Western region with the introduction of
three-tier local government structure namely Divisional, District, and Local Councils in 1952 local government law. In the North however, the Native Authority system was perceived as compatible with their traditional institutions and there was less effort at modification of the system (Wraith, 1972).

Between 1960 and 1966, there was a decline in the prestige and responsibilities of local authorities. In the former Western region, the local government (Amendment) law 1960 abolished the powers of councils to levy education and general rates on the basis of need. In Lagos, there was a high rate of default in the payment of property rates including government institutions, which reduced the revenue of the local councils. The situation in Eastern Nigeria was similar to the West before the outbreak of the civil war in 1967. In Northern Nigeria, there were gradual changes in the structure of the councils with increasing numbers of elected or appointed non-traditional office holders becoming members of local authorities. The result was that the local authorities had a stable administration, which enabled them to assume responsibility, with some degree of success for more complex services like primary education. Between 1969/71, some state government introduced some changes in the structure of their councils (Igbuzo, 2009). The Military takeover of government according to Gboyega (2001) has had severe repercussion for local government system which was radically changed to accommodate not only the hierarchical military command structure, but also to redress the abuses that the system had been subjected to. The restructuring was also meant to meet the aspirations of the people for greater political participation and empowerment in local government area. Despite the imposition of military rule and command structure, the regions and their successor, states, still retained control over local government policy-making and were thus able to carry out reforms that were deemed appropriate to their circumstances. The
The period of military rule from 1966 to 1975, therefore witnessed extensive experimentation with different theories and patterns of local government with quite mixed results (Gboyega, 2001).

Perhaps the 1976 nation-wide local government reforms that aimed at establishing uniform local government structure in Nigeria remains the most noticeable effort towards a more meaningful and unified local government administration in the country. One of the fundamental motives of the Federal Military Government of Obasanjo in instituting the reforms was to eliminate the extreme instability which had hitherto characterized local government system in the country (Oyewole, 1980). That this is so, is evident in the statement of Brigadier (later Major-General) Shehu Musa Yar’Adua then Chief of Staff, Supreme Headquarters. According to him, one of the main motives of the Federal Government in instituting the reforms was;

… the necessity to stabilize and rationalize government at the local level through decentralization of some significant functions to local levels in order to harness local resources for rapid development (quoted in Ofoeze, 1997:58).

The reform was therefore, seen as a watershed in the historical annals or evolution of local government in Nigeria (Obi and Obikeze, 2001). Thus, according to Ikejiani-Clark and Okoli (1995:1):

….one major fall-out of the reforms was the emergence of local government as the third-tier of government in Nigeria with well defined system of revenue generation and allocation alongside the state and federal governments

Besides, the need to ensure the involvement and participation of the people at the local level in actual decisions and plans to develop their areas constituted other important reasons which compelled the Federal Military Government to institute the 1976 local government reforms. Thus, the Federal Government’s objective in introducing the reforms was in the
words of then Chief of Staff, Supreme Headquarters, Brigadier (Later Major-General) Shehu Musa Yar’Adua;

… to entrust political responsibility to where it is most crucial and most beneficial that is, to the people, with the hope that the reforms would enshrine the principle of participatory democracy and of political responsibility to every Nigerian (quoted in Ofoeze, 1997:63).

The reforms were equally instituted as a result of the need to mobilize the people at the local level so as to harness their energies and resources toward national development. Again, this point was indeed emphasized by Brigadier Shehu Musa Yar’Adua, when he said,

The Federal Military Government believes that it is only through an effective local government system that the human and material resources could be mobilized for local or rural development (quoted in Ofoeze, 1997:64).

The main objectives of the reform were outlined as follows:

• To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representative bodies.

• To facilitate the exercise of democratic self-government close to the grass roots of our society and to encourage initiative and leadership potential.

• Mobilisation of human and material resources through the involvement of members of the public in their local development, and

• To provide a two-way channel of communication between local communities and government (both State and Federal) (Guidelines for Local Government Reform cited in Ofoeze, 1997:65)

For the first time in the history of local government in Nigeria, a uniform system was developed for the whole country.
In embarking on these reforms, the Federal Military Government was essentially motivated by the necessity to stabilize and rationalize Government at the local level. This must of necessity entail the decentralization of some significant functions of state governments to local levels in order to harness local resources for rapid development. Unlike previous reform measures, which were highly restricted in scope and range, the 1976 reforms conceptualized local government as the third tier of government operating within a common institutional framework with defined functions and responsibilities. As the third tier of government, the local government gets statutory grants from Federal and state governments, and is expected to serve as agent of development especially in rural areas. According to the 1976 reform, 75 percent of members of the council are to be elected through the secret ballot on a no-party basis under the direct and indirect systems of election. The remaining 25 percent are to be nominated by the State government. Following the reform, the Federal Government in 1977, allocated 5 percent of federally collected revenue to local government. The intentions of the 1976 reform were debated by the constitution drafting Committee and the Constituent assembly in 1978. The result is that the 1979 Constitution reaffirmed the development function of local government in Nigeria thus:

> It shall be the duty of a local government council within the State to participate in economic planning and development of the area referred to in subsection (2) of this section and to this end an economic planning board shall be established by a law enacted by the House of assembly of the state (see the 1979 Constitution of Nigeria, section 7, sub-section 3:21)

In addition, section seven of the 1979 Constitution provided for democratically elected local government councils for the country. Unfortunately, during the Alhaji Shehu Shagari regime (1979-1983), the constitutional provisions were neglected. No elections were held and sole administrators were appointed.
Accordingly, the reform allocated the following functions to local government councils in Nigeria:

1. The consideration and the making of recommendations to a state commission on economic planning or any similar body on –
   i. The economic development of the state, particularly in so far as the areas of authority of the council and of the state are affected, and
   ii. Proposals made by the said commission or body;
   iii. Collection of rates, radio and television licenses;
   iv. Establishment and maintenance of cemeteries, burial grounds and homes for the destitute or infirm;

- Licensing of bicycles, trucks (other than mechanically propelled trucks) canoes, wheel barrows and carts;
- Establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets and motor parks;
- Construction and maintenance of roads, streets, street lightings, drains and other public highways, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a state;
- Naming of roads, streets and numbering of houses;
- Provision and maintenance of public conveniences, sewage and refuse disposal;
- Registration of all births, deaths and marriages;
- Assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a state; and
- Control and regulation of
- Out-door advertising and hoarding,
• Movement and keeping of pets of all description,
• Shops and kiosks,
• Restaurants, bakeries and other places for sale of food to the public,
• Laundries and Licensing, regulation and control of the sale of liquor.
• The provision and maintenance of primary, adult and vocational education;
• The development of agriculture and natural resources, other than the exploitation of minerals;
• The provision and maintenance of health services, and
• Such other functions as may be conferred on a local government council by the House of Assembly of the State (see the Fourth Schedule, section 7 Constitution of the Federal Republic of Nigeria, 1979: 150-151)

The subsequent military regimes’ reforms such as Buhari//Idiagbon’s local governments reforms of 1984, Babangida’s reforms of 1991, and Obasanjo’s civilian regimes reforms of 2003 were all aimed, among other reasons, at enhancing the operational capacity of local government system in service delivery in rural areas. During Babangida’s regime (1985-1993) there were certain reforms aimed at ensuring local government autonomy. These included the abolition of the Ministry of Local Government; establishment of executive and legislative arms in local councils; and direct allocation to local government without passing through State government. The regime also increased local government statutory allocation from 15 percent to 20 percent with effect from 1992. It is important to point out that the intergovernmental relations between the Federal, state and local government has been characterized by both co-operation and conflict; but it is conflict that has predominated State-local Government relations. Some state governments have been known to have hijacked and diverted Federal government’s allocation to local governments. This is why one of the features of the reform during Ibrahim Babangida’s regime was to make allocations directly to
local governments without going through state government (Orewa and Adewumi, 1983). Though the reforms made a landmark achievements in the areas of rapid development at the rural levels and facilitation of the exercise of democratic self governance close to the local levels of the society, systemic corruption and military style of leadership had mutated the noble objectives of the reforms (Ademolekun, 2001:)

On inception of democratic governance in Nigeria in 1999 and in order to correct the foregoing anomalies in local government system in Nigeria on 17th June 2003, the forum of the 36 Governors met and resolved to push for constitutional amendment to empower State Governors to appoint council chairmen and councilors (Thisday, June 18, 2003). A day later the Governors met with the President at the Council of State meeting where they decided to set up a technical committee on the Review of the Structure of Local government Councils in Nigeria. The terms of reference of the committee are as follows:

- Examine the problem of inefficiency and high cost of governance with a view to reducing the costs and wastages at the three tiers of government
- Review the performance of local governments within the last four years and consider the desirability or otherwise of retaining the local government as the third tier of government. In that regard consider, among other options, the adoption of a modified version of the pre-1976 local government system of government.
- Examine the high cost of electioneering campaign in the country and consider among other options, the desirability of whether political parties, rather than individual office seekers, should canvass for votes in elections, and
- Consider any other matter, which in the opinion of the technical committee are germane to the goal of efficient structure of governance in Nigeria (Thisday, June 18, 2003:16).
The reasons given for setting up the committee include the non-performance or gross under-performance of the local governments; the high cost of governments and near prohibitive costs of electioneering campaigns to individual political contestants in Nigeria and atomization and continual fragmentation of local government councils including impractical division of towns and cities into unworkable mini-local governments (Thisday, June 18, 2003). There were three curious issues regarding the membership and terms of reference of the Technical committee on the Review of the Structure of Local Government Councils in Nigeria. First, all over the world, participation of ordinary people in governance is being promoted. This recognizes the fact that governance issues are not necessarily technical issues that people with relevant experience cannot handle. Secondly, a traditional ruler, the Etsu Nupe, heads the committee. Thirdly, the terms of reference clearly states that the committee should consider, among other options, the adoption of a modified version of the pre-1976 local government system of government (Igbuzo, 2009)

The foregoing issues were to be compounded by the inadequacies of the 1999 Constitution. The constitution provides for a democratically elected local government council in section 7 of the constitution. But, while the constitution made provisions for the tenure of federal and state political office holders to be four years, it did not make provisions for the tenure of local government office holders. However, the constitution in the concurrent legislative list gives the National Assembly the power to make laws with respect to the registration of voters and the procedure regulating elections to a local government council. The same constitution gives powers to the State Houses of Assembly to make laws with respect to election to a local government council. The confusion created by the constitution later became a source of controversy between the National Assembly and State Governors, which subsequently became a subject of litigation at the Supreme Court. It was in recognition
of this confusion caused by the 1999 constitution that the federal government set up the Presidential Technical Committee on the Review of the 1999 Constitution in October 1999. The Committee submitted its report to the President in February 2001. That process appeared to be stalled (Iguzo, 2009)

Suffice it however to say that despite these reforms, coupled with the available internal and external resources, local government system in Nigeria, including especially Nsukka local government council of Enugu state, has fallen short of its mandate of facilitating rural development in the country. The former civilian president of Nigeria, Olusegun Obasanjo, shortly after re-election in 2003, bemoaned this backdrop performance of local governments in Nigeria thus:

What we have witnessed is the abysmal failure of the local government system. It is on record that at no time in the history of the country has there been the current level of funding accruing to the local governments from the Federation Account, yet, the hope for rapid and sustained development has been a mirage as successive Councils have grossly under-performed in almost all the areas of their mandate...The number of Local Government Areas had also risen steadily from 301 in 1976 to 774 currently listed in the first schedule part of the Constitution of the Federal Republic of Nigeria, 1999, yet the clamour for the creation of more local governments has not abated. Indeed, as of date, a total of over 500 new local governments are in the process of being created by the various state governments (cited in Ezeani, 2012:22)

In the same manner, Ovaga (2009: 254) observes that:

Local government exists to provide services to the teeming population under its domain, and must be judged by its success in providing the service. The local governments in Nigeria are expected to harness all the available resources in their custody to enable them achieve their stated objectives. But considering the state of affairs in the local governments in Nigeria, one is constrained to ask if all the resources available to them are being effectively mobilized and utilized for the benefit of the rural communities, which they are expected to cater for? The importance of this question cannot be overemphasized since
most Nigerians are worried over the huge federal allocations that are pumped into the local governments throughout Nigeria, yet the rural communities seem to remain the same overtime. In other words, the decline in the provision of basic amenities for the upliftment of the rural environment, is a clear testimony that such huge amount of money allocated to local governments were never mobilized and utilized as expected.

The fore-going problems, which have remained irresolvable and recurrent in Nigerian local government administrative discourse, have in effect, negative implications on the local government grassroots development efforts in the country, and Nsukka local government area of Enugu State in particular. As a local government created in 1976, Nsukka local government council has encountered several problems in its grassroots development effort, as could be witnessed in the dearth of rural infrastructures and prevalence of poverty in the local government area. As such, a study of this nature has become germane.

This study therefore, is principally focused on investigating local government internally generated revenues and grassroots development in Enugu state, using Nsukka local government area as our reference point.

1.2 Statement of the Problem

Local government world over, is a product of decentralized administration. It is generally seen as a veritable agent of development and grass-roots participation in the democratic process (Ezeani, 2004). More still, local government refers to a political subdivision of a national or (in a federal system) state, which is constituted by law and has substantial control of local affairs, including the powers to impose taxes or to exert labor for prescribed purpose. “The governing body of such an entity is elected or otherwise locally selected” (United Nations office for public administration cited in Ezeani, 2004:254)

Globally, various strategies and approaches have been adopted or used by government for the purpose of good governance, and in their efforts at distributing the state resources to
reach the people at the grassroots. However, there has not been congruence or general agreement on which strategy is the best, especially in the administration of the rural areas. Decentralization constitutes the basic and principle basis for the establishment of Local government (Asaju, 2010)

Manhood (cited in Dalhatu, 2006) avers that too much concentration of political and economic power at one level would ultimately and inevitably lead to managerial constipation. According to him, the basis of Local government is inextricably woven around the principle of decentralization. Local government is the product of decentralized administration. He further defined decentralization as:

an arrangement by which the management of the public affairs of a country is shared by the central/state/province and local government in a manner that the Local government is given reasonable scope to raise funds and to use its resources to provide a range of socio-economic services and establish programmes to enhance the welfare of those resident in its area of authority (see Manhood cited in Dalhatu, 2006:20)

In any case, the importance of local government is derived from its role in complementing the effort of central or federal and state governments in the provisions of services within the areas of authority. In this way, it is seen as an efficient agent for providing services that are local in character. Besides, local government assists in the maintenance of law and order, sensitizing and mobilizing the various communities in its areas for effective participation in policy making process and over all development of the rural areas. While indeed, local government system has efficiently and effectively continued to perform the foregoing functions and other ones in developed economies such as the United States of America and Canada, in developing and third world states including especially Nigeria, the noble objectives of local governments have largely been distorted if not completely eroded by
different militating factors such as corruption, paucity of skilled manpower, inter-governmental fiscal relations among others.

As a result of inefficiency of local government system in Nigeria to discharge its statutory responsibilities, several changes and reforms have been instituted to address the problem. Thus, the Nigeria’s post-independence era, especially from 1976 to 2003 witnessed the institution of one reform policies or the other aimed at repositioning the local government system in the country to its constitutional role of fostering grassroots development and socio-economic and political mobilization for national development. Despite the reforms however, local government system in Nigeria, including Nsukka local government, has continued to suffer from many problems. Part of these problems according to Gboyega (2001) has been traced to military intervention in Nigerian government and politics. He observes:

The Military takeover of government in 1966 has severe repercussion for local government system which was radically changed to accommodate not only the hierarchical military command structure, but also to redress the abuses that the system had been subjected to. The restructuring was also meant to meet the aspirations of the people for greater political participation and empowerment in local government area. Despite the imposition of military rule and command structure, the regions and their successor, states, still retained control over local government policymaking and were thus able to carry out reforms that were deemed appropriate to their circumstances. The period of military rule from 1966 to 1975, therefore witnessed extensive experimentation with different theories and patterns of local government with quite mixed results (Gboyega, 2001:21).

As a result of this backdrop situation in local system in Nigeria, the 1976 Local Government Reform was instituted. The reform according to Ukwu (2001), marked a turning point in the historical development of local government administration in Nigeria. The 1976 reform marked the end of experiment and gave way to a common national local government system in Nigeria. The major thrust of the reform in the word of Orewa and Adewumi
is to entrust political responsibility to where it is most crucial and beneficial, that is to the people. It also aimed at social and development of and the effective delivery of the respective local population scattered all over the country. Unlike previous reforms which were highly restricted in scope and range, the 1976 reform followed extensive consultations at all the levels of the federating units and among other stakeholders and experts.

The reform also conceptualized local government as the third tier of government operating with a common institutional framework (Orewa and Adewumi, 1983).

Furthermore, one of the fundamental objectives of the Federal Military Government of Obasanjo in instituting the 1976 local government reforms was to eliminate the extreme instability which has hitherto characterized local government system in the country and to reposition the system to greater efficiency and effectiveness in the discharge of its roles (Oyewole, 1980). Besides, the need to ensure the involvement and participation of the people at the local level in actual decisions and plans to develop their areas constituted another important reason which compelled the Federal Government for the reforms. Perhaps, the most reason for the reforms was the need to mobilize the people at the local level so as to harness their energies and resources towards national development (Guideline for Local Government Reforms, 1976).

As third tier of government, local government gets its statutory share of allocation direct from the Federation account and it is empowered to exercise control over its spending. In addition, the reform provided for a democratically elected local government councils. All the provisions of the 1976 Reform were entrenched in the 1979 Constitution which anchored in the Second Republic. However, the 1976 Reform invariably gave the Federal Government more domineering role. As Gboyega (2001:25) rightly observes;
…the consequences of Federal intervention and imposition of a common system of local government have been mixed… from a benign role that clearly retained State dominance of Local government policy-making, the federal role has gradually widened to the point where the Federal Government can initiate local government Policy reform

This backdrop in local government system continued in the Second Republic, but this time more turbulent. It was a period in which to put to practice the provision of the 1976 Local Government Reform as contained in the 1979 Constitution. It was a testing period in which the State and the Federal Government contested the control of Local Government Policy with each other. Attempts by the State to re-establish their primacy in local government policy-making not only created conflict with the Federal Government, but also weakened the power of the local government (Gboyega, 2001). The States, especially, abused some provisions of the 1979 Constitution to suit their selfish desires. State governments neglected or voided aspects of the 1976 Reforms that they were displeased with and distorted those that were merely inconvenient. For instance, throughout the Second Republic (1979-1983), no election was held into the Local Government Councils, only Sole Administrators were appointed. This was at variance with the 1976 Reforms and 1979 Constitution, especially (Section 7) which provides for a democratic elected Local Government Council throughout the federation. Such behavior painted the State as villains and provoked demands for greater federal role in local government Policy-making (Gboyega, 2001).

The re-emergence of the military into the political scene brought about a shift of Local government control from the State to the Federal government. The Babangida administration (1984-1993) initiated some reforms aimed at ensuring local government autonomy. Some of the reforms included the abolition of the Ministry of Local Government, establishment of executive and legislative arms in Local Councils, and direct allocation to Local government
without passing through the State government. The statutory allocation of the Local
government was also increased from 15 percent to 20 percent in 1992. There was that
agreement among scholars, (Gboyega, 2001, Igbuzor, 2003) that the reforms of this period
were aimed at a radical transformation of the status of local government in a federal system.
Thus, the Federal government's scheme of decentralisation was deliberately and consciously
focused in transferring greater powers and resources to local governments rather than to state
governments. Through the reforms at this period, it could be said that a greater measure of
devolution was made at the expense of the state. This however, provoked negative reactions
from the state and suspicion about federal motives in promoting the reforms. The Abacha
Administration (1993-1996) however, revised some of the reforms.

The exit of the military and the enthronement of the democratic government in 1999
brought to the fore, again, the problem of local government autonomy. The provisions
regarding local government administration in the 1999 Constitution created a lot of confusion.
The 1999 constitution by its provisions in section 7 and 8 recognize the local government as a
third tier of government and also guarantee it, but gives the state the autonomy to lord over
the local government. Sections 7 and 8 of the constitution of the Federal Republic of Nigeria
(1999: 10) provide that there shall be:

The system of local government by democratically elected
councils (which) is by this Constitution guaranteed and
accordingly, the government of every State shall, subject to
section 8 of this Constitution…. ensure their existence under a
law which provides for the establishment; structure,
composition, finance and functions of such councils.

The implication of these provisions is that local government cannot exercise the functions
assigned to it in section 1 schedule 4 of the Constitution until the State House of Assembly
had passed a law. The same Fourth Schedule of the Constitution also provides for the
functions of the Local government Council to also include participation of such Council in
government of a state as in respect of the following matters, education, agricultural materials
resources, healthcare and any other function assigned to it by the State House of Assembly
(Igbuzor, 2003)

In line with the reforms, Nsukka local government council has the following sources of revenue:

- Internal sources. Internal sources revenue include community rate and development
  rate. Community rate is levied on male adults from eighteen years old and above.
  However, the amount charged differs from rural areas and urban areas. Agents are
  often appointed at the village levels. The number of agents for a village ranges from
  two to three depending on the population of such village. These agents collect the rates
  and pay into the council’s treasury and are paid on commission basis in return by the
  council. The staff of the council often goes to the field to collect these revenues from
  individuals who refuse to pay at stipulated time. They do this mostly at market places
  and by mounting check-points on major roads. The payment however, is not restricted
to the indigenes of the local government but include every male adult seen or living
within the locality who has not paid for such rate elsewhere. Community rate is
however known to have generated enough funds for the local government.

- Property Rate. Property or tenement rate is at present confined to a relative few
  (urban centers) areas in Nigeria. This is because only urban councils in Nigeria collect
  these rates (Adebayo et al 1978). Property rates however, are very productive source
  of revenues for these urban councils. It is very easy to meet estimate revenue target on
  property rate because the property is immovable and even if there is arrears, this can
easily be collected. Commercial buildings attract higher rates than residential
buildings and undeveloped plots which may be used for commercial activities. Nsukka local government council seldom does the evaluation/collection with the help of state valuers.

- Licenses/fees. These are other veritable aspects of internal sources of revenue available to local governments. In Nsukka local government council they are grouped under Head 1003 with the following sub heads with 1-11 items, licenses fees and furies, general license, food control, security, social, health, economic, and engineering works and survey. Under the sub-head items, squatters/hawkers permit fees are most effective. This is followed by kiosk license fees and liquor license fees. Liquor license has these categories – wholesale, Hotel, Taven, ON, OH, Club House and Video Bars.

- Rent on Local Government Property. This is another internal source of revenue that is reliable if properly collected and accounted for. It includes rent on local government quarters, rent on other local government buildings and local government landed property. It is a known fact in Nsukka local government that occupants of these buildings that are mainly civil and public servants have in several occasions failed to pay the rents. Besides, their relations that they sometimes sublet these properties make use of them on government expenses. Thus, revenue estimates on the properties often fall short. For instance, in 2004, ₦500,000 was estimated but only 250,000 was collected (2004 supplementary estimates of Nsukka Local Government council).

- Earnings from Commercial Undertaking. Revenues realized from these come from markets, motor parks, shops and shopping centers, cattle market, Abattoir/slaughter houses, proceeds from sale of consumer goods, transport service earnings, earnings from industrial undertakings, earnings from other commercial undertakings. Earning
from commercial undertakings are known to have accounted for 30% of total revenue earnings of Nsukka Local Government council for the past two decades (Nsukka Local Government Document, 2010). For instance in 1990, out of the approved estimate of ₦850,000, ₦107,120 was collected from market and ₦40,000 out of ₦200,000 was collected under motor parks.

- External Sources. External sources of revenue in Nsukka local government council include, statutory allocations, grant-in-aid and loans. Local governments, apart from generation of revenues internally have the right to share from the federal account, known as Distributable Pool Account (DPA). Apart from the Statutory Allocation, local governments depend on subventions and grant-in-aid from both the state and federal government. The man aim of grant-in-aid however, is to supplement and augment the resources of the local government in order to enable it discharge its statutory functions effectively. Such grant-in-aid includes percentage grants, unit grants, block grants and equalization grants (see Nsukka Loca Government Council Document, 2010:12-14)

Other sources of generating revenues in Nsukka local government council include mortuary/cemetery earnings, recovery of losses and over-payment, payment in view of registration notices, unclaimed deposits among others.

Despite the foregoing sources of revenue of Nsukka local government council and the far-reaching effects of 1976 local government reforms, which recognized the local government system in Nigeria as a third-tier government with clearly defined functions, powers and sources of revenues, the system had indeed, suffered several militating factors that made further reforms and changes necessary. The subsequent military regime’s reforms such as Buhari/Idiagbon’s reforms of 1988 and 1991, and Obasanjo’s civilian regimes reforms of
2003 were all marred by one form of problem or the other of which corruption and mismanagement of funds were at high side.

Arising from the above therefore, local governments in Nigeria have since failed to live up to their statutory billings in grassroots development, especially our case study local government, Nsukka. This situation is made worse by the inability of Nsukka local government council to mobilize and use revenue to meet its obligations in a sustainable way. Besides, available data shows that there is a gross shortage of skilled and professional manpower in the local government council as a result of paucity of funds to attract and retain them coupled with mode of political and personnel recruitment policies and practices. Thus, there is paucity of skilled knowledge required for effective and efficient running of the local government council, especially as it affects the internally generated revenues and management of the available resources to meet set targets. These problems have been provoked by a number of factors including over-dependence on statutory allocations from the state and federal governments, deliberate tax evasion by the local citizenry, difference in the status of local governments in terms of the rural-urban dimension, and inadequate revenue and restricted fiscal jurisdiction (Akindele, 2002:3).

Many scholars such as Udeala (2001), Akpan and John (1998), Awotokun (2005), Igbuzor (2004), Lawal (2000), Osuji (1984), Okwueze (2010), Ezeani (2004), Ogbonna (2003), have written extensively on the problems associated with local government administration in Nigeria. But, none of these scholars have examined the relationship between the paucity of highly skilled manpower in Nsukka local government council necessary to generate internal revenues for grassroots development in Nsukka local government area, coupled with the problems of state government’s unbridled interference in the funds available to the council through the State Joint Local Government Account (SJLGA), poor auditing,
accountability and proper monitoring of the rural development projects. However, whereas the scholars made mention of these problems, their analysis often lack well articulated, coherent and empirical data necessary for generalization. Thus, it is this noticeable lacuna which the scholars have not adequately filled that this study is aimed at filling using the understated research questions as guide:

1. Does official corruption undermine the capacity of Nsukka local government council to generate internal revenues for grassroots development?
2. Is there a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems?
3. Does poor auditing and monitoring of rural development projects contribute to the internally generated revenues and rural development problems of Nsukka local government council?

1.3 Objectives of the Study

This study has both broad and specific objectives. The broad objective of this study is to explore internally generated revenues and grassroots development in Enugu state, using Nsukk local government council as case study. However, the specific objectives include the following.

1. To ascertain whether official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development
2. To examine the relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems
3. To ascertain whether of poor auditing and monitoring of rural development projects contribute to the internally generated revenues and grassroots development problems of Nsukka local government council

1.4 Significance of the Study

This study has both theoretical and practical significance. The theoretical relevance of this study derives from its focus on determining if; (1) official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development; (2) the relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems; and (3) whether poor auditing and monitoring of rural development projects contribute to the internally generated revenues and rural development problems of Nsukka local government council. These have however, provided a new theoretical framework under which the problems associated with internally generated revenues and grassroots development in Enugu state and Nsukka local government council could be explained and analyzed. In addition, the study will enrich the existing stock of scholarly literature on internally generated revenues and grassroots development in Enugu state through its major findings and therefore, will serve as a source of references material or data for scholars whose interest would eventually be aroused by this study to undertake further studies in the area.

At the practical level, this study will be of interest and immense importance to Nigerian government, Enugu state and local government scholars interested in the problems militating against internally generated revenues and grassroots development in Enugu state and Nsukka local government council in particular. The issues discussed will not only enhance the understanding of local government internally generated revenues and grassroots development problems in Nigeria but will provide valuable information/data that will assist
local government scholars and law makers in articulating potent policies that will help to address the problems.

1.5 Scope of the Study

The scope of this study shall be limited to the exploration of local government internally generated revenues and grassroots development in Nigeria generally and Nsukka local government council of Enugu state in particular since 1999. To this end, Nsukka local government council remains the population of study, but through sampling techniques, our sample size were selected. The sample size constitutes both literate and semi-literate of the local government staff. However, data for this study are limited to primary sources such as questionnaires and interviews. Moreover, some references were drawn from secondary sources such as Nsukka local government council financial books and documents, journal articles, textbooks, commentaries in newspapers/magazines and research studies.

In addition, some limitations have been identified in this study. First, this study is limited by paucity of fund and time allocation. In no doubt, the quality of scientific research like this study is always the function of the available resources and time allocation. Thus, the time allocation and non availability of fund actually contribute a very big constraint to this study. Again, bias on the side of the respondents can equally not be over emphasized. The validity of this study is affected by the responding bias attitude in responding to the questionnaire and interviews. Finally, this study is limited by a number of unavoidable mistakes resulting from the presentations and tabulations. We do hope to improve on these shortcomings in future studies of this nature.
1.6 Operational Definitions

Local Administration

Local administration is different from local government as observed by Rondinelli (1981). Thus, according to him, it is a form of deconcentration in which all subordinate levels of government within a country are agents of the central authority, usually the executive branch, regions, provinces, districts, municipalities and other units of government headed by or are responsible directly to a central government agency and the head of the local administration serve at the pleasure of the nation’s chief executive.

Decentralization

Decentralization constitutes the basic and principle basis for the establishment of Local government. This is because of the belief among local government scholars such as Manhood (1970), Dalhatu (2006), Asaju (2001), among numerous others, that too much concentration of political and economic power at one level would ultimately and inevitably lead to managerial constipation. The basis of Local government is therefore, inextricably woven around the principle of decentralization. Local government is indeed, the product of decentralized administration. Decentralization is therefore seen in this study as an arrangement by which the management of the public affairs of a country is shared by the central/ state/province and local government in a manner that the Local government is given reasonable scope to raise funds and to use its resources to provide a range of socio-economic services and establish programmes to enhance the welfare of those resident in its area of authority. Decentralization can either be political or by devolution. Politically, decentralization involves the transfer of authority on a geographical basis in form of de-concentration or devolution. Decentralization by devolution is preferred in most nation-state in order to promote rapid development of the country, this manifests itself in the
establishment of local government. As observed Omale (2005), most nation-states avoid centralization because it inhibits the active political participation of the citizens in the running of their own affairs, and could be by implementation; results in a situation whereby despotism is extolled. This, according to him, precisely explains why most countries of the world prefer to decentralize their administration by devolution.

**Local Government Autonomy**

Within the context of this study, local government autonomy is used to denote the ability conferred to local governments in Nigeria by the constitution to take decisions and carry out their respective constitutional responsibilities without external control. In extension, it refers to the power of local governments to exercise total control over its finances and revenue generation without excessive or any interference from other levels of government in Nigeria. Local government autonomy gained impetus in Nigeria following the 1976 nationwide local reforms. The reform conceptualized local government as the third tier of government operating with a common institutional framework with defined functions and responsibilities. As a third tier of government, local governments were meant to get their statutory shares of allocation direct from the Federation account and they were equally empowered to exercise control over it’s spending. However, the 1976 Reform invariably gave the Federal Government more domineering role as Gboyega (2001) rightly observed. The consequences of Federal intervention and imposition of a common system of local government have been mixed, from a benign role that clearly retained state dominance of Local government policy-making, the federal role according to him, has gradually widened to the point where the Federal Government can initiate local government Policy reform. The state governments have equally abused some provisions of the 1979 constitution to suit their
selfish desires, especially with the return of democratic governance in Nigeria in 1999 after many years of military rule.

**Local Government Revenue**

Within the context of this study, local government revenue implies the income, inform of money, accrued to the Local governments in Nigeria and Nsukka local government council in particular. Basically, there are two traditional sources of local government revenue in Nigeria: external and internal. The external sources include statutory allocation, which is local governments’ share of the either specific items or the total nationally derived revenue. It was for this purpose according to Asaju (2010) that 1976 nationwide local government reform in Nigeria conceptualized local government as the third tier of government operating with a common institutional framework with defined functions and responsibilities. As a third tier of government, local governments in Nigeria derive their statutory share of allocation direct from the Federation account and they are empowered to exercise control over its spending. The grant-in-aid entails the federal or central government providing the local government with financial support to enable them achieve their functional targets. The grants take several forms depending on the objectives which they are meant to attain. The major grants include block, equalization, percentage, unit, special and emergency grants. Although local governments may receive a substantial part of their revenue from external sources, it is obvious that if they are to have substantial autonomy and respect, the local governments must be able to raise a comparable amount from their own resources. The following according to Ezeani (2004: 3) are the main internal sources of local government revenue:

- Rates and Taxes
- Receipts derived from any public utility concern or any service or undertaking belonging to or maintained by local government.
• Rents derived from the letting or leasing of any building or land belonging to a local government

• Interests on the investment of funds of a local government

• Licenses, fees and fines

However, and as Gboyega (2001) has rightly observed, the consequences of Federal intervention and imposition of a common system of local government have been mixed, from a benign role that clearly retained State dominance of Local government policy-making, the federal role has gradually widened to the point where the Federal Government can initiate local government Policy reform. The state governments have equally intervened severally in the affairs of local governments in Nigeria, especially following the return of democratic governance in 1999 in Nigeria after many years of military rule.

**Development**

Development is seen in this study as a qualitative improvement in the living standard of members of the society. It is usually measured by such indicators like literacy rate, rate of employment, the distribution of income, availability of good drinking water, good road network, regular supply of electricity, decent housing, availability of medical facilities and access to them. Development implies, according to Igwe (2007), all round interconnected progressive transformation of man, society and nature made possible by his incremental mastery over them.

**Grass Root**

This refers to basis or remote area in a political division/local government that is affected by government decisions. The essence of local government the world over is to complement the efforts of other levels of governments in a given polity in bringing development at the door step of the people of the grassroots. As such, and in modern times,
any meaningful development that ignores the people at grassroots is bound to fail because according to the United Nations Development Program (2006) report in Nigeria, development is all about expressing a lot of concern about the predicament of the rural poor and the imperatives of several baseline requirements for human development. These requirements according to the report involve unrestricted access to land and water resources, agricultural inputs and services, including extension and research facilities, and participatory development strategies to tackle rural poverty, with social equity and civil participation viewed as essential to well-rounded socio-economic development.
CHAPTER TWO
LITERATURE REVIEW

This study is principally focused on critical investigation of internally generated revenue and grassroots development in Enugu state, using Nsukka local government council as a case study. Accordingly, the aim of this review is to examine pertinent literature with respect to the following research questions in order to locate the gap in the literature:

1. Does official corruption undermine the capacity of Nsukka local government council to generate internal revenues for grassroots development?

2. Is there a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems?

3. Does poor and monitoring of rural development projects contribute to the internal generated revenues and grassroots development problems of Nsukka local government council?

2.1 Theoretical Literature

Local government the world over is seen as political subdivision of a nation (in a federal system) state, which is constituted by law and has substantial control of local affairs including the powers to impose taxes or to exact labor for prescribed purposes. It is a government at local level exercised through representative councils established by law to exercise specific powers defined areas. These powers give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their
traditional institutes, that local initiative and responses to local head and conditions are maximized.

To this end, Awa (1991:4) sees local government as “a political authority set up by a nation or state as a subordinate authority for the purpose of dispersing or decentralizing political power”. Wraith (1994:10) also defines local government as “the act of decentralizing power, which may take the form of deconcentration or devolution”. Deconcentration according to him involves delegation of authority to field units of the same department and devolution on the other hand refers to a transfer of authority to local government units or special statutory bodies such as school boards for instance. From this perceptive, one can see local government as a lesser power in the national polity. It is an administrative agency through which control and authority relates to the people at the grassroots or periphery.

Emezi (1994:3) on the other hand perceived local government as:

System of local administration under local communities that are organized to maintain law and order, provide some limited range of social amenities, and encourage cooperation and participation of inhabitants towards the improvement of their conditions of living.

According to him, local government provides the community with formal organizational framework which enables them to conduct their affairs effectively for the general good. He emphasized more on maintenance of law and order and provision of limited range of social services. In essence, the conceptual view of local government is basically a function of space and time factor. For example in colonial time, native administration was primarily established for maintenance of law and order. With the emergence of independence, emphasis shifted from law enforcement to the provision of social services.

Whallen (1996) views local government as a given territory and population, an institutional structure for legislative, executive or administrative purposes; a separate legal
identity, a range of powers and functions authorized by delegation from the appropriate central or intermediate legislative and within the ambit of such delegation, autonomy including fiscal autonomy.

Gboyega (1997) on the other hand, argues that there exist two basic classes of theories of local government. The first class attempts to justify the existence or need for local government on the basis of its being essential to a democratic regime or for practical administrative purposes like responsiveness, accountability and control. The second class of theories opined that an effective local government system contradicts the purpose of a democratic regime. This position is justified on the ground that local government institutions are neither democratic in their internal operations nor admit a responsiveness, accountability and control.

The above position is further summarized into different schools of thought with emphasis on the functional responsibilities of local government. According to Ola (1994:14), these schools of thought include:

- Democratic Participatory School
- The Efficient-Service School
- The Developmental School

Essentially, the democratic school of thought holds that local government function to bring about democracy and to afford opportunities for political participation to the citizen as well as to educate and socialize him politically. This viewpoint has been corroborated by Keith-Lucas, David Bulfer and William Machenizei. The efficiency school argued that services that is central and important to local government is not the bringing about of democracy but rather that local government must be judged - by its success in providing services such as health services up to a standard measured by a national inspectorate.
Jim (1997) opines that the efficient performance of these services is so compelling that, if local government did not exist, something else would be created in its place. The developmental school defer from the above two schools of thought over its ethnocentric bias in favour of the developed Western democracies. He argues that from Alex-de- Tocqueville and J.S. Mill to James Bryce and to the contemporary theorists such as James, Sharpe, William Mackenzie and Hugh Whalen, there was the emphasis on Western Europe and Northern American.

The developmental school really emphasized on how local government in the developing world can be an effective agent of a better life, an improved means of living, socially and economically, and a means to a better share in the national wealth. In sum, the above approaches can be categorized into two: the general and the developmental categories. The major functional items in the general category which sums up the ideas of the democratic participatory and the efficiency-school are Democratic ideals, political participation, protective services and infrastructural services. Under the developmental category are national integration, social and economic development, and manpower resources development.

Arising from these definitions, the Nigerian Local Government Reform (1976) states the primary objectives of the local government as follows:

- To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representatives body;
- To facilitate the exercise of democratic self government close to the local government levels of our society, and to encourage initiatives and leadership potential;
- To mobilize human and material resources through the involvement of members of the public in their local development;
• To provide a two way channel of communication between local communities and government (both state and federal) Arising from the guidelines, the primary aim of local government is even far beyond the conceptual views of the above scholars. More importantly, and against these objectives as they pertain to local government system, the 1976 local government reforms, the 1979, 1989, and 1999 reform were indeed, instituted to make local government the bedrock of national politics in Nigeria. Thus, the Guideline for Local Government Reform in Nigeria (1976:2) defines local government as:

Government at local level exercised through representative councils established by law to exercise specific powers defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their traditional institutes, that local initiative and responses to local head and conditions are maximized.

According to Asaju (2010: 101), the implications of the foregoing definitions of local government are that:

• Local government must be a legal entity distinct from the state and federal government
• Local government must be administered by democratically elected officials
• Local government must have specific powers to perform range of functions assigned it by law
• Local government must enjoy substantial autonomy to perform array of functions, plan, formulate and execute its own policies, programmes and projects, and its own rules and regulations as deemed for its local needs. This autonomy includes power to control its finance, recruit and discipline its staff.
The concept of local government involves a philosophical commitment to democratic participation in the governing process at the grassroots level. This implies legal and administrative decentralisation of authority, power and personnel by a higher level of government to a community with a will of its own, performing specific functions as within the wider national framework. A local government is a “government at the grassroots level of administration meant for meeting peculiar grassroots need of the people” (Agagu, 1997:18). It is defined as "government by the popularly elected bodies charged with administrative and executive duties in matters concerning the inhabitants of a particular district or place (Appadorai, 1975:287).

Looking at the existence, performance and relevance of local government, Laski (1982:44) opines that:

We cannot realize the full benefit of democratic government unless we begin by the admission that all problems are not central problems, and that the result of problems not central in their incidence requires decision at the place, and by the person, where and whom the incidence is most deeply felt

Local government can also be defined as that tier of government closest to the people, "which is vested with certain powers to exercise control over the affairs of people in its domain" (Lawal, 2000:60). A local government is expected to play the role of promoting the democratic ideals of a society and co-coordinating development programme at the local level. It is also expected to serve as the basis of socio-economic development in the locality. Observations have shown that local government in Nigeria has not performed to expectation. Keen observers have since adduced various propositions for explaining the reasons why the system has recorded abysmal level of inefficiency and ineffectiveness vis-à-vis justification for its establishment.
Regardless of nomenclature, Nwabueze (1982) observes that local government is a creation of British colonial rule in Nigeria. It has overtime experienced change in name, structure and composition. Between 1930s and 1940s, for instance, according to him, local government was known as chief-in-council and chief-and-council, where traditional rulers were given pride of place in the scheme of things. In the 1950s, election was introduced according to the British model in the western and eastern parts of the country with some measure of autonomy in personnel, financial and general administration. It was on this premise he maintains that the rising tide of progress, growth and development experienced in the local governments in these areas was based. The pace of this development was more noticeable in the south than in the north. During this period, he observes that heterogeneity was the hallmark of local government as there was no uniformity in the system and the level of development was also remarkably different. The introduction of 1976 reforms by military administration of General Obasanjo brought about uniformity in the administrative structure of the system. The reforms introduced a multi-purpose single-tier local government system. The reforms also introduced population criterion under which a local government could be created. Consequently, a population of within 150,000 to 800,000 was considered feasible for a local government. This was done to avoid the creation of non-viable local council and for easy accessibility. There was provision for elective positions having the chairmen as executive head of local government with supervisory councilors constituting the cabinet. This was complemented by the bureaucrats and professionals, such as Doctors, Engineers, etc., who were charged with the responsibility of implementing policies. In 1991, a major landmark reform was introduced as the system had legislative arm. In addition, the Babangida administration increased the number of local government from 301 in 1976 to 453 in 1989 and 589 in 1991. The Abacha regime also increased the number to 774 local councils with restructured administrative system. Apart from the celebrated 1976 reforms, he further
observes that state government officials have also introduced various manipulations in the local system in Nigeria.

2.2 Empirical Literature

To Ikejiani-Clark and Okoli (1995), local government administration in Nigeria has come of age, not so much because of its efficiency and effectiveness, but primarily because of the academic and professional attention it commands. The 1976 local government reforms and subsequent entrenchment of the vital provisions of these reforms in the 1979 Nigerian Constitution according to them, set the stage for increased concern, about and awareness of local government administration in Nigeria. One major fall-out of these reforms was the emergence of local government as the third tier of government in Nigeria alongside the state and the federal governments. The subsequent local government Decrees of 1989, 1990, 1991 and 1992, were all intended to operationalize the third tier status of local government in Nigeria. This, in effect, they maintain means the granting of a higher degree of autonomy to the local governments. Decree No. 15 of 1989 they observe was intended to grapple with this problem of local government autonomy. They maintain that in spite of the elaborate provisions of this decree, and the determination of the federal government to give teeth to local government administration, ideals did not approximate reality, autonomy for local governments became a mirage, as shifting sand. The intentions of the Decree, the ambitions of the local governments and the needs of the state governments did not converge. In fact, according to them, the divergence became so great that it became a chasm in need of a bridge. Subsequent amendments embodies in Decrees No. 25 of 1990, No.3 of 1991 and No.41 of 1991 were all intended to build this bridge. Again, as they further observe, all efforts in this direction did not yield much dividends. Local government in Nigeria continues till date to be bugged down by numerous external and internal problems
According to Idike (1995), one of the objectives of the 1976 local government reforms in Nigeria was to create a local government system with complete and self-contained budget that will be effective and effectual. She observes that before the reforms, Nigerian local government councils from their inception had suffered seriously from the perennial problem of finance. In a bid to ensure a sound financial base for local government, she maintains that section 149 (2), 4, 5, 6, 7, of the 1979 Constitution, affirmed that any amount standing to the credit of the federation account shall be distributed among the federal, state and the local government councils on such terms and in such manner as may be described by the National Assembly. It further enjoined each state to maintain a special account to be called ‘State Joint Local Government Account’ into which shall be paid all allocations to local government councils of the state from the federation account and from the government of the state. Section 149 (6) of the 1979 Constitution also provided that each state shall pay to the local government accounts in its area of jurisdiction such proportion of its total revenue on such terms and such manner as may be prescribed by the National Assembly. In order to address this problem adequately according to her, provision was made under the revenue allocation act, 1982, but was later increased to 15% in 1989 and 20% in 1992. State governments were to contribute 10% of their total revenue into state joint local government account promptly and regularly. All these measures and subsequent ones she observes were aimed at improving the overall performance of local government but their flagrant violation by the state governments and operators of the system seriously denuded their positive effects on the local government.

To Abubakar (1989), the expediency for the creation of local government anywhere in the world stems from the need to facilitate development at the grassroots. The importance of local government is a function of its ability to generate sense of belongingness, safety and satisfaction among its populace. All forms of government, regimes or political systems have so
far ensured the attainment of this goal. Such strategy for ensuring national administrative development and political efficacy is found in the concept and practice of local government. Whatever is the mode of government, he contends that local government has been essentially regarded as the path to, and guarantor of, national integration, administration and development. In Nigeria's socio-political context, with multiplicity of culture, diversity of languages and differentiated needs and means, he observes that the importance of such an organization in fostering the needed national consciousness, unity and relative uniformity as well as preservation of peculiar diversities cannot be over-emphasized. Central to the creation of local government, however, is its ability to facilitate an avenue through which government and the people intermix, relate and more quickly than any other means resolve or dissolve issues that may have heated the system. Local government according to him has been perceived as a panacea for the diverse problems of the diverse people with diverse culture. As important as this tier of government has been, he observes that there seems to be some impediments that have been infringing on its performance and functions in recent times. These impediments range from political but undue interference of the higher levels of government i.e. federal and state governments to embezzlement and gross inadequacy of well-trained and qualified personnel.

According to Okoli (2007), hard-earned and limited resources accrued to and raised by local government are always mismanaged. Priorities are misplaced; projects are done not according to or as demanded by the people but regrettably in tune with the selfish end and aggrandizement of the political leadership in collaboration with the senior bureaucrats at the local government level of administration. Coupled with this according to him is the greatest bane of development in the Nigerian public service in general and local government in particular which corruption is. Reports of probe panels at the three tiers of government have revealed the culpability of civil servants. Corruption in low and high places, corruption has
been rampant among the senior civil bureaucrats to whom the public funds meant for development purposes are entrusted. Generally, wide-scale embezzlement by officials of the grassroots has made the needed development of the grassroots a tall dream and has rendered them financially incapable to discharge their constitutionally assigned responsibilities. Indiscipline according to him is rampant and well pronounced among the workers in third tier of government. The senior officers who travel to their families away from their offices on Friday return very late the following Monday or may decide to stay back till Tuesday; and the junior members of staff who directly or indirectly observe this more often than not are in the habit of playing truant with their jobs. Little or no commitment to duty has become a rule rather than an exception. Offices he maintains have been turned to marketplaces where officers hawk their goods freely. The rules that guide moral conduct and professional ethics seem to have, at worse, become a cobweb that is so weak to tame the monstrous activities of the workers. Indiscriminate lustful desires are noticeable among the workers. The official's relationship between super ordinates and subordinates has been stained. Strict instructions handed down from top echelon to the bottom are either not followed or treated with levity as a result of the immoral relationship between the boss and subordinates. Official duties are seen as an extension of private leisure. Laissez-faire attitude to work has arrested the efficiency of local government and has drastically affected its performance

He observes further that this backdrop situation in the local government system in Nigeria is compounded by the degree of external influence and intrusion in local government affairs by the higher levels of government. Situation where the state governor unconstitutionally dissolves the entire elected council's officers without proper investigations on spurious allegations is not good for the future of local government administration in the country. Such external interference indeed subverts democratic process and undermines
constitutional authority at the grassroots level. The crux of the matter according to him is the power and misuse of it enjoyed by the state governments over local governments. Practically, and in true sense, he observes that local government in Nigeria lacks autonomous financial power. Local government is now considered as an extension of state's ministry. The inherent nature of this problem has caused subservience, a situation where local government waits for the next directives from state government before the former could think of, let alone embarking on developmental projects. This has made local government an object of control and directives. The major challenge that local government faces is the political control the respective state governor has on the local government chairmen. This is as a result of the fact that state governor sponsors election of most, if not all, of the chairmen. They are handpicked by the state governor rather than being elected. It is a clear case of who pays the piper dictates the tune. This again creates a problem of diversion of local government funds for personal use of state governors.

In Enugu state, for instance, he observes that the unholy alliance between state government and local councils in the state, where the state government constitutes Joint Action Committee, tagged ‘JAC’. Federal allocations to local government are first deposited into a particular ad hoc account before calling for the committee meeting. This in a way paves the way for the state government to plan for the local government and release the money in installments. The motive behind this is to divert the money to another thing entirely which does not have impact on the lives of the rural dwellers but that will be beneficial to the state governor. Another thing he maintains is the interest that the money will generate in the bank. The implication of this is that few of the local government chairmen who have genuine intentions and are ready to perform are being discouraged. This again assigns more power and
control to the state governor. The overall effect of this is the negative impact it has on the people of the grassroots as they are getting more and more alienated from development.

To Ogbodo (1998), local government system in Nigeria is traceable to the traditional political system in the country. It was through the instrumentality of traditional authorities. By this is meant the Igwe, Chiefs, age grades and village councils. It was through the societal interaction that authoritative allocations of values were made for the society. In the past, most of these local governments were created to score cheap political points without due regard for their viability. Apart from political and administrative considerations that ought to be carefully examined in determining the viability of a local government in Nigeria, he avers that financial consideration is also a relevant factor that must be scrutinize and ascertained before considering a certain geo-political entity for a local government. Local administration was strengthened further when Britain made its presence felt in Nigeria, in 1900 Lord Laggard introduced the system of indirect rule into Northern Nigeria and by 1914 the system has spread to other parts of the country. The colonial native authorities he observes were established with the traditional rulers having absolute powers. The native authorities provided form of stable local administration which strengthened the base of the colonial government. However the concept of the local administration charged to that of local government in 1946 after the defect of conservatives and the coming into power of the labour party.

Before the coming of the Britain into Nigeria he further observes that the institution of the traditional authorities were held sacred and is legitimized their actions and decision. In the North, the Emirs ruled in the emirates and developed a well organized fiscal system, a definite scheme of land tenure, a regular scheme of local rule and established judiciary with trained personnel interpreting the Islamic laws in the Southern part of the country. Local rulers with defined administrative system through the fiscal system were less organized. Administrative
consideration will include a number of factors, one of which is purely government annually. This item includes councilor’s allowances, personal emoluments of staff and miscellaneous expenditure like pensions and gratuities etc. The financial considerations include a number of factors. One is the revenue base the size and major sources of revenue such as taxes, rates and fees including market and motor park fees, etc. Since tax is paid by the taxpayers resident in the local government area of authority. The amount of revenue derived from tax depends on the number of tax payers in the area. Thus, the size of the local government in terms of taxable population becomes important. There is also the ability of the area to execute development projects from its internal sources or from short and medium term loan. The magnitude of the council, reserves or end of year surpluses is another factor.

According to Abubakar, Akwara and Agba (2013), Nigeria operates a federal system of government with a Federal Capital Territory (Abuja), 36 states and 774 local governments. As creatures of the federal government, local governments are constitutionally mandated to perform four basic functions: to provide a machinery for the discussion of local needs and for the provisions of corresponding services within the competence and capability of the local area; to provide machinery for the execution at the local level of regional or federal government policy; to provide a consensus mechanism for the resolution of conflicts of interest at the local level; and to provide a training ground for political participation and articulation. This implies that Nigerian local governments are to render cutting edge services that will foster socio-economic development of the rural people. If properly managed, local governments are viable instrument for rural transformation, development and the delivery of social services to rural communities in their jurisdiction. Historically speaking, they maintain that local governments have been assigned different functions. In colonial time, native authorities were primarily established for maintenance of law and order. With the emergence of independence, emphasis shifted from laws
enforcement to the provision of social services. How well Nigerian local governments have carried out their constitutionally mandated functions have become a subject of national debate, among scholars and practitioners. To say the least, they observe that their operations have come under serious and severe criticisms with some persons calling for the scrapping of the third tier of government. Local government service delivery has continued to dwindle and epileptic in nature despite financial allocations, local government reforms like the 1976.

Feldman and Goldrick (1980) had examined the rationale behind the creation of local government when they wrote that local government the world over is created to facilitate grassroots development and ensure accountability and transparency in the discharge of its obligations. However, they argued that local governments in Nigeria have over the years failed to live up to their statutory billings owing significantly to financial and management constraints. Thus, the connection between the statutory allocations by both the state and federal governments coupled with the internally generated revenues and the service delivery at the local level had since been non-existent.

According to Obiyan (2002), Ekpo and Ndebbi (1998), the Local Government is the closest tier of government to the people in Nigeria, yet the resident population in it is denied the benefits of its existence. This is evident in the environmental state, deteriorating public school buildings, poor market facilities and lack of health centers. The failure of the local governments in the area of service delivery has made the citizens to lose trust in government as an institution. In some areas, council officials are better known for the harassment of citizens than service delivery. Many Nigerians crave for change in the local government system as presently constituted in order not only to bring it in conformity with present day realities but also to make it live up to the expectations of the people who have been yearning for grassroots development. Internally Generated Revenue (IGR) is the revenue that the local government generates within
the area of its jurisdiction. The primary source of local government sustenance is from Federal Allocation. It is the livewire of a local government. The extent to which a local government can go in accomplishing its goal will largely depend on its IGR strength. The capacity of local government to generate revenue internally is one very crucial consideration for the creation of a local council. They noted further that local governments in Nigeria depend solely on statutory allocations from the federal government. In recent times though, there have been dwindling pattern in the federal allocation because most of the federal government revenue is from petroleum proceeds. There is less demand for petroleum in the world as other developed nations of the world are shifting away from petroleum as source of energy to other sources such as gas, solar energy. The onus then lies on the local government to work on their internal revenue efforts to be able to accomplish its goals in the local community. Local governments now face more challenges in terms of struggling to be less dependent on the federal and the state governments for financial resources. They maintain that though, the revenue allocation system mandates that a certain fraction of the Federation Account be allocated to local governments, these funds are not enough to meet expenditure requirements. This is because the size of the account is related to revenue from oil which is subject to fluctuations and the expenditures of local government far exceed available resources. The problem of lack of fiscal transparency as a result of mismanagement of funds, corruption, poor internal control and lackadaisical attitude to government work and property, they observe, still abounds.

To Isaac (2010) Local governments are potentially very important for Nigeria as they play a significant role in generating revenue and encouraging civil involvement, as well as creating a visible link between taxes and service delivery. The increasing cost of running government coupled with dwindling revenue has left various local governments in Nigeria with formulating strategies to improve the revenue base. Despite the numerous sources of revenue
available to the various tiers of government as specified in the Nigeria 1999 constitution, since the 1970s till now, over 80% of the annual revenue of the three tiers of government comes from petroleum. However, the serious decline in the price of oil in recent years has led to a decrease in the funds available for distribution to the states and local governments. The need for state and local governments to generate adequate revenue from internal sources has therefore become a matter of extreme urgency and importance. The need underscores the eagerness on the part of state and local governments and even the federal government to look for new sources of revenue or to become aggressive and innovative in the mode of collecting revenue from existing sources.

Idada and Lawrence (2010) admit that local government administration in Nigeria has attracted serious attention both nationally and internationally since the great local government reform of 1976. Local government is the closest tier of government to the people of Nigeria, yet the resident population in it is denied the benefits of its existence. The failure of local government in the area of service delivery over the years has made the citizens to lose faith and trust in local government administration as an institution in Nigeria. From historical perspective, modern local government administration in Nigeria can be traced to the British system of local government. But it should be stated however, that local administration did not start with the advent of British Administration in Nigeria, because some forms of system of local government administration pre-dated the British rule. Local government administration is one of man’s oldest institutions. The earliest form of local governments’ administration existed in the form of clan and village meetings. In fact, democracy itself originated and developed along the lines of local governance initiative in the ancient Greek City States. It should be noted however, that in other parts of the world, local governance was developed along the people’s culture and expectations, and the system was tied to the norms and practices of the people. According to them, four points
of historical reference can be identified in the development of local government administration in Nigeria.

They maintain that local government administration in Nigeria has undergone many changes of which the 1976 Reforms and the Constitutions of 1979 and 1999 can be said to be most prominent. Before 1976, they observe that local government administration in Nigeria had passed through many changing environments and this has in no small measure influenced its development. Furthermore, before 1976, there was no uniform system of local government administration in Nigeria. Although, there were spirited attempts made to carry out some reforms in the local government system, these attempts were uncoordinated and haphazard. The 1976 reforms introduced a uniform system of local government administration throughout the country. The reform was a major departure from the previous practice of local government administration in Nigeria. The philosophical basis of the reform lies in the conviction that a strong local authority with clearly defined functional responsibilities in a power-sharing relationship with the states is an institutional safeguard against tyranny. Following the 1976 reforms, local government became recognized as a tier of government entitled to a share of national revenue consequent on its constitutionally allocated functions. The provisions of the 1976 reform document according to them were incorporated into the 1979 Constitution of the Federal Republic of Nigeria. Section 7(1) of the constitution they observe provides that the government of every state shall ensure their existence under a law which provides for the establishment, structure, composition, finance and functions of such councils’ Constitution of the Federal Republic of Nigeria (1979). This showed that local authorities were creatures of the state and their relevance, strength and degree of autonomy were subject to the state government’s control. The power of the state government over local authorities has been wrongly applied to undermine elected and participatory governance and responsibility at the grassroots, and this has made
operation of the constitution questionable. The situation of local government administration under the 1999 constitution is also very confusing and complex. Although, the 1999 constitution also guarantees the existence of a democratically elected local government system, it however, like the 1979 constitution gives the states the responsibility to handle issues of organization and structure. The constitutional confusion and complexity led to a prolonged disagreement between the Federal Government of Nigeria and Lagos State Government of Nigeria over the creation of local governments. The issues in contention are yet to be fully resolved and these are negatively affecting the development principle of local government administration. Constitutionally and currently, there are seven hundred and seventy four (774) Local Government Council Areas in Nigeria, and they are operating a uniform system of local government administration.

Thus, according to them, while local government is said to be the best institution that can facilitate the efficient and effective service delivery at the grassroots level, the fact remains that:

- The third-tier of government lacks the financial and human capacity to deliver on the statutory and shared responsibilities between it and the other tiers of government;
- Local governments make minimal input into the decisions on resource allocations at both the federal and state levels;
- Inflation of prices of bought items;
- Over-estimation of cost of projects;
- The ghost workers syndrome;
- Award of contracts and subsequent abandonment; and
- Outright payment of huge sums of money to political godfathers (Idada and Lawrence, 2010:12)
Other militating factors as they observe include:

- Recruitment of persons who do not possess the requisite leadership and managerial skills to deliver the gains of governance to the people. The Constitution of the Federal Republic of Nigeria makes provision that the qualification for election into offices of the Chairman and the Councilors shall be the same as that of the election into the House of Assembly of a state. Section 106 of the Constitution of the Federal Republic of Nigeria puts the minimum educational qualification for election into the House of Assembly of a state as post primary school certificate. This they maintain entails that the average political office holder in the local government is not expected to be a technocrat or one vested in any discipline. The above scenario has made the local government councils dumping ground for semi-literates or a starting point for political toddlers;

- Lack of continuity by succeeding governments. This has become a major problem plaguing local government administration in Nigeria, as succeeding government fails to continue with the programmes and projects that are left behind by a past administration. This has over the years led to economic and financial wastage as well as the retrogression of development; and

- The problem of constitutional inadequacies, confusion and complexities, such as that which statutorily see local authorities as an appendage of the state and further that of the federal government (Idada and Lawrence, 2010:13)

Rowland (1980) argues that inadequate finance is one of the major problems hindering local governments in Nigeria from making much impact on community development. He asserts further:
In most developing countries, the provision of adequate funds to local authorities to enable them finance development projects is a major problem. Nigeria is no exception in this regard and indeed it might be reasonable to argue that the insufficiency and in some case, complete absence of funds for capital development is the major problem of local governments in Nigeria (Rowland, 1980:42).

It was in recognition of the strategic importance of finance to local government that led Adebayo (1985) to comment that the success or failure and the effectiveness of the local government depend on the financial resources available to the individual local authorities and the way these resources are utilized. He maintains that in effort to find solution to these recurring obstacles to the achievement of local government objectives in Nigeria, several reforms have been carried out. The Murtala/Oabasanjo military regime made a landmark reforms of local government system in Nigeria in 1976. The first step towards the realization of such objectives was the recognition of the local government as a third tier of government in Nigeria. As such, local government was given statutory powers of a certain percentage revenue share and equally more powers and functions were allocated to it than hitherto. He further observed that shortage of funds, in part had in the past made local government performance unsatisfactory. Now, complete funds are provided that tier of government to execute meaningful programmes and render useful services that would take development to the grassroots. It is however one thing for the funds to be provided and entirely another for them to be utilized honesty and effectively.

Oruonye (2013) avers that local government is a government at the grassroots level of administration meant for meeting peculiar grassroots need of the people. He sees the local government system as government by the popularly elected bodies charged with administrative and executive duties in matters concerning the inhabitants of a particular district or place. Local government is a system of public administration at a local level, charged with the responsibility
of bringing the people at the grassroots closer to the government. The local government authorities in Nigeria operate in an atmosphere in which for reasons of high level of illiteracy, general despondency, and political disenchantment. Local government activities he maintains are somehow remote from media scrutiny and the watchful eyes of non-governmental organizations. The situation according to him is further worsened by the constitution of the federal republic of Nigeria which places the local government authorities under the crippling and domineering influence of the state governments that are only willing to concede limited autonomy to this tier of government. Thus, the Nigerian Local Government system which is the third tier of government has no interactive links with the community for which it was designed and created. This has made so many people to wonder if there is grassroots democracy in Nigeria. Though the government is located at the local level, it is run by elites who are alienated from the culture of the people. Thus the local government and the communities that ought to be partners in progress have been operating at parallel lines. This has resulted in the poor performance of the local government over the years in grassroots development.

He observes that there have been several reforms over the years by the Federal Government of Nigeria aimed at stimulating self government and to encourage initiative and leadership potential at the grassroots level. The Federal government hopes that these reforms will further enshrine the principle of participatory democracy and political responsibility among all Nigerians, especially at the grassroots level. The hope of the Federal government for rapid and sustained development at the grassroots as he further notes have become a mirage as successive local government councils have grossly under-perform in almost all areas of their mandate. Corruption is at the rooftop as politicians and government officials display their ill-gotten wealth in flagrant opulence.
According to Ojefia (2009), local governments as the nearest level of government to the people at the grassroots in Nigeria are strategically located to play pivotal role in national development. They are responsible for governance of about 70% of the population of the country and are in vantage positions to formulate strategies for realization of government policies and programmes. Local government administration he maintains can be traced to the colonial period. Available records according to him show that the first local administration ordinance was the Native Administration Ordinance No. 4 of 1916, which was designed to evolve from Nigeria’s old institutions the best suited form of rule, based on the people’s habit, thought, prestige and customs. These local administrations were used in the eastern and western parts of the country, while the indirect rule was introduced in the rest of the north. He maintains that local government administration in the country experienced fundamental changes in the 1976 reforms which created for the first time, a single-tier structure across the country in place of the different structures in various States. The reasons for single-tier structure are anchored on efficiency and service delivery. As the closest arm of government to the people, it is the responsibility of the local governments to address their basic need through the promotion of socio-economic programmes and amplify democratic governance via participatory democracy. Thus, according to him, there are no doubts that if local governments take development to the grassroots level, the people will develop confidence in the system and the leadership. This is because local governments are in a position to know the peculiar problem and needs and could design measures for solutions, thereby rendering dividends of democracy to the people in terms of infrastructural development.

Tomori (2008) observes that various local government reforms in Nigeria since 1901, when the first Native Authority Ordinance was enacted up till 1976, were aimed at enhancing the management capabilities of Local Governments through adequate financial resources,
harmonization and professionalization of personnel and career security of administrative and
career security of administrative staff. There is, therefore, the needed to design effective
institutional framework for policy reforms that will promote good governance through greater
devolution of power and responsibilities to local authority. This will require better mobilization
and management of financial resources and building of partnership with private and community
sectors. Local Government remains the level of government where essential public services are
delivered to individual and business community and where the people feel the policy.
Municipality bears the basic responsibilities of government at its lowest level for allocating
resources and promoting social equity within the constraints set by higher levels of government
(which assign function and fiscal authority), and for ensuring the provision of local public goods
and services, through partnership with the private sector and civil society. Local governments
therefore, refer to specific institutions or entities created by the national constitution or ordinary
legislation or by the executive order to deliver a range of specified services to a relatively small
geographically delineated area. On the other hand, local governance is a broader concept and s
defined as the formulation and execution of collective action at the local level.

However, and as he observes further, jurisdictional fragmentation of urban local
governments has promoted revenue boundary dispute within the same Metropolis, Planning
activities became uncoordinated while refuse collection has become ineffective as the Local
Governments lack the skill and capacity to handle services of that magnitude which forced the
State Government to set up Ibadan Waste Disposal Management Authority assisted by the World
Bank in 1996. A well structured local government he maintains should therefore, be motivated to
improve towns and villages along a wide range of dimensions. Village Community infrastructure
should be constructed and upgraded. These include: roads, water system, bridges small-scale
irrigation, electrification and income-generating projects. Community and domestic hygiene
should be improved through various measures including building health centers, refuse disposal and better cattle housing and improved water management.

To Olasupo and Fayomi (2012), local government system in Nigeria did not start as a service delivery agent or channel through which poverty among local and rural folks could be addressed. The first and second epochs in its evolution were meant to lay the structure of modern system of local government although concrete structure that it would need to embark on service delivery had been laid – appointment of Secretary and Treasurer – and not least, the agitation of educated Nigerians for democratization of the system to accommodate them (educated class). The third epoch, when educated Nigeria assumed the mantle of leadership as leaders of government business and, later as premiers, marked the utilization of local government system as service delivery assistant to the Regional governments. It became a truly devolved body, able to generate fund, initiate and implement policies under military regime in 1976. But corruption at all the levels of government, including the Local Government itself, undermined its capacity to deliver services and thus unable to sufficiently alleviate the suffering of the local and rural poor in the country. Nevertheless, no other body safe current Local government system, can adequately decide the needs and priorities of the local community. This is because the decision of the representatives of the people regarding the needs and priorities of the local community are apt to be more accurate and, at any rate, legitimate because it is of the community, rather than if they were made by agents of the central government.

Under the colonial administration, they maintain local government was known as Native Authority. It was a form of indigenous rule under colonial authorities whereby traditional institutions of chiefs and other traditional rulers administer the natives under the supervision of British Administrative Officer. They observed that nothing was wrong with the use of indigenous institutions, chiefs and rulers in the then newly established local administration, for that was the
existing governing structure before the advent of colonialism but there was certainly something wrong with the quality of these people expected to run these traditional institutions in modern governance – Indirect Rule system. Very few of them (traditional rulers or chiefs), if any at all, had western education and exposure in modern governance to be able to run this newly introduced local administration. As such, the policies were transmitted to the traditional rulers who hardly understood the logic and rationale of the policies.

Nevertheless, they observe further that they transmitted those policies to their people and expected compliance. Besides lack of western education necessary for these indigenous rulers to understand their superintendents, some roles expected of them to perform by the new system were also repugnant to tradition of the people. For instance, the Native Authorities were expected to be able to levy and collect tax for the salaries of the chiefs and other officials and services of the authorities. But while some communities were already accustomed to this, others were not; though they also had their own traditional ways of carrying out such services In brief, their lack of exposure to Western education and modern governance hampered their administrative and service delivery capacity in the Native Authority system. The operators of this Native Authority system as they maintain could neither be described as executives, legislators nor administrators. At best, they (traditional rulers) were mere administrative curriers to the colonial officers. This brings into question the status of the Native Authority System itself.

The second and third phases were equally flawed by many problems. This backdrop situation according to them necessitated the 1976 nationwide local government reforms in Nigeria. The 1976 local government reform was a landmark in four important respects that empowered it. The empowerments are in the areas of uniformity, making the newly reformed democratic local government councils a third tier of government with constitutional recognition, separation of traditional rulers from the Local government council and constituted into a separate
council known as traditional or emirate council (fourth estate of the realm!); last but not the least, is the financial empowerment. Uniformity according to them had to do with standardization of local government structures, personnel and functions throughout the country; making Local government staff transferrable form one Local government to the other throughout the country. This was a deviation from the previous arrangement whereby each region operated varieties of local government systems. The separation of traditional rulers from the Local government councils was informed by decision to block one of the important obstacles hindering the growth of democratic Local government system in the country. For, traditional rulers had always tackled the Local governments for the resources and the loyalty of the localities. As a level of government, the new local government system, according to the guidelines for the 1976 Local government reform, should do precisely what the word government implies i.e., governing at the grassroots or local level.

Three criteria, Gboyega (2003) observed, were applied in allocating functions to newly reformed local government councils. The parameters applied included:

- Require detailed Local knowledge for efficiency performance;
- In which success depends on community responsiveness and participation and
- Which are of personal nature requiring provision close to where the individuals affected (Ggoyega, 2003:16) live, and in which significant use of discretion or understanding of individuals is needed

These parameters were applied to produce two lists of functions for Local Government. The first list, according to him was considered the primary or mandatory functions that all local government had to perform. These are:

- Markets and motor parks;
- Sanitary inspection, refuse and night-soil disposal;
• Control of vermin;
• Slaughter house and slaughter slabs;
• Public conveniences;
• Burial grounds;
• Registration of births, death and marriages;
• Provision of community and local recreation centers;
• Parks, gardens and public open places;
• Grazing grounds, fuels plantations;
• Licensing, regulation and control of bake houses and laundries;
• Licensing and regulation of bicycles, and carts and other types of vehicles except those mechanically propelled and canoes;
• Control or keeping of animals;
• Control of hoardings, advertisements, use of loudspeakers in or near public places, drumming;
• Naming of roads and streets and numbering of plots/buildings;
• Control and collection of revenue from forestry outside the ‘forest estate’ of gazette forest reserves;
• Collection of vehicle parking charges; and collection of property and other taxes, community tax, and other designated revenue sources (see Gboyega, 2003:19-20)

The second list was vested concurrently in state and local governments. However, each state government was to devolve them to its Local government when it ascertained that they had capacity to perform them. Included in this list according to him are:
• Health centers, maternity centers, dispensaries and health clinics, ambulance services, leprosy clinics and preventive health services;

• Abattoirs, meat inspection;

• Nursery and primary education and adult education;

• Information and public enlightenment;

• Provision of scholarship and bursaries;

• Provision of public libraries and reading rooms;

• Agricultural extension, animal health extension services, and veterinary clinics;

• Rural and semi-urban water supply;

• Fire services;

• Provision of roads and streets (other than trunk roads), their lighting and drainage;

• Control of water and atmospheric pollution;

• Control of beggars, of prostitution, and repatriation of destitute;

• Provision of public utilities except where restricted by other legislation, specifically including provision of roads and inland water transport;

• Public housing programs;

• Operation of commercial undertakings;

• Regulation and control of buildings;

• Town and country planning; and

• Piped sewerage systems (see Gboyega, 2003:20-22)

Akpan (2009) remarks that although there are remarkable problems in the reform package with inherent autonomy to the local governments, there are, in contrast, some measurable
achievements to the effectiveness and efficiency of the local government system in Nigeria, which;

• The decentralization of functions by devolution which is made to harness local resources for rapid socio-economic development;

• The increased management efficiency and exposure of local populace to development skills at the local level;

• The introduction of checks and balances in the local government system;

• Introduction of accountability and probity in the discharge of functions by the functionaries;

• The decentralization of local government in order to stimulate active participation of local citizens and increase political recruitment in running of local affairs; and

• Helping to sensitize the local people in selecting and evaluating the performance of their local representatives (Akpan, 2009:4)

Commenting on the financial autonomy granted to the local governments in the 1979 constitution of the Federal Republic of Nigeria, Nwosu (1981) argues that unlike previous constitution in Nigeria, the 1979 constitution provides that the local government should benefit from the national accounting reality, the 1981 finance act did set aside 10 percent of the national account for the use of local government to perform its functions with some degree of autonomy.

Igbokwe-Ibeto, Chinyeaka (2010) contends that local government administration in Nigeria has come of age, not so much because of its efficiency and effectiveness, but primarily because of its longevity and resilience of its relevance in the administration of the country. However, one of dominant and unique issue in local government administration and political systems is the efficient and effective provision of basic amenities and social infrastructures. Provisions of projects are key to the very existence of local governments. They are required to
serve the public interest in areas of building feeder roads, construction of markets, health care centers, drainages, transportation, motor parks, among others. While these functions of local government are well known and popularized by the constitution of the country. What seems to matter most to the people of the grassroots is to see tangible results of their taxes, contributions, labour expended and the judicious use of monthly allocation from the federation account to their local governments. However, the enormous benefits that the grassroots stand to derive from a sound and functional local governments have not approximated reality. Interest of the people in the activities of their local government especially with regards to projects they are handling, is to provide or encourages the growth and development of civic consciousness and the desire for improvement in local governance.

The second advantage of this interest in government project at the grassroots level according to them is that it helps promote accountability in governments. Political accountability has become necessary in view of so many cases of poor execution of projects, leading to waste of scares resources and abandoned projects that litter different parts of the community. Resources, where they are wisely used, promote community and socio-economic development and improve the welfare and well being of the people. One of the important part of local government administration, is that it gives government legitimacy in the eyes of the people it governs. This can easily translate into good governance and build confidence in local staff to carry out various projects and programmes which affect society and the people positively. The process leading to the decision to carry out a project could be as important as its actual execution. Often the decision to carry out a project conforms more with political consideration than economic rationality. Again, it is important to investigate if such decisions follow the top-bottom or bottom-top approach. In this case, the efficiency and effectiveness of project is affected.
Ogwu (2007) contends that local government areas are supposed to be the engines of national development. According to him, in developed societies, when people are tired of living in the cities they relocate to rural communities where life is less strenuous. However, he maintains that the opposite is the case in Nigeria; living in a rural community is difficult, because nothing works, as it should. The local government administrators are part of the problem. Like their counterparts at the federal and state levels, they are mired in pursuit of personal goals at the expense of broader community interests. Any person, who wants to know why the nation is not developing as rapidly as it should, should visit any of the local government areas. Life is pressed out of almost everything. The people are financing varied development projects (community hospital, road construction, rural electrification, water projects amongst others), because monthly allocations to local councils are not properly utilized. Local governments, at least in principle, deal with grassroots politics (keeping law and order, basic sanitation, constructing and maintaining local roads, supplying water, administering local schools, providing skill training and employment for residents amongst others. Community development programmes are aimed at improving the quality of life of the people in the community. Macpherson constitution of 1948 initiated some remarkable changes; the regions introduced some reforms in their local administrations in the 1950s which aimed at enhancing performance. Though, the reforms gave local administrations to collect rates and levy pools and income taxes to finance their activities, the regions had overall control of the taxes. Local administration lacked self-determination, hence their resource were inadequate.

He observes that though the local authorities were partially successful in the North but unsuccessfully in the Eastern and Western regions. It was blamed that the ineffectiveness of local administration on the following reasons: lack of mission or lack of comprehensive functional role, Lack of proper structure (i.e. the role of local governments in the development process was
not known), low quality of staff; and Low funding. According him, these problems led the local
governments into a vicious circle of poverty because inadequate functions and powers lead to
inadequate funding which result in the employment of low skilled and poorly paid staff. Local
government administration in the country he maintains experienced fundamental changes in
1976. The 197 local government reform created for the first time, a single-tier structure of local
government in place of the different structure in the various states. Interest in the 1976 reform
was hinged on the restructuring of the financial system. The reforms instituted statutory
allocation of revenue from the federation account with the intention of giving local government
fixed proportions of both the federation account and each states revenue. This allocation to
local government became mandatory and was entrenched in the recommendations of the
Aboyade Revenue Commissions of 1977. The 1979 constitution empowered the national
Assembly to determine what proportion of the federation account and revenue form a state to
allocate the local government. In 1931, the National Assembly fixed these proportions at 10
percent of the federation account and 10 percent of the total revenue of a state. In 1985, the states
proportion was reduced to 10 percent of the internally-generated revenue, local governments
allocation from the federation account was later adjusted to 20 percent. It was further increased
to 25 per cent with the arguments that local governments are expected to take on larger
developmental responsibilities. The revenue allocation has continued to vary in proportion over
time.

Likewise, Orewa and Adewunmi (1983) rightly argue that local government in Nigerian
has been given a new lease of live consequent upon the implementation of the 1976 reforms.
Local government in fact was not always satisfactorily nourished by its parents and it has at
times, been prone to be a stubborn, difficult and irresponsible child, however, it has steadily
grown into a virile adult. Arguing further, they maintain that the provision of the new local
Governments edicts relating to local government estimates appear to reflect the federal military government recognition of local government as the third tier government. The local governments are to have virtually autonomy in the approval of their own annual estimates. However, this autonomy they observe is still limited in some respects. One such restriction is the power of local government to approve estimates, which have to be submitted to the state executive council for approval. In addition, where it appears to be necessary to do so the executive council may direct a local government to prepare revised estimates of revenue and expenditure in respect of the year.

It was in recognition of the foregoing constraints to local government autonomy that General Ibrahim Babangida, in his 28th independence anniversary speech to the nation announced a series of political and economic measures that may usher in new political order at the local government level. Prominent amongst such measures was the abolition of the ministry of local government with immediate effect. This action, according to Babangida, is taken to allow local government, some autonomy to function effectively in the drive to develop rural areas.

To Ezeani, (2009), state interference in the revenues of local government councils in Nigeria remains a major problem which constrains local government especially in developing countries such as Nigeria, from contributing meaningfully to the up-liftment of the living standard of the rural poor. This situation is caused by some constitutional arrangements. For instance, section 7 (6) of the 1999 constitution of the federal republic of Nigeria provides for statutory allocation of revenues to local government councils as follows;

- The National assembly shall make provisions for statutory allocation of public revenue to local government councils in the federation.
• The House of Assembly of a state shall make provision for statutory allocation of public revenue to local government councils within the state.

The implication of the foregoing constitutional provisions according to him is indication of the subordinate of local government to the state. The result has been unbridled interference of the state in local government affairs, particularly the confiscation of allocations to local government by some state governments, funds meant for local government councils have been diverted to other projects by state government.

Asaju (1999) has noted that various strategies and approaches have been adopted or used by government for the purpose of good governance, and in their efforts at distributing the state resources to reach the people at the grassroots. However, there has not been congruence or general agreement on which strategy is the best, especially in the administration of the rural areas. To him, the provisions in the constitution that dictate the power and financial relationship between the various tiers of government, especially the state and the local government are deliberate. Thus, according to him, they are made to serve as checks and balances; and ensure transparency and accountability, among others. But the way some states go about it, is rather more of punitive rather than corrective measure. It is therefore obvious, that, for any meaningful development to take place at the local level, the States need to recognize the local government as partners in progress. That is partners in enhancing sustainable rural development through the provision of essential services to improve the Standard of living of the rural populace. On local government election, he proffers that the election into local government council should be held a week before state governors election

Commenting on some states governments’ interference on the finances of local governments in Nigeria, Ona states;
Regrettably, state governments do not stop at not remitting the 10 percent statutory allocation; they also tamper with the 20 percent local governments revenue allocations via the state joint local governments account (Ona, quoted in Ezeani, 2009:21).

In another breath, Okwueze (2010) avers that local government may have very many rich programmes, but the financial means of executing them is not always available. Its revenue is by far lower than what is required. Again, the inability of local governments to generate funds internally has undermined the autonomy that is implicit in the third-tier government. He contends further that if the various sources of revenues are tapped effectively, internally generated revenue could become a significant proportion of local government finance.

Thus, according to Ajayi, (2006), local governments in Nigeria have largely dependent on the federal government for financial resources to meet their obligation. This has made them to be incapable of providing basic infrastructure, yet they have been over-burdened with many responsibilities that they could not implement. Thus, the need for grass root participation in resource (human and material) mobilization for the provision of community infrastructure and the management of the environment is quite imperative. To this respect, according to him, a partnership between the local government structure and individual communities as well as with all identifiable groups within them is called for in this process of local government.

Adedokun, (2004) had traced the protracted financial crisis that has bedeviled most local governments in Nigeria to federal structure which according to him, constrains local governments ability to mobilize and use revenue to meet their obligation in a sustainable way. Thus, dwindling revenue generation as characterized by annual budget deficits and insufficient funds for meaningful growth and viable project development has become the hallmark of most local governments in Nigeria.
Shifting focus to Nsukka local government council, Udeala (1992) had argued that the local government is one of the most hit local governments in Nigeria by the problems of inadequate finance and management.

According to her:

The local government gets their grants from federal and state governments, but at times the state government fails to give any grant to the local government. The grant given by the federal government is generally insufficient. The result is that Nsukka local government is unable to accomplish its community development due to inadequate funding (Udeala, 1992:66).

While commenting the inadequacy of internally generated revenue for Nsukka local government, Udeala further states that the major internal source of revenue generation for the local government is rates which include development rates, community rate and property rate. But it is sad to note that revenue collected from these do not add up too much. Nsukka local government estimates of revenue for instance according to him, for the years, 1985, 1986, and 1987, were ₦236,500, ₦320,410 and 446,030 (Udeala, 1991).

As a corollary, Oloidi (1991) argues in the same manner with Udeala. Thus, according to her, the major constraints on the wheel cog of progress of Nsukka local government is finance. This problem she maintains has gone a long way to slow the progress that could have been made in development effort. She further observes:

The new local governments are guaranteed funds from internal and external sources. For example, in the form of statutory allocation and grants from the federal and state government … in practice, both state and federal governments have never adequately fulfilled this obligation to local governments … for example, Nsukka local government since 1979 to 1991 never got their grants at once promptly and regularly from the state government in order to develop the rural areas (Oloidi, 1991:91-92).
It should be noted that the actual performance of any local government depends on the strategy adopted in its financial management.

To this effect, Orewa (1979) had observed that the 1976 local government edicts provides that a local government shall prepare consider and approve its own estimates and submit to the executive council copy of the approved estimates and of the resolution of the local government councils, given such approval. The implication of this according to him, is that the strategy adopted by a local government in the preparation of these estimates is the hallmark of the performance of that local government.

Thus, Nwabuisi (1989) observes that a budget is a means where by the political process is translated into public programs and services, it shows the scope of activity to be undertaken by the government, it also provides a benchmark for measuring the accomplishment of that government. To this end, he avers that the problem of local government in Nigeria is not necessarily that of structure rather it is the case of using a bad tool for a well-defined job.

To Dalhatu (2006) too much concentration of political and economic power at one level would ultimately and inevitably lead to what he referred to as managerial constipation. According to him, the basis of Local government is inextricably woven around the principle of decentralization. Local government is the product of decentralized administration. He further defined decentralization as:

an arrangement by which the management of the public affairs of a country is shared by the central/ state/province and local government in a manner that the Local government is given reasonable scope to raise funds and to use its resources to provide a range of socio-economic services and establish programmes to enhance the welfare of those resident in its area of authority (Dalhatu, 2006:54)

Politically, decentralization according to him involves the transfer of authority on a geographical basis and is inform of de-concentration or devolution. Decentralization by devolution is preferred
in most nations - state in order to promote rapid development of the country, this manifests itself in the establishment of local government. Most nation-states avoid centralisation because it inhibits the active political participation of the citizens in the running of their own affairs, and could be by implementation; results in a situation whereby despotism is extolled. This precisely explains why most countries of the world prefer to decentralize their administration by devolution. It could be argued that centralization of the government though may appear to strengthen its power and grip over the people effectively; it may as well weaken the ability to use this power and also completely erode the basis of its legitimacy. The power at the centre is already over-burdened by so many problems of localities. Hardly could any political issue, irrespective of its frivolities, be resolved without reference to the power at the centre. Unnecessary meddling in or handling of these problems of local concerns by the national government may prevent it from dealing adequately with these problems. As such, it is imperative for an appropriate mechanism for dispersal and conservation of political power,

Adebayo (1989) had recommended a financial management tool at the local level in which departmental programmes, procedure, and processes should be regularly reviewed. In conducting such periodic reviews, he maintained that attention should be focused on the relevance or otherwise of the programme. In addition, he avers that inputs by the way of resources used should be related to outputs or achievement. This is the essence of the management technique known as PPBS (Programming-planning Budgeting system) he argued.

Furthermore, Keeling (1972:120) had identified PPBS as;

A process by which resources are identified, costed and assigned to the objectives, which then use is intended to serve through a series of programmes and each comprising a number of programme elements.
Thus, central to Keeling argument is that financial management crisis prevalent in most local governments in Nigeria, including Nsukka local government, stems from their deficient budgeting system. Therefore according to him, what local government in Nigeria need now is a change in their budgeting system that will guarantee appropriate management in financial and achievement of statutory obligations.

Using Igbo-Etiti and Nsukka local government councils as case studies, Ebo (1990) observes that the sources of revenue available to Nsukka local government are not enough for it to discharge the enormous functions which the local government is expected to perform. This according to him, a meaningful system of local government will be once in which the component councils rely to a great degree on the internally generated funds for financing the implementing of locally formulated and determined policies and programmes.

### 2.3 Gaps in Literature

From our review of the extant literature pertaining to internally generated revenues and grassroots development in Enugu State using Nsukka local government council as a case study, many factors were accounted by scholars. These factors among other things include, Nigerian federal structure and intergovernmental fiscal policies as enshrined in the 1999 federal constitution, undue interference of most state governments including Enugu to the finances of the local governments, mismanagement of funds and shortage of manpower especially in Nsukka local government. However, none of the scholars reviewed have indeed devoted enough time to examine the relationship between official corruption and internally generated revenues and grassroots development constraints of Nsukka local government council. The scholars reviewed have equally failed to examine the relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems. This is in addition to poor auditing and monitoring of rural development
projects and rural development problems of Nsukka local government. Indeed, where mention were made of these problems by scholars, their analysis often lack empirical evidence needed for generalization. Therefore, this study is set out to fill the noticeable lacuna which scholars have not adequately filled.
CHAPTER THREE

METHODOLOGY

2.1 Theoretical Framework

In view of the relevance of theoretical framework to empirical research, this study is principally anchored on System Theory. This theory has become imperative in the study because of its effectiveness and merit among other means for the study and understanding of social system and related phenomena.

The classical proponent, David Easton (1965) perceives politics as a whole and not as a collection of different problems to be solved. Thus, his system model was driven by an organic view of politics, as if it were a living object. His theory is a statement of what makes political systems as a set of human interactions but identifies five concepts under which his model can be explicated, thus political system is seen essentially as a system for converting inputs into authoritative decisions. To arrive at authoritative decisions, the system takes inputs from the environment.

However, two types of inputs exist according to Easton thus, demand and support. Demands are claims on how values are to be allocated. Support on the other hand, exist when the environment backs up the system or is favorably disposed to it. Output emerges from the system in the form of authoritative decisions. The environment reacts to these decisions or outputs and there is a process of feedback. Feedback is a process through which the system adapts itself to the environment by modifying its behavior and changing its interest structure. All these interactions culminate in the system maintaining itself in equilibrium.

Expatiating further, Igwe (2007) asserts that system theory draws significantly from the conclusions of structural-functional analysis for enquiring into any integrity especially the examination of the nature of its internal organization. The interrelationship between the
components, between them and their collective environments, and the consequences of these processes upon the survival of the system and attainment of its purpose. In other words, according to him, for an object to be considered a system, it must possess a level of integrity with a knowable structure or logically arranged parts, such parts or elements must interrelate in a certain, law governed manner to fulfill a purpose or produce an ordered outcome. In the process of its life, a situation may arise in which more become imposed upon a system than it is structurally designed to hand. This may create strains and instability, raising the need for a return to normally. (Igwe, 2007)

Notwithstanding this however, the following assumptions have been put forward by Easton (1965:23-25) for the system theory:

- Political system as a unit or living being that is made up of difference parts that functions in an ordered manner for maintenance of system equilibrium.
- That changes in the social or physical environment surrounding political system produce ‘demand’ and ‘support’ towards the political system, through political behaviors.
- These demands and supporting groups stimulate competition in a political system, leading to decisions or ‘outputs’ directed at some aspect of the surrounding social or physical environment.
- After a decision or output is made it interacts with its environment, these are ‘outcomes’.
- When a policy interacts with its environment, outcomes may generate new demands or support and groups in support or against the policy (feed back) or a new policy in some related matter.
- Feedback leads to (iii) above and it is never ending.

Therefore, system theory can gainfully be employed to explain the problems associated with financial management and local government and local government and administration in
Nigeria with reference to Nsukka local government. To this end, Nsukka local government council is seen as a part of Nigeria as a political system and dependent variable whose internally generated revenues and grassroots development constraints are being affected or conditioned by such inherent systemic independent variables such as mismanagement of funds, human and material resources, inter-governmental relations and skilled manpower. No doubt, the aforementioned independent variables that have continued to threaten the effective and efficient internally generated revenues and grassroots development in Nsukka local government council are inherent in Nigeria as a political system.

3.2 Hypotheses

The following hypotheses are posed to guide this study:

1. Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development

2. There is a relationship between the paucity of highly skilled manpower necessary to generate internally revenues in Nsukka local government council and its grassroots development problems

3. Poor auditing and monitoring of rural development projects contribute to the internal generated revenues and grassroots development problems of Nsukka local government council

3.3 Research Design

Research design is like a blueprint that leads the researcher to plausible answers to the research problems by enabling him to determine how much of the observed variance of the dependent variable can be attributed to the independent variable and how much can be attributed to other substantive variables (Leege and Francis 1974). Odo (1992) states that designing implies out lining the name of equipment and other materials the research intends using, applying some
to successfully execute the practical aspect of the research study. To Nwana (1981), it is used to
describe a number of decisions which need to be taken regarding the collection of data before
ever the data are collected. However, two main research designs have been identified namely,
survey research design and experimental research design; the former is further divided into
descriptive research and ex-post facto research (Obasi, 1999). In this study however, we adopted
**ex-post facto** and survey research design. **Ex-post facto** research design entails series of pre-
measurement and post measurement or before and after observation required for establishing
casual relationships of cause -effect relationship.

\[ O_1 \ O_2 \ O_3 \ O_4 \ X \ O_5 \ O_6 \ O_7 \ O_8. \]

There were series of pre-measurement and post measurement, but the change between \( O_4 \) and \( O_5 \)
was the principal focus for measuring the effect of the quasi – experimental treatment, that is,
with respect to hypothesis (1), the effect of official corruption on the capacity of Nsukka local
government council to generate internal revenues for grassroots development. In other words, the
difference in score (i.e. the capacity of Nsukka local government council to generate internal
revenues for grassroots development) from \( O_4 \) and \( O_5 \) was attributed to the causal event (i.e.
official corruption). The same measurement equally applied to our hypothesis (2) and (3) (i.e.
the relationship between the paucity of highly skilled manpower necessary to generate internal
revenues in Nsukka local government council and its rural development constraints and the
effects of poor auditing and monitoring of rural development projects and their contributions to
the rural development problems of Nsukka local government council. The design, despite its lack
of control group, overcomes for a wide variety of threat to internal validity. However, the
principal threat to the design is history. The series of before observation from \( O_4 \) to \( O_3 \) and after
observation from \( O_4 \) to \( O_8 \) was used to control for the interactive effect of history.
We equally made use of questionnaire instrument in collecting our data. The researcher structured both open-ended and close-ended questions. Double barrel questions that is, those questions capable of attracting multiple interpretations were cautiously avoided. In the close ended questions, respondents were given a number of alternatives from which to select options they consider appropriate. In the open ended questions, respondents were provided with blank spaces in which to write down their own answers in their words. Dichotomous type of questions that demands “Yes or No” type of answers was also used.

**Population of the Study**

Population according to Silver (1980:12) is “the totality of any given group, person or objects which is defined by some unique attributes”. The 120 (one hundred and twenty) staff strength of the Nsukka local government council is a combination of the staff members (both senior and junior) drawn from the various departments that make up the council. This number makes up the population of study but due to time limit and for manageability and empirical conclusion, a sample was drawn from the population.

**Sample and Sampling Procedure**

Sampling is the process of selecting a part (called a sample) from the whole (called population or universe) in order to make inference about the whole. A sample then is that small part selected from the whole or population. It is a subset of the population (Obasi, 1999:134). A sample of 92 staff (comprising both junior and senior management staff) was drawn from the population. The formula for the sample size used for the data collection and analysis was drawn using Yamani (1968) formula sample size determination. The formula is represented thus:

\[
\frac{n}{1 + N (e)^2} = N
\]
Where;
\[ n = \text{sample size} \]
\[ N = \text{population} \]
\[ I = \text{constant and} \]
\[ e = \text{margin of error} \]

Therefore, our sample size
\[
\frac{n}{1 + n(0.05)^2} = 120
\]

\[
= \frac{120}{1 + 120 \times 0.0025}
\]

\[
= \frac{120}{1 + 120 	imes 0.0025}
\]

\[
= \frac{120}{1 + 0.3}
\]

\[
= 92.307
\]

Table 1: Sample size distribution of the Nsukka local government council

<table>
<thead>
<tr>
<th>S/No</th>
<th>Departments</th>
<th>No. of Staff</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Administration</td>
<td>20</td>
<td>21.7</td>
</tr>
<tr>
<td>2.</td>
<td>Finance</td>
<td>30</td>
<td>32.6</td>
</tr>
<tr>
<td>3.</td>
<td>Planning</td>
<td>18</td>
<td>13.1</td>
</tr>
<tr>
<td>4.</td>
<td>Research and Statistics</td>
<td>12</td>
<td>19.5</td>
</tr>
<tr>
<td>5.</td>
<td>Works/security</td>
<td>12</td>
<td>13.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>92</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data 2013.
The researcher used random sampling technique/procedure to select the sample size in order to avoid bias. Personal interviews and questionnaires were used to collect information and carefully recorded.

**Validity and Reliability of Instrument**

For the fact that the researcher is not an expert, the questionnaire guide was submitted to the supervisor for correction and amendment of instrument before and after it has been administered. And instruments were validated after the supervisor of this research has examined and criticized the questionnaire items and made necessary adjustments.

**3.4 Methods of Data Collection**

The method of data collection for this study is descriptive survey and qualitative descriptive method. Descriptive survey research refers to a process of eliciting data from a target population through both questionnaire or interview instruments, and subjecting such data to statistical analysis for the purpose of drawing conclusion (Obasi, 1999). The primary data for this study were obtained through the distribution of questionnaire which was designed for selected staffs of the Nsukka local government council. In addition, oral interviews were conducted and in order to complement the information derived from the questionnaire. The aim is to give respondents the opportunity of supplying those information they may not give in our structured questionnaire. This study equally made use of qualitative descriptive method of data collection. Qualitative method represents a more or less selective type of research often used in exploratory and normative designs, where the main objective is to gain a variety of insights so as to discover and identify decision problems and opportunities (Biereeim-Nnabugwu, 2006). To this end, we made use of secondary sources of data namely, textbooks, Journals, magazines, newspapers internet sources, and publications from the international organizations such as Amnesty International, Human Rights Watch and UN documents.
3.5 Methods of Data Analysis

Our method of data analysis is anchored on both qualitative descriptive method and descriptive statistics. Qualitative method of analysis is “the interpretations study of a specified issue of problem in which the researcher is central to the sense that is made” (Parker quoted in Biereenu-Nnabugwu, 2006:365). Through qualitative descriptive analysis, descriptive explanation is given to the data gathered in a research in order to establish a relationship between the variables under study. Qualitative method according to Iwueze (2009) aims at understanding through examinations, descriptions and interpretations of documented evidence, data and information from secondary sources. Data collected from the secondary sources for this study were analyzed in the tradition of qualitative method with the aid of *ex-post facto* research design. Descriptive statistics was used in analyzing the data we collected from the structured questionnaire distributed to the selected staff of Nsukka local government council. Descriptive statistics is the technique that helps a researcher to summarize and describe data in such a way that it would enable for better understanding of their characteristics, similarities, variation and trends (Obikeze, 1986). In descriptive statistics much is made of visual technique of data presentation. Hence frequencies and percentages, and forms of graphical presentation are often used. The use of simple percentages in demonstrating the frequencies and trends in the Official corruption and the capacity of Nsukka local government council to generate internal revenues for grassroots development; the relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems; and the problem of poor auditing and monitoring of rural development projects and the internal generated revenues and rural development problems of Nsukka local government council. The analysis and presentation of data was carried out within the context of the David Easton system theoretical framework. Empirical and statistical tables and graphs were used where necessary. Our logical data framework, which is presented bellow, served as the framework for our research design and logic of analysis.
<table>
<thead>
<tr>
<th>Research questions</th>
<th>Hypotheses</th>
<th>Major variable of the hypotheses</th>
<th>Indicators of variables</th>
<th>Sources of data</th>
<th>Method of data collection</th>
<th>Method of data analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Did Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development</td>
<td>Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development</td>
<td>X Official corruption in Nsukka local government council</td>
<td>- Appointment of unqualified and inexperienced personnel for tax collection</td>
<td>Questionnaire, Books, Journals articles, Official documents, Internet materials</td>
<td>Descriptive survey and qualitative descriptive method</td>
<td>- Quantitative and qualitative descriptive methods</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Waiver of tax collection from the properties owned by relatives of the local government officials</td>
<td></td>
<td></td>
<td>- David Easton system theory</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Award of contract for the collection of different taxes based on political consideration and patronage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Non declaration of the actual amount of money collected from taxes by the tax officials of the local government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Undermine the capacity of Nsukka local government council to generate internal</td>
<td>Y Undermine the capacity of Nsukka local government council to generate internal</td>
<td></td>
<td>- High incidence of meager amount of money collected from taxes</td>
<td>Questionnaire, Books, Journals articles, Official documents, Internet material</td>
<td>Descriptive survey and qualitative descriptive method</td>
<td>- Quantitative and qualitative descriptive methods</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- High incidence of</td>
<td></td>
<td></td>
<td>- David Easton system theory</td>
</tr>
</tbody>
</table>
| (2) Is there a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems? | There is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems | X | The paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council | Non-recruitment of personnel experienced in tax collection and management in the local government | Recruitment of tax officers outside the tax requirements of the local government | Questionnaire, Books, Journals articles, Official documents, Internet materials | Descriptive survey and qualitative descriptive method | • Quantitative and qualitative descriptive methods  
• David Easton system theory |

| Y | The rural development problems of Nsukka local government council | • Paucity of funds and abandoned project syndrome  
• Over-reliance on federal and state allocations | Questionnaire, Books, Journals articles, Official documents, Internet materials | Descriptive survey and qualitative descriptive method | • Quantitative and qualitative descriptive methods  
• David Easton system theory |
<table>
<thead>
<tr>
<th>Poor auditing and monitoring of rural development projects contributed to the internally generated revenues and rural development problems of Nsukka local government council?</th>
<th>3. Did Poor auditing and monitoring of rural development projects contribute to the internally generated revenues and rural development problems of Nsukka local government council?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Untimely completion of projects</td>
<td>Poor auditing and monitoring of rural development projects contributed to the internally generated revenues and rural development problems of Nsukka local government council</td>
</tr>
<tr>
<td>Corrupt practices and faulty audit exercise in the local government council</td>
<td>Questionnaire, Books, Journals, articles, Official documents, Internet materials</td>
</tr>
<tr>
<td>Political interference and non-implementation of audit reports by the local government officials</td>
<td>Descriptive survey and qualitative descriptive method</td>
</tr>
<tr>
<td>Poor logistics and non-monitoring of grassroots development projects</td>
<td>Quantitative and qualitative descriptive methods, David Easton system theory</td>
</tr>
<tr>
<td>Cases of embezzlement of the internally generated revenues of the local government council</td>
<td>Questionnaire, Books, Journals, articles, Official documents, Internet materials</td>
</tr>
<tr>
<td>Cases of uncompleted and outright abandonment of grassroots development projects</td>
<td>Descriptive survey and qualitative descriptive method</td>
</tr>
<tr>
<td>Contributions to the internally generated revenues and rural development problems of Nsukka local government council</td>
<td>Cases of embezzlement of the internally generated revenues of the local government council</td>
</tr>
<tr>
<td>Cases of uncompleted and outright abandonment of grassroots development projects</td>
<td>Descriptive survey and qualitative descriptive method, David Easton system theory</td>
</tr>
</tbody>
</table>
CHAPTER FOUR

THE HISTORICAL BACKGROUND OF NSUKKA LOCAL GOVERNMENT AREA

4.1 Historical Origin and Location

What is known today as Nsukka local government area had indeed transversed different historical epochs since pre-colonial, colonial and eventual political independence in Nigeria. Nsukka was one of the clans conquered by Attah of Igalla in the 18th century. As expected, Nsukka clan was under his dynasty but was later trusted under the rulership of Attah’s first son Asadu. By the end of 18th century and prior to the emergence of colonial rule, Nsukka and Igalla were amalgamated with headquarters at Idah. The people of Nsukka attended court cases at Idah and different taxes collected from the people were sent there (Umah, 1990).

By 20th century however, the Attah of Igalla was conquered by the British and colonial rule was subsequently imposed on the area. Okpoga District was therefore made the administrative headquarters of the newly imposed colonial rule. In 1955 however, the Eastern Regional local government law introduced three tiers of local government namely, local council, district council and county council. Thus, Nsukka was administered as a county council while Igbo Eiti, Igbo-Eze and Isi-Uzo were both administered as district council (Umah, 1990). At independence and with the creation of 12 states by Gowon military regime, the local government system in Nigeria especially in South East had indeed taken different dimensions.

However, in the east central state before the outbreak of hostilities and eventual civil war, the old structure of local government was abolished and replaced with the provincial system of local government. Each province was run by a provincial administrator. After the civil war in 1970, the divisional administrative system was introduced in East central state. Thus, Nsukka became grouped into zones.
The Obasanjo military regime’s 1976 local government reforms that recognized local government as autonomous third-tier government had indeed, transformed the structure and pattern of local government system in Nigeria. With the reforms, the former Igbo-Etiti county council was divided into two namely, Nsukka local government area with headquarters at Ogbede. In furtherance to the reforms, Ibrahim Babagida’s military regime in 1991 created more states and local governments, thereby bringing the local governments under Nsukka senatorial zone to six.

As one of the local governments and senatorial zone in Enugu state, Nsukka local government area shares common borders with other local governments within the zone such as Udenu, Igbo-Etiti, Uzo-Uwani, Igbo-Eze North and Igbo-Eze South. Besides, the local government is located approximately on latitude 70 north and longitude 7.500 east and 65 kilometers north of Enugu (Nsukka Local Government Council Document, 2010). It has three development centres namely, Nsukka Central, Nsukka East, Nsukka West and about 36 autonomous communities (Nsukka Local Government Council Document, 2010).

4.2 Topography and Population

Nsukka local government area is partly hilly and partly located on a level land that is known to be fertile. The Nkpunano side is largely located on rocky hills. The hill is extension of the famous Ugwu Leke hill. The nature of the hills and level lands has provided the local government area with enormous tourist potentials and sites such as Opi Lake, Lejja Hills, Ugwu Egbudi, Ashor Spring water fall, Iyi Mpi Oza Varavara, Obimo Hills, Oha Lake among others (Nsukka Loca Government Council Document, 2010). Besides, one of the greatest heritage sites (Onuiyi Heaven) is located in the local government area. This is the home of the first president of Federal Republic of Nigeria, Rt. Hon. Dr. Nnamdi Azikiwe.
In addition, because of the presence of many federal agencies such as, Nigerian Immigration Services, Nigeria Custom Services, Nigeria Prisons Services, Federal Road Safety Commission and the famous University of Nigeria, the housing and population census of Nsukka Local Government Area had in the past decades exploded. Thus, from the population estimates of 79,9133 in the 1996 population census in Nigeria, the population of the area has risen to about 270,257 and area of 1,810km\(^2\) according to 2006 population and housing census estimates. Besides, the area is known to conserve crude oil resources at Uguleke and Obimo (Geology and Mining Department, ESUT, 1993).

4.3 Socio-Cultural and Economic Activities

The people of Nsukka are known to be rich culturally and hospitable to strangers. Apart from observing some cultural rites and certain ceremonies, they also celebrate various festivals on regular basis. Such festivals like ‘New Yam’ festival and initiation into the age grade among others are highly regarded and respected in Nsukka. Apart from these festivals that promote and strengthen social relationship among the people, inter-communal marriage is a very serious ceremony in Nsukka. Beside inter-communal marriage, marriage can equally be contracted between couples from the same village or indeed outside the local government area. In period of crisis between two villages or communities, women married from these quarreling areas play vital role in reconciling both parties. In this way, marriage help to unite the different communities, villagers, and in no small measure, to me survival or the peoples’ high value for off-springs and inheritance. Early marriage and polygamy are equally encouraged in the area.

Social life of the people is also greatly influenced by religious beliefs. Despite numerous existing Christian sects, ancestral worship prevails and traditionally, they strongly believe in worship of these gods, the Supreme Being (Chi). All these religious beliefs and practices impose sanctions and taboos on the society, thus, acting as a strong tool of social control of the people,
regulating their social, political and economic life. The people usually attribute death, disease, misfortune among others not to be the natural cases but rather to be evil spirits or their unsettled departed forefathers. They strongly believe that these departed souls are still present though invisible to the people. And, they are watching and caring for the people they left behind. Thus, granting them abundant harvest and fertility. In order to pay homage to these dead ancestors, the people usually offer sacrifices to them at periodic ceremonies and festivals.

Furthermore, agriculture is the mainstay of Nsukka people and land is the basis of economic activities. As such, about 70% of the local government area population is engaged in agriculture which is predominantly subsistence and non-mechanized (Nsukka Local Government Council Document, 2010). Such agricultural crops like cassava, yam, cocoyam, bananas, okra, maize, ground nut among others are known to have yielded enough income to the people. Beside, palm wine tapping is known to have boosted economic fortune of Nsukka people as they are reputed for producing good quality palm wine. Equally, economic activities and income of the people are boosted by petty-trading, small scale and micro finance industries that are facilities by the famous Ogige Market located at the centre of the local government council area.

4.4 Structure of the Local Government Council

The federal government’s resolve to stabilize local government system, to ensure the involvement and participating of the people at the local level in actual decision making and plans to develop their areas and more especially, to mobilize the people at the local level so as to harness their energies, and resources towards national development, led to 1976 local reforms in Nigeria. Prior to the reforms, local government system varied significantly throughout the country. For instance, in the Eastern region and following the abolition of the Native Authority Ordinance, a new local government Ordinance which was instituted, created a new local government system with a three tier structure comprising county council, the distinct council and
the local council. The Western Region suffered similar instabilities with the institution of a three-tier structure of local government system with the various council’s membership based on elective principles. In the Northern region however, a number of fundamental changes were also made, although the government was more cautious at democratization of the system (Ofoeze, 1997).

Therefore, the Obasanjo military regime’s local government reforms in 1976 were among others reasons, aimed at addressing structural imbalances and instabilities. Thus, these reforms established a uniform structure for local governments in Nigeria and recognized them as third-tier government with a well defined inter-governmental fiscal policies and statutory powers to mobilize funds and administer the affairs of the local people. The subsequent military regime’s reforms such as Buhari/Idiagbon local government reforms of 1984, Babangida’s reforms of 1991, and Obasanjo civilian regime’s reforms of 2003, had indeed, sustained the structure.

Nsukka local government council therefore, takes the pattern and structure established by the 1976 local government reforms. To this end, the council chairman, deputy chairman and legislative council are elected individuals and representatives of the people. While the council secretary and some other key functionaries such as the supervisory councilors and special assistants are appointed by the council chairman, other council workers are employed career public servants. Besides, the local government council has several departments that see to the effective and efficient running of the council and service delivery to the council area. Furthermore, the council has a well structured fiscal relation with Enugu state government that involves among other issues submitting the council’s annual budgets estimates to the stat government for approval and allocation of finance to the council. The figure below summarizes the structure of Nsukka local government council.
In conclusion and in tandem with the provisions of the 1976 local government reforms, Nsukka local government council performs the following tasks:

a. The consideration and making of recommendations to a state commission on economic planning or any similar body on’
   i. The economic development of the state.
   ii. Proposals made by the said commission or body.

b. Collection of rates, radio and television licenses.

c. Establishment and maintenance of cemeteries and home for destitute or infirm.

d. Licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheel barrows and carts.

e. Establishment, maintenance and regulations of markets, motor parks and public conveniences.
f. Construction and maintenance of roads, streets, drains and other public highways, parks, open spaces, or such public facilities as may be prescribed by the House of Assembly of the state.

g. Naming of roads and streets and numbering of houses.

h. Provision and maintenance of public conveniences and refuse disposal.

i. Registration of all births, deaths and marriages.

j. Assessment of privately owned houses or tenements for the purpose levying such rates as may be prescribed, and

k. Control and regulation of;

i. Out-door advertising and hoardings.

ii. Movement and keeping of pets of all descriptions.

iii. Shops and kiosks.

iv. Restaurants and other places for sale of food to the public.

v. Laundries.

Others include;

1) The provision and maintenance of primary education.

2) The development of agriculture and natural resources other than the exploitation of mineral.

3) The provision and maintenance of health service.

4) Such other functions as may be conferred on the local government council by the State House of Assembly (Nsukka Local Government Council Document, 2010:12)

4.5 Sources of Internally Generated Revenue Since 1999

The sources of revenue for Nsukka Local Government Council are derived from the provisions of 1976 local government reforms in Nigeria. Thus, in order to discharge its statutory
functions efficiently and effectively, two major sources of revenues are available to the council, viz;

1) Internal sources

2) External sources.

Internal sources constitute very significant means of mobilizing revenues in Nsukka Local Government council and they include the following;

a. **Rate:** Two type of rate exist in the council namely, community rate and development rate. Community rate is levied on male adults from eighteen years old and above. However, the amount charged differs from rural areas and urban areas. Agents are often appointed at the village levels. The number of agents for a village ranges from two to three depending on the population of such village. These agents collect the rates and pay into the council’s treasury and are paid on commission basis in return by the council. The staff of the council often goes to the field to collect these revenues from individuals who refuse to pay at stipulated time. They do this mostly at market places and by mounting checkpoints on major roads. The payment however, is not restricted to the indigenes of the local government but include every male adult seen or living within the locality who has not paid for such rate elsewhere. Community rate is however known to have generated enough fund for the local government seldom collects revenue under this means. In 1996 for instance, Nsukka local government collected a total of ₦25,089,489 out of the estimated ₦1,205,000,00 on rates on the fiscal year. (Nsukka supplementary Estimates, 1990).

b. **Property Rate:** Property or tenement rate is at present confined to a relative few (urban centers) areas in Nigeria. This is because only urban councils in Nigeria collect these
rates (Adeboyo et al 1978). Property rates however, are very productive source of revenues for these urban councils. It is very easy to meet estimate revenue target on property rate because the property is immovable and even if there is arrears, this can easily be collected. Commercial buildings attract higher rates than residential buildings and undeveloped plots which maybe used for commercial activities. Nsukka Local Government Council seldom does the evaluation/collection with the help of state valuers.

c. **Licenses/fees:** These are other veritable aspects of internal sources of revenue available to local governments. In Nsukka Local Government council they are grouped under Head 1003 with the following sub heads with 1-11 items, licenses fees and furies, general license, food control, security, social, health, economic, and engineering works and survey. Under the sub-head items, squatters/hawkers permit fees are most effective. This is followed by kosk license fees and liquor license fees. Liquor license has these categories – wholesale, Hotel, Taven, ON, OH, Club House and Video Bars.

d. **Rent on Local Government Property:** This is another internal source of revenue that is reliable if properly collected and accounted for. It includes rent on local government quarters, rent on other local government buildings and local government landed property. It is a known fact in Nsukka Local Government that occupants of these buildings that are mainly civil and public servants have in several occasions failed to pay the rents. Besides, their relations that they sometimes sublet these properties make use of them on government expenses. Thus, revenue estimates on the properties often fall short. For instance, in 2004, ₦500,000 was estimated but only 250,000 was collected (2004 supplementary estimates of Nsukka Local Government council).
Earnings from Commercial Undertaking: Revenues realized from these come from markets, motor parks, shops and shopping centers, cattle market, Abattoir/slaughter houses, proceeds from sale of consumer goods, transport service earnings, earnings from industrial undertakings, earnings from other commercial undertakings. Earning from commercial undertakings are known to have accounted for 30% of total revenue earnings of Nsukka Local Government council for the past two decades (Nsukka Local Government Document, 2010). For instance in 1990, out of the approved estimate of ₦850,000, ₦107,120 was collected from market and ₦40,000 out of ₦200,000 was collected under motor parks.

External Sources

External sources of revenue in Nsukka local government council include, statutory allocations, grant-in-aid and loans. Local governments, apart form generation revenues internally have the right to share from the federal account, known as Distributable Pool Account (DPA).

Apart from the Statutory Allocation, local governments depend on subventions and grant-in-aid from both the state and federal government. The man aim of grant-in-aid however, is to supplement and augment the resources of the local government in order to enable it discharge its statutory functions effectively. Such grain-in-all includes percentage grants, unit grants, block grants and equalization grants.

However, other sources of generating revenues in Nsukka Local Government council include mortuary/cemetery earnings, recovery of losses and over-payment, payment in view of registration notices, unclaimed deposits among others. The table 2 below shows the classification and summary of sources of revenue available to Nsukka Local Government Council.
Table 2: Classification and summary of sources of revenue available to Nsukka local government council

<table>
<thead>
<tr>
<th>HEAD</th>
<th>DETAILS OF REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td>Taxes</td>
</tr>
<tr>
<td>1002</td>
<td>Rates</td>
</tr>
<tr>
<td>1003</td>
<td>Local license and fees</td>
</tr>
<tr>
<td>1004</td>
<td>Earnings from commercial undertakings</td>
</tr>
<tr>
<td>1005</td>
<td>Rent on local government property</td>
</tr>
<tr>
<td>1006</td>
<td>Interest, payment and dividends</td>
</tr>
<tr>
<td>1007</td>
<td>Grants</td>
</tr>
<tr>
<td>1008</td>
<td>Miscellaneous</td>
</tr>
<tr>
<td>1009</td>
<td>Statutory Allocations</td>
</tr>
</tbody>
</table>

CHAPTER FIVE

CHALLENGES OF RELATING INTERNALLY GENERATED REVENUES TO GRASSROOTS DEVELOPMENT IN THE NSUKKA LOCAL GOVERNMENT AREA SINCE 1999

Introduction

This present chapter is devoted to the analysis of the data gathered from the field of our study and tests of our three hypotheses; (1) Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development; (2) There is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems; (3) Poor auditing and monitoring of grassroots development projects contribute to the internal generated revenues and rural development problems of Nsukka local government council. Attempt was made to validate or invalidate, through statistical analysis, the hypotheses, which were derived from the research questions 1, 2, and 3

5.1 Official Corruption

Grassroots refer to basis or remote areas in a political division/local government that are affected by government decisions. The essence of local government the world over is to complement the efforts of other levels of governments in a given polity in bringing development at the door step of the people of the grassroots. As such, and in modern times, any meaningful development that ignores the people at grassroots is bound to fail because according to the United Nations Development Program (2006) report in Nigeria, development is all about expressing a lot of concern about the predicament of the rural poor and the imperatives of several baseline requirements for human development. In order to accomplish this task, revenues are required. Nsukka Local Government Council has two major sources of
revenues—internal and external sources. Although the local government receives a substantial part of its revenue from external sources, it is obvious that if is to have substantial autonomy and respect, the local government must be able to raise a comparable amount from its own resources. Nsukka local government council has the following main internal sources of revenue:

- Rates and Taxes
- Receipts derived from any public utility concern or any service or undertaking belonging to or maintained by local government.
- Rents derived from the letting or leasing of any building or land belonging to a local government
- Interests on the investment of funds of a local government
- Licenses, fees and fines

Despite these sources of internal revenues to the local government council, in addition to external sources, the council has witnessed serious challenges in relating internal generated revenues to grassroots development in the local government area. Therefore, in a bid to carry out a thorough investigation on the problem and empirically validate our hypothesis one, we administered questionnaires to the staff of different departments of the local governments. To this end, ninety two (92) questionnaires were distributed to both junior and senior staff of the council but only eighty (80) copies were returned. However, the available questionnaires and answers to the oral interviews which were noted were analyzed appropriately.
SECTION A

PERSONAL DATA

Table 3: Distribution on Sex

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>Female</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

(Frequency represents respondents all through the tables)

Fifty respondents representing 62.5% are male while 30 respondents making 37.5% of the respondents are female. The next table shows the number of respondents who are married and those who are single.

Table 4: Distribution on Marital Status

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>Single</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>Divorced</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

The table 2 above shows that 50% of the respondents were married, 37.5% single, while a minority of 10 respondents are divorced. However, the table does not show the relation of their marital status with their job. This takes us to the next table concerning educational qualification.
Table 5: Distribution on Educational Qualification

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Secondary</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>OND/NCE</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>HND/B.Sc</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Masters and above</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

From the table 3 above, none of the respondents had below secondary school certificate. 20 respondents representing 25% are secondary school leavers. 30 representing 37.5% had their OND or NCE certificate, 20 representing 25% had B.Sc or HND certificate while only 12.5% made up of 10 respondents had their masters degree. This means that the majority of the staff was undergraduates, which contributes in part, to financial management problems in Nsukka Local Government Council. This takes us to the next level of position occupied in the council.

Table 6: Distribution on Level in the Council

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior staff</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>Senior</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 4 above, show that greater percentage of the respondents which is 62.5% are senior while 37.5% are junior staff though, it does not show method of evaluation of senior positions.
SECTION B

DATA RELEVANT TO HYPOTHESES

Hypothesis (1): Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development.

Question 1: Are you aware of the existence of internal sources of revenue to Nsukka local government council?

Table 7: Distribution on the Response

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Do not know</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

The above table 6 shows that 62.5% of the respondents indicated. 63.5% indicated awareness of the existence of internal sources of revenue to Nsukka local government council. 25% of the respondents indicated otherwise. However, 12.5% of the respondents indicated that they do not know about the existence of internal sources of revenue to Nsukka local government council. This shows that there are in existence, internal sources of revenue to Nsukka local government council.
Question 2: Do you think that Nsukka local government council has been effective in generating enough revenues from its various internal sources?

Table 8: Distribution on the Response

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>70</td>
<td>87.5</td>
</tr>
<tr>
<td>3.</td>
<td>Do not know</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 7 above shows that 12.5% of the respondents indicated that Nsukka local government council has been effective in generating revenues from its various sources. 87.5% indicated otherwise. This shows that Nsukka local government council has not been effective in generating revenues from its various internal sources?

Question 3: If your answer in question (2) above is “No”, what do you think is responsible?

Table 9: Distribution on the Response

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Non declaration of the actual taxes collected by the local government tax officials</td>
<td>50</td>
<td>62.6</td>
</tr>
<tr>
<td>2.</td>
<td>appointment of tax officials that are inexperienced in tax administration by the local government council</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Tax evasion by the occupants of the local government area</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 8 above shows that 50 respondents representing 62.5% of the total number of the respondents indicated that non declaration of the actual taxes collected by the local government
officials affects the capacity of the local government council in generating enough revenues from its various internal sources for grassroots development purpose. 25% of the respondents believed that appointment of tax officials that are inexperienced in tax administration by the local government council affects the capacity of the local government council in generating enough revenues from its various internal sources for grassroots development purpose, while 12.5% believed that the problem stems from tax evasion by the occupants of the local government area. This shows that non-declaration of the actual taxes collected by the local government officials affects the capacity of the local government council in generating enough revenues from its various internal sources for grassroots development purpose.

Question 4: Do you agree that award of tax collection contracts to party agents by the council executives contributes to its poor internal revenue generation and grassroots development?

Table 10: Distribution on the Response

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>56</td>
<td>63.6</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>22</td>
<td>34.1</td>
</tr>
<tr>
<td>3.</td>
<td>Do not know</td>
<td>2</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 9 above shows that 63.6% of respondents indicated that the award of tax collection contracts to party agents by the council executives contributes to its poor internal revenue generation and grassroots development. 34.1% indicated otherwise, while 2 respondents were
undecided. This shows that the award of tax collection contracts to party agents by the council executives contributes to its poor internal revenue generation and grassroots development.

**Question 5:** Do you agree that over-dependence on external sources of revenues for grassroots development has negative impact on the council’s capacity to generate internal revenues?

**Table 11: Distribution on the Response**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Not always</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 10 above shows that 62.5% of the total number of respondents indicated that over-dependence on external sources of revenues for grassroots development has negative impact on the council’s capacity to generate internal revenues. 25% indicated otherwise, while 12.5% of the respondents indicated not always. This shows that over-dependence on external sources of revenues for grassroots development has negative impact on the council’s capacity to generate internal revenues.

### 5.2 Paucity of Highly Skilled Manpower

**Hypothesis (2):** There is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems.
**Question 6:** Do you agree that recruitment of highly skilled manpower contributes to effectiveness in internal revenue generation in Nsukka local government council?

**Table 12: Distribution on Response**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agreed</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>2.</td>
<td>Disagreed</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 11 above shows that 75% of the respondents agreed that recruitment of highly skilled manpower contributes to effectiveness in internal revenue generation in Nsukka local government council, while 25 disagreed. This shows that recruitment of highly skilled manpower contributes to effectiveness in internal revenue generation in Nsukka local government council.

**Question 7:** Do you think that non-recruitment of personnel with expatriate knowledge in internal revenue generation contributes to the revenue problems and grassroots development in the council?

**Table 13: Distribution on Response**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Not always</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 11 above shows that 62.5% indicated that non-recruitment of personnel with expatriate knowledge in internal revenue generation contribute to revenue problems in Nsukka
local government council, 25% indicated otherwise, while 12.5% indicated that it is not always. This shows that non-recruitment of personnel with expatriate knowledge in internal revenue generation contribute to revenue problems in Nsukka local government council.

**Question 8:** Do you agree that mode of personnel recruitment in the local government council impacts on their performance?

<table>
<thead>
<tr>
<th>Table 14: Distribution on Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>S/N</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 13 above shows that 75% of the respondents agreed that mode of personnel recruitment in the council impacts on their performance, while 25% disagreed. This shows that mode of personnel recruitment in the council impacts on their performance.

**Question 9:** Do you agree that workers in the council undergo regular in-service training exercise?

<table>
<thead>
<tr>
<th>Table 15: Distribution on Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>S/N</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>1.</td>
</tr>
<tr>
<td>2.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013
Table 13 above shows that 37.5% of the respondents indicated that workers in the council undergo regular in-service training exercise, while 62.5% indicated otherwise. This therefore shows that workers in the local government council do not undergo regular in-service training.

**Question 10:** Do you think that there is a relationship between lack of skilled manpower and poor internal revenue generation and grassroots development in the council?

**Table 16: Distribution on Response**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yes</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>2.</td>
<td>No</td>
<td>30</td>
<td>37.5</td>
</tr>
<tr>
<td>3.</td>
<td>Not always</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

In the table 14 above, 50% of the respondents indicated that there is a relationship between lack of skilled manpower and poor internal revenue generation and grassroots development in Nsukka local government council, while 37.5% indicated otherwise. However, 12.5% of the respondents indicated that it is not always. It is therefore accepted that there is a relationship between lack of skilled manpower and poor internal revenue generation and grassroots development in Nsukka local government council.

**5.3 Poor Auditing and Monitoring of Grassroots Development Projects**

**Hypothesis (3):** Poor auditing monitoring of grassroots development projects contribute to the internal revenue generation and grassroots development of Nsukka local government council.
Question 11: Do you agree that proper audit exercise and monitoring of grassroots development projects enhances accountability in internal revenue generation and grassroots development effort in the council?

Table 17: Distribution on Response

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agree</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>2</td>
<td>Disagree</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 15 above shows that 75% of the respondents indicated that proper audit exercise and monitoring of grassroots development projects enhances accountability in internal revenue generation and grassroots development effort in the council, while 25% indicated otherwise. This shows that proper audit exercise and monitoring of grassroots development projects enhances accountability in internal revenue generation and grassroots development effort in the council.

Question 12: How often do the local government auditors carry out audit exercise in the council?

Table 18: Distribution on Response

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regularly</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Once a year</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>3</td>
<td>When need arises</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013
Table 16 above shows that 25% of the respondents indicated that the local government’s auditors carry out auditing exercise in Nsukka local government council regularly. 62.5 indicated once a year, while 12.5% indicated that the local government’s auditors carry out auditing exercise in Nsukka local government council when need arises. This shows that the local government’s auditors carry out auditing exercise in Nsukka local government council once a year.

**Question 13:** Do you agree that non-enforcement of audit and project monitoring reports in the council contribute to its internal revenue generation and grassroots development problems?

**Table 19: Distribution on Response**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agree</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>2.</td>
<td>Disagree</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 13 above shows that 75% of the respondents indicated that non-enforcement of audit and project monitoring reports in the council contribute to its internal revenue generation and grassroots development problems, while 25% indicated otherwise. This shows that non-enforcement of audit and project monitoring reports in the council contribute to its internal revenue generation and grassroots development problems.

**Question 14:** What other problem do you think militates against internal revenue generation and grassroots development in Nsukka local government council?
Table 20: Distribution on Response

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Official corruption</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>2.</td>
<td>Tax evasion</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>80</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 13 above shows that 75% of the respondents indicated that official corruption militates against internal revenue generation and grassroots development in Nsukka local government council, while 25% indicated otherwise. This shows that official corruption militates against internal revenue generation and grassroots development in Nsukka local government council.
CHAPTER SIX

NSUKKA GRASSROOTS RESPONSES TO LEADERSHIP MISRULE SINCE 1999

The establishment of Nsukka local government area is linked to the imposition of colonial rule on the Igalla people after they were conquered by the British in 20\textsuperscript{th} century. The administrative headquarters of the newly imposed colonial rule was located in Okpoga. In 1955 however, the Eastern Regional local government law introduced three tiers of local government namely, local council, district council and county council. Thus, Nsukka was administered as a county council while Igbo Etiti, Igbo-Eze and Isi-Uzo were both administered as district council (Umah, 1990). At independence and with the creation of 12 states by Gowon military regime, the local government system in Nigeria especially in South East had indeed taken different dimensions. The Obasanjo military regime’s 1976 local government reforms that recognized local government as autonomous third-tier government had indeed, transformed the structure and pattern of local government system in Nigeria. With the reforms, the former Igbo-Etiti county council was divided into two namely, Nsukka local government area with headquarters at Ogbede. In furtherance to the reforms, Ibrahim Babagida’s military regime in 1991 created more states and local governments, thereby bringing the local governments under Nsukka senatorial zone to six.

As one of the local governments and senatorial zone in Enugu state, Nsukka local government area shares common borders with other local governments within the zone such as Udenu, Igbo-Etiti, Uzo-Uwani, Igbo-Eze North and Igbo-Eze South. Besides, the local government is located approximately on latitude 70 north and longitude 7.500 east and 65 kilometers north of Enugu (Nsukka Local Government Council Document, 2010). It has three

In line with the 1976 local government reforms in Nigeria, Nsukka local government was constitutionally empowered to have a share of revenue from the federation account and to raise funds from different sources of taxes to enable the local government discharge its statutory obligations to the people at the grassroots. In fact according to Abubakar (1989), the expediency for the creation of local government anywhere in the world stems from the need to facilitate development at the grassroots. The importance of local government is a function of its ability to generate sense of belongingness, safety and satisfaction among its populace. All forms of government, regimes or political systems have so far ensured the attainment of this goal. Such strategy for ensuring national administrative development and political efficacy is found in the concept and practice of local government. Whatever is the mode of government, he contends that local government has been essentially regarded as the path to, and guarantor of, national integration, administration and development. In Nigeria's socio-political context, with multiplicity of culture, diversity of languages and differentiated needs and means, he observes that the importance of such an organization in fostering the needed national consciousness, unity and relative uniformity as well as preservation of peculiar diversities cannot be over-emphasized. Abubakar (1989:2) noted further:

Central to the creation of local government, however, is its ability to facilitate an avenue through which government and the people intermix, relate and more quickly than any other means resolve or dissolve issues that may have heated the system. Local government has been perceived as a panacea for the diverse problems of the diverse people with diverse culture. As important as this tier of government has been, he observes that there seems to be some impediments that have been infringing on its performance and functions in recent times.
Ogwu (2007) contends that local government areas are supposed to be the engines of grassroots development. According to him, in developed societies, when people are tired of living in the cities they relocate to rural communities where life is less strenuous. However, he maintains that the opposite is the case in Nigeria, living in a rural community is difficult, because nothing works, as it should. The local government administrators are part of the problem. Like their counterparts at the federal and state levels, they are mired in pursuit of personal goals at the expense of broader community interests. Any person, who wants to know why the nation is not developing as rapidly as it should, should visit any of the local government areas. Life is pressed out of almost everything. The people are financing varied development projects (community hospital, road construction, rural electrification, water projects amongst others), because monthly allocations to local councils are not properly utilized. Local governments, at least in principles, deal with grassroots politics (keeping law and order, basic sanitation, constructing and maintaining local roads, supplying water, administering local schools, providing skill training and employment for residents amongst others. Community development programmes are aimed at improving the quality of life of the people in the community. Macpherson constitution of 1948 initiated some remarkable changes; the regions introduced some reforms in their local administrations in the 1950s which aimed at enhancing performance. Though, the reforms gave local administrations to collect rates and levy pools and income taxes to finance their activities, the regions had overall control of the taxes. Local administration lacked self-determination, hence their resource were inadequate.

Furthermore, hard-earned and limited resources accrued to and raised by local government are always mismanaged. Priorities are misplaced; projects are done not according to or as demanded by the people but regrettably in tune with the selfish end and
aggrandizement of the political leadership in collaboration with the senior bureaucrats at the local government level of administration. Coupled with this according to him is the greatest bane of development in the Nigerian public service in general and local government in particular which corruption is. Reports of probe panels at the three tiers of government have revealed the culpability of civil servants. Corruption in low and high places, corruption has been rampant among the senior civil bureaucrats to whom the public funds meant for development purposes are entrusted. Generally, wide-scale embezzlement by officials of the grassroots has made the needed development of the grassroots a tall dream and has rendered them financially incapable to discharge their constitutionally assigned responsibilities. Indiscipline according to him is rampantly perceived and well pronounced among the workers in third tier of government. The senior officers who travel to their families away from their offices on Friday return very late the following Monday or may decide to stay back till Tuesday; and the junior members of staff who directly or indirectly observe this more often than not are in the habit of playing truant with their jobs. Little or no commitment to duty has become a rule rather than an exception. Offices he maintains have been turned to marketplaces where officers hawk their goods freely. The rules that guide moral conduct and professional ethics seem to have, at worse, become cobweb that is so weak to tame the monstrous activities of the workers. Indiscriminate lustful desires are noticeable among the workers. The official's relationship between super ordinates and subordinates has been stained. Strict instructions handed down from top echelon to the bottom are either not followed or treated with levity as a result of the immoral relationship between the boss and subordinates. Official duties are seen as an extension of private leisure. Laissez-faire attitude to work has arrested the efficiency of local government and has drastically affected its performance (see Okoli (2007)
Furthermore, this backdrop situation in the local government system in Nigeria is compounded by the degree of external influence and intrusion in local government affairs by the higher levels of government. Situation where the state governor unconstitutionally dissolves the entire elected council's officers without proper investigations on spurious allegations is not good for the future of local government administration in the country. Such external interference indeed subverts democratic process and undermines constitutional authority at the grassroots level. The crux of the matter according to him is the power and misuse of it enjoyed by the state governments over local governments. Practically, and in true sense, he observes that local government in Nigeria lacks autonomous financial power. Local government is now considered as an extension of state's ministry. The inherent nature of this problem has caused subservience, a situation where local government waits for the next directives from state government before the former could think of, let alone embarking on developmental projects. This has made local government an object of control and directives. The major challenge that local government faces is the political control the respective state governor has on the local government chairmen. This is as a result of the fact that state governor sponsors election of most, if not all, of the chairmen. They are handpicked by the state governor rather than being elected. It is a clear case of who pays the piper dictates the tune. This again creates a problem of diversion of local government funds for personal use of state governors (Okoli, 2007)

In Enugu state however, there have been an unholy alliance between state government and local councils in the state, where the state government constitutes Joint Action Committee, tagged ‘JAC'. Federal allocations to local government are first deposited into a particular ad hoc account before calling for the committee meeting. This in a way paves the way for the state
government to plan for the local government and release the money in installments. The motive behind this is to divert the money to another thing entirely which does not have impact on the lives of the rural dwellers but that will be beneficial to the state governor.

However, one of dominant and unique issue in Nsukka local government area administration since inception of democratic governance in Nigeria in 1999 is leadership misrule that manifests in inefficiency in the provision of basic amenities and social infrastructures. Thus, resulting in greater number of the people at the grassroots level of the local government being highly impoverished with its implications on the spread of social vices. Table 21 below shows distribution of states by poverty headcount using self-rated lines in Nigeria.

<table>
<thead>
<tr>
<th>State</th>
<th>Poor</th>
<th>Non-Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abia</td>
<td>82.46</td>
<td>17.54</td>
</tr>
<tr>
<td>Adamawa</td>
<td>76.18</td>
<td>23.82</td>
</tr>
<tr>
<td>Akwa Ibom</td>
<td>65.36</td>
<td>34.64</td>
</tr>
<tr>
<td>Anambra</td>
<td>71.07</td>
<td>28.93</td>
</tr>
<tr>
<td>Bauchi</td>
<td>88.30</td>
<td>11.70</td>
</tr>
<tr>
<td>Bayelsa</td>
<td>95.57</td>
<td>4.43</td>
</tr>
<tr>
<td>Benue</td>
<td>80.85</td>
<td>19.15</td>
</tr>
<tr>
<td>Borno</td>
<td>87.81</td>
<td>12.19</td>
</tr>
<tr>
<td>Cross River</td>
<td>81.16</td>
<td>18.84</td>
</tr>
<tr>
<td>Delta</td>
<td>84.25</td>
<td>15.75</td>
</tr>
<tr>
<td>Ebonyi</td>
<td>87.22</td>
<td>12.78</td>
</tr>
<tr>
<td>Edo</td>
<td>83.09</td>
<td>16.66</td>
</tr>
<tr>
<td>Ekiti</td>
<td>96.53</td>
<td>3.47</td>
</tr>
<tr>
<td><strong>Enugu</strong></td>
<td><strong>80.77</strong></td>
<td><strong>19.23</strong></td>
</tr>
<tr>
<td>Gombe</td>
<td>73.20</td>
<td>26.80</td>
</tr>
<tr>
<td>Imo</td>
<td>77.78</td>
<td>22.22</td>
</tr>
<tr>
<td>Jigawa</td>
<td>59.44</td>
<td>40.56</td>
</tr>
<tr>
<td>Kaduna</td>
<td>74.77</td>
<td>25.23</td>
</tr>
<tr>
<td>Kano</td>
<td>73.11</td>
<td>26.89</td>
</tr>
<tr>
<td>Katsina</td>
<td>76.03</td>
<td>23.97</td>
</tr>
<tr>
<td>Kebbi</td>
<td>73.55</td>
<td>26.45</td>
</tr>
<tr>
<td>Kogi</td>
<td>82.12</td>
<td>17.88</td>
</tr>
<tr>
<td>Kwara</td>
<td>88.68</td>
<td>11.32</td>
</tr>
<tr>
<td>Lagos</td>
<td>70.24</td>
<td>29.76</td>
</tr>
<tr>
<td>Nassarawa</td>
<td>77.48</td>
<td>22.52</td>
</tr>
</tbody>
</table>
Indeed, provisions of projects are key to the very existence of local governments. They are required to serve the public interest in areas of building feeder roads, construction of markets, health care centers, drainages, transportation, motor parks, among others. While these functions of local government are well known and popularized by the constitution of the country, what seems to matter most to the people of the grassroots is to see tangible results of their taxes, contributions, labor expended and the judicious use of monthly allocation from the federation account to their local governments. However, the enormous benefits that the grassroots stand to derive from a sound and functional local governments have not approximated reality as Nsukka local government area presents. Interest of the people in the activities of their local government especially with regards to projects they are handling, is to provide or encourages the growth and development of civic consciousness and the desire for improvement in local governance. The interest in government project at the grassroots levels is that it helps promote accountability in governments. Political accountability has become necessary in view of so many cases of poor execution of projects, leading to waste of scarce resources and abandoned projects that litter different parts of the community. Resources, where they are wisely used, promote community and socio-economic development and improve the welfare and well being of the people. Table
Table 22: List of some uncompleted grassroots development projects in Nsukka local government area.

<table>
<thead>
<tr>
<th>S/N</th>
<th>NAME OF PROJECT</th>
<th>CONTRACTORS</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rehabilitation of CPS Okpueke</td>
<td>Sam Ugwu and Sons Nsukka</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>2</td>
<td>Fumigation of health facilities in</td>
<td>Asogwa R.C.</td>
<td>Uncompleted</td>
</tr>
<tr>
<td></td>
<td>the local government areas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Rehabilitation of CPS Nru T/E</td>
<td>T/E</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>4</td>
<td>Rehabilitation of Ubabari P/S Edem</td>
<td>T/E</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>5</td>
<td>Rehabilitation of Unity P/S Lejja</td>
<td>CATES Nig. Ltd Nsukka</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>6</td>
<td>Construction of Borehole in Nru</td>
<td>Nchewi Tech. Engineering Services</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>7</td>
<td>Installation of transformers at Ede</td>
<td>Zeroth Nig. Ltd</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>8</td>
<td>Construction of fish farm at Alagba</td>
<td>Unifaco farms 816, Afia Nine</td>
<td>Uncompleted</td>
</tr>
<tr>
<td></td>
<td>Oballa</td>
<td>Enugu</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Completion of Owerre Obukpa water</td>
<td>Community coordinating council, Enugu</td>
<td>Uncompleted</td>
</tr>
<tr>
<td></td>
<td>scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Installation of transformers at</td>
<td>FANO Nig. Ltd</td>
<td>Uncompleted</td>
</tr>
<tr>
<td></td>
<td>Ogige market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Nsukka local government council document, 2011

In response to this backdrop situation in Nsukka local government areas, the indigenes, especially the youths, have since democratic inception been involved in a wide protest against what they perceived as imposition of candidates for local government chairmanship by the higher authorities in Enugu state. For instance, after the November 2013 local government elections in the Nsukka local government, which saw the ruling Peoples Democratic Party (PDP) sweeping the chairmanship post and all the other elected positions, over 500 youths of the Peoples Democratic Party, PDP, in Enugu North senatorial district, took to the streets of
Nsukka, to protest imposition of candidates (http://www.vanguardngr.com/2013/09/nsukka-youths-protest-imposition-of-candidates). According to the youths, such impositions are contrary to democratic principles. The first port of call of the youths was Nsukka local government secretariat where they were addressed by Paulinus Eze, Personal Assistant to the local government chairman on projects. Eze told the protesters that they were at a wrong place and advised them to channel their grievances to the state PDP chairman at the party secretariat as the issue was a party matter. At the party secretariat, the youths brought activities to a halt, compelling chairman of PDP in the local government area, Chief Alpho.Nweze, to abandon urgent party matters to attend to them. The protesters chanted derogatory songs against Chief Nweze, accusing him of imposing candidates on the party. Thus, according to spokesperson of the protesting youths, Ezeagbo Ikenna: “As youths and future leaders, we refuse to align ourselves with persons whose unbridled inclination to political sycophancy and bigotry know no bounds.” (http://www.vanguardngr.com/2013/09/nsukka-youths-protest-imposition-of-candidates).

The call by the youths of Nsukka local government area for credible and transparent election is hinged on their staunch believe on the fact that the failure of the successive Nsukka local government chairmen to deliver the gains of democracy stems largely from persistence of misrule in the local government area arising from imposition of candidates by the higher authorities in Enugu state. (http://www.vanguardngr.com/2013/09/nsukka-youths-protest-imposition-of-candidates).
CHAPTER SEVEN

TEST OF HYPOTHESES

Hypothesis (1): Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development.

Hypothesis 1 was drawn from our first research question and it was in a bid to test it that we arrived at the distribution in the table below.

Table 21: Distribution on whether official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Non declaration of the actual taxes collected by the local government tax officials</td>
<td>50</td>
<td>62.6</td>
</tr>
<tr>
<td>2.</td>
<td>Award of tax collection contracts to party agents by the council executives</td>
<td>56</td>
<td>63.6</td>
</tr>
<tr>
<td>3.</td>
<td>Appointment of tax officials that are inexperience in tax administration by the local government council</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

From the table above, 62.6% representing 50 respondents indicated that non declaration of the actual taxes collected by the local government tax officials affects the capacity of the local government council in generating enough revenues from its various internal sources for grassroots development purpose. We also gathered from 63.6% of the respondents that award of tax collection contracts to party agents by the council executives contributes to its poor internal revenue generation and grassroots development. However, 25% representing 20 respondents indicated that appointment of tax officials that are inexperience in tax administration by the local
government council affects the capacity of the local government council in generating enough revenues from its various internal sources for grassroots development purpose.

In no doubt, from the foregoing results, it could be deduced that official corruption has indeed, undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development. Despite the various sources of internal revenues in Nsukka local government council, there has been a sustained discrepancy between the expected internal revenues from actual revenues generated. This is to say that there has been a serious decline in the internally generated revenue base of the local government as could be observed in the table 20 below.

**Table 22: Summary of estimated recurrent revenue of Nsukka local government council (2010)**

<table>
<thead>
<tr>
<th>HEAD</th>
<th>DETAILS OF REVENUE</th>
<th>ACTUAL REVENUE 2007</th>
<th>ACTUAL REVENUE 2008</th>
<th>APPROVED REVENUE 2009</th>
<th>ACTUAL 2009</th>
<th>ESTIMATE REVENUE 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td>Taxes</td>
<td>1,333,810</td>
<td>765,100</td>
<td>2,000,000</td>
<td>486,800</td>
<td>2,800,000</td>
</tr>
<tr>
<td>1002</td>
<td>Rates</td>
<td>1,020,700</td>
<td>1,011,000</td>
<td>1,900,000</td>
<td>150,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td>1003</td>
<td>Local license fees &amp; fines</td>
<td>3,105,800</td>
<td>4,209,600</td>
<td>7,945,000</td>
<td>2,158,490</td>
<td>8,290,000</td>
</tr>
<tr>
<td>1004</td>
<td>Earning from commercial ventures</td>
<td>4,716,720</td>
<td>5,287,150</td>
<td>16,900,000</td>
<td>5,214,935</td>
<td>12,300,000</td>
</tr>
<tr>
<td>1005</td>
<td>Rent on local government properties</td>
<td>94,000</td>
<td>189,000</td>
<td>400,000</td>
<td>26,000</td>
<td>400,000</td>
</tr>
<tr>
<td>1006</td>
<td>Interest, payments and dividends</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 23: Misplaced and un-existing projects in Nsukka local government council (2008)

<table>
<thead>
<tr>
<th>S/N</th>
<th>NO</th>
<th>NAME OF PROJECT</th>
<th>FINANCIAL COST</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>5</td>
<td>Bedroom duplex for government lodge</td>
<td>35,000,000</td>
<td>2008</td>
</tr>
<tr>
<td>2.</td>
<td>1</td>
<td>Renovation of official residence of the chairman</td>
<td>10,000,000</td>
<td>2008</td>
</tr>
<tr>
<td>3.</td>
<td>1</td>
<td>Fish pond contract</td>
<td>16,500,000</td>
<td>2008</td>
</tr>
<tr>
<td>4.</td>
<td>1</td>
<td>Perimeter fencing of the official residence of chairman</td>
<td>30,000,000</td>
<td>2008</td>
</tr>
<tr>
<td>5.</td>
<td>1</td>
<td>Planting of flowers along a portion of Enugu Road Nsukka.</td>
<td>17,000,000</td>
<td>2008</td>
</tr>
</tbody>
</table>

Source: Tribune, 2009:13
Furthermore, official corruption in internal revenue generation in most local government areas in Nigeria (including Nsukka local government council) according to Ezeani (2009) is rife in the area of revenue declaration by collectors, award of contracts and embezzlement of the local government funds. In addition, the result of an investigation on local government in Nigeria carried out by Newswatch magazine in 2001 revealed that no few than thirty one local government chairmen from different parts (Enugu included) of the country were either under investigation, impeachment or on suspension due to allegations of corruption. To this end, corruption in the form of fraud and embezzlement of local government funds had contributed to the inability of most local governments in Nigeria to embark on projects that will increase the incomes and wellbeing of the rural poor.

Therefore, on the strength of the fore-going evidence and results emanating from our statistical data and analysis, we accept our hypothesis 1, which states that official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development.

7.2 Hypothesis (2): There is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems

Hypothesis 2 was drawn from our second research question and it was in a bid to test it that we arrived at the distribution in the table below.
Table 24: Distribution on whether there is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Non-recruitment of personnel with expatriate knowledge in internal revenue generation contributes to the revenue problems and grassroots development in the council</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>2.</td>
<td>Politicized mode of tax personnel recruitment in the local government council</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Lack of in-service training for tax personnel in the local government council</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

Table 22 above shows that 62.5% of our respondents indicated that non-recruitment of personnel with expatriate knowledge in internal revenue generation contributes to the revenue problems and grassroots development in Nsukka local government council. 25% of the respondents indicated that politicization of the mode of tax personnel recruitment in the local government council. However, 12.5% of the respondents were of the believe that lack of in-service training for tax personnel in the local government council impacts negatively on internal revenue generation and grassroots development in Nsukka local government council.

Likewise, from the statistical analysis of our questionnaire as reflected in tables 12, 13, 14, 15, and 15, it was observed that greater percentage of our respondents agreed with fact there is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems.

Internally revenue generation, whether in the local government system or indeed, any organization, entails generating and harnessing the available funds of such organization in a
more effective and efficient manner, and with the ultimate aim of achieving the set objectives. As such it is a task that requires a highly trained and caliber of manpower that has vast knowledge in the area. It is axiomatic however, to state that most local government councils in Nigeria, including Nsukka lack skilled manpower necessary to perform this crucial task. Thus, Adedokum (2004) has attributed this problem to the inability of most local governments in the country especially rural ones to attract and retain high caliber of staff owing to poor financial capacity. In this way, Nsukka local government council is not an exception. Nsukka local government council is known to lack skilled manpower for financial management. Paucity of skilled manpower for effective and efficient internally generated revenue in the council is noticed in the meager internally generated revenue base of the council. For instance, the expected internally generated revenue for the council in the 2004 and 2005 budget estimates constituted only 2%, share from federation account 59%, VAT 15%, state allocations and grants 20%, while stabilization fund and general ecology remained 19% (Nsukka local government document, 2010:10). This has remained so despite available sources of internal revenue in the local government. Consequently, Nsukka local government council had since over the years depended on federal and state allocation with their attendant implications on the financial autonomy and management capacity of the council. The table below underscores the shortfalls in estimated recurrent revenue, especially as it affects internally generated revenues, 2007- 2010.
Table 25: The shortfalls in estimated recurrent revenue, especially as it affects internally generated revenues, 2007-2010.

<table>
<thead>
<tr>
<th>SUB HEAD OF REVENUE</th>
<th>DETAILS OF REVENUE</th>
<th>ACTUAL REVENUE 2007</th>
<th>ACTUAL REVENUE 2008</th>
<th>APPROVED REVENUE 2009</th>
<th>ACTUAL REVENUE 2009</th>
<th>ESTIMATED REVENUE 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEAD 1001 TAXES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Community or poll tax</td>
<td>800,000</td>
<td>661,000</td>
<td>1,5000,000</td>
<td>400,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Arrears, community or pool tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Dev. tax or levy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Arrears, cattle</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Cattle tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Arrears, dev. tax or levy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Other special service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Arrears</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Head 1001</td>
<td>1,000,000</td>
<td>765,100</td>
<td>2,000,000</td>
<td>486,800</td>
<td>2,800,000</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>-----------</td>
<td>---------</td>
<td>-----------</td>
<td>---------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>Head 1002</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Rates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Tenement</td>
<td>900,000</td>
<td>862,200</td>
<td>1,500,000</td>
<td>150,000</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td>Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalty</td>
<td>-</td>
<td>-</td>
<td>200,000</td>
<td>-</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenement</td>
<td>100,000</td>
<td>149,000</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The foregoing backdrop is indeed, compounded by corruption practices among council officials responsible for internally generated revenues and budget estimates has equally impacted negatively on the efficient and effective internally generated revenue in the council. This is rife in the area of revenue declaration by collectors, award of contracts and embezzlement of the local government funds.

Therefore, on the strength of the fore-going evidence and results emanating from our statistical data and analysis, we validate our hypothesis 2, which states that there is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems.
7.3 **Hypothesis (3):** Poor auditing and monitoring of grassroots development projects contribute to the internal revenue generation and grassroots development of Nsukka local government council

Hypothesis 3 was drawn from our third research question and it was in a bid to test it that we arrived at the distribution in the table below.

**Table 26: Distribution on whether poor auditing and monitoring of grassroots development projects contribute to the internal revenue generation and grassroots development of Nsukka local government council**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Options</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Non-enforcement of audit report</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>2.</td>
<td>Corrupt practices among auditors</td>
<td>50</td>
<td>62.5</td>
</tr>
<tr>
<td>3.</td>
<td>Non-monitoring of grassroots dev. projects</td>
<td>10</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>80</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2013

From table 26 above, 25% representing 30 respondents affirm to the fact that non-enforcement of audit report in Nsukka local government council contributes to its internal revenue generation and grassroots development. 62.5% that represents 50 respondents however, indicated that corruption among local government and state auditors impacts negatively on efficient and effective internal revenue generation and grassroots development, while 12.5% representing 10 respondents indicated that non-monitoring of grassroots development projects contributes to the problem.

There are evidences to show that the local government and state auditors lack capacities necessary to enforce audit reports on defaulting officials in the local government. For instance,
the audit report carried out by Enugu state audit officials on Nsukka local government council in January to December 2008 shows that the total sum of N529, 500.00 generated from both internal and external sources of revenues (five hundred and twenty nine thousand naira) was misappropriated by officials of Nsukka local government council during their tour to Hotel Presidential Enugu for a 3-day zonal workshop/seminar on the topic: “Role/relationship between political office holders and career civil servants in the local government system” billed for 27\textsuperscript{th} to 29\textsuperscript{th} August 2008 (See audit report of the Enugu state auditors on Nsukka local council, 2008). There was however, no official publication on how the funds were to be recovered from the officials. Table 27 below shows the funds allocated to each of the officials for the said workshop that are yet to be accounted for.

Table 27: Audit report on misappropriated funds by Nsukka local government council officials, 2008

<table>
<thead>
<tr>
<th>S/N</th>
<th>NAME OF OFFICER</th>
<th>DESIGNATION</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hon. Onah Mercy (Mrs.)</td>
<td>Vice Chairman</td>
<td>99,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Hon. Barr. Tony Ugwu</td>
<td>Administrator, Nsukka East Dev. Area</td>
<td>84,000.00</td>
</tr>
<tr>
<td>3</td>
<td>Hon. Ugwueze Cosmas</td>
<td>Administrator, Nsukka Central Dev. Area</td>
<td>84,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>Hon. Chris Ugwu U.</td>
<td>Administrator, Nsukka West Dev. Area</td>
<td>84,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Comrade Uwakwe Ezeja</td>
<td>Director of personnel management</td>
<td>69,000.00</td>
</tr>
<tr>
<td>6</td>
<td>Dr. Richard Ojiakor</td>
<td>Treasurer</td>
<td>49,000.00</td>
</tr>
<tr>
<td>7</td>
<td>Comrade Mamah John</td>
<td>Internal auditor</td>
<td>49,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>529,500.00</td>
</tr>
</tbody>
</table>
Furthermore, corruption among political leaders both at the local government and the state government that interferes with the independent auditing exercise by auditors has equally militated against efficient and effective auditing exercise and internally generated revenue of the local government. For instance, while there was allegation of corrupt practices that led to misappropriation of the whooping sum of N52,684,400.0 (fifty-two million, six hundred and eighty four thousand four hundred naira) in 2008 by the then Nsukka local government council chairman, Ugwuja (Tribune, 2009), there was no official audit report on how the fund was used. The implication of the foregoing backdrop on the grassroots development projects cannot be put to question. This is because the local government has since failed to mobilize enough funds for the initiation or indeed, completion of the grassroots development projects spread across the local government area. Table 28 below shows the list of uncompleted grassroots development projects in Nsukka local government area.

Table 28: List of some uncompleted grassroots development projects in Nsukka local government area.

<table>
<thead>
<tr>
<th>S/N</th>
<th>NAME OF PROJECT</th>
<th>CONTRACTORS</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rehabilitation of CPS Okpuke</td>
<td>Sam Ugwu and Sons Nsukka</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>2</td>
<td>Fumigation of health facilities in the local government areas</td>
<td>Asogwa R.C.</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>3</td>
<td>Rehabilitation of CPS Nru</td>
<td>T/E</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>4</td>
<td>Rehabilitation of Ubabari P/S Edem</td>
<td>T/E</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>5</td>
<td>Rehabilitation of Unity P/S Lejja</td>
<td>CATES Nig. Ltd Nsukka</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>6</td>
<td>Construction of Borehole in Nru</td>
<td>Nchewi Tech. Engineering Services</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>7</td>
<td>Installation of transformers at Ede Oballa</td>
<td>Zeroth Nig. Ltd</td>
<td>Uncompleted</td>
</tr>
<tr>
<td></td>
<td>Project Description</td>
<td>Executor</td>
<td>Status</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------------------</td>
<td>---------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>8</td>
<td>Construction of fish farm at Alagba Ede-Enu</td>
<td>Unifaco farms 816, Afia Nine Enugu</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>9</td>
<td>Completion of Owerre Obukpa water scheme</td>
<td>Community coordinating council, Enugu</td>
<td>Uncompleted</td>
</tr>
<tr>
<td>10</td>
<td>Installation of transformers at Ogige market</td>
<td>FANO Nig. Ltd</td>
<td>Uncompleted</td>
</tr>
</tbody>
</table>

Source: Nsukka local government council document, 2011

Therefore, on the strength of the fore-going evidences and results emanating from our statistical data and analysis, we validate our hypothesis 3, which states that poor auditing and monitoring of grassroots development projects contribute to the internal revenue generation and grassroots development of Nsukka local government council.
CHAPTER EIGHT
SUMMARY, CONCLUSION AND RECOMMENDATIONS

8.1 Summary

This study has examined the internally generated revenue and grassroots development in the Nsukka local government area since 1999. Specifically, the following has constituted the specific objectives of the study: (1) To ascertain whether official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development; (2) To examine the relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems; (3) To ascertain whether of poor auditing and monitoring of rural development projects contribute to the internal generated revenues and grassroots development problems of Nsukka local government council. We have endeavored through our analysis to provide answers to our stated research questions: (1) whether official corruption undermine the capacity of Nsukka local government council to generate internal revenues for grassroots development; (2) whether there a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems; and (3) whether poor auditing and monitoring of rural development projects contribute to the internal generated revenues and rural development problems of Nsukka local government council.

From the array of related literature reviewed on this study and analysis on the questionnaire result, using simple percentage model, it is now understandable, as it remains conspicuous that official corruption has undermine the capacity of Nsukka local government council to generate internal revenues for grassroots development. Despite the various sources of internal revenues in Nsukka local government council, there has been a sustained discrepancy
between the expected internal revenues from actual revenues generated. This is to say that there has been a serious decline in the internally generated revenue base of the local government as could be observed in our table 20. This backdrop situation is indeed compounded by misappropriation of available revenues derived from both internal and external sources through misplaced and un-existing development and housing projects. Nsukka local government officials have not been sincere enough in conceiving grassroots development programmes that would have greater impact on the people. Thus, grassroots development programmes are conceived and located in as much as these programmes would serve the interest of the local government officials. The huge amount of money that was spent on building bedroom duplex for government lodge and renovation of official residence in the local government could have been well utilized if the money was channeled towards building cottage industries such as garri processing industries, oil milling centres, e.t.c since agriculture is the main stay of Nsukka indigenes.

Besides, the relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems was implicated in this study. Internally revenue generation, whether in the local government system or indeed, any organization, entails generating and harnessing the available funds of such organization in a more effective and efficient manner, and with the ultimate aim of achieving the set objectives. As such it is a task that requires a highly trained and caliber of manpower that has vast knowledge in the area. It is axiomatic however, to state that most local government councils in Nigeria, including Nsukka lack skilled manpower necessary to perform this crucial task. Nsukka local government council is known to lack skilled manpower for revenue generation. Paucity of skilled manpower for effective and efficient internally generated revenue in the council is noticed in the meager internally generated revenue base of the council.
For instance, the expected internally generated revenue for the council in the 2004 and 2005 budget estimates constituted only 2%, share from federation account 59%, VAT 15%, state allocations and grants 20%, while stabilization fund and general ecology remained 19%. This has remained so despite available sources of internal revenue in the local government. Consequently, Nsukka local government council had since over the years depended on federal and state allocation with their attendant implications on the financial autonomy and management capacity of the council. As such, there has been a persistent shortfall in estimated recurrent revenue, especially as it affects internally generated revenues since 1999.

This backdrop situation is indeed, compounded by poor auditing and monitoring of rural development projects in local government area. Evidences from our investigation show that the local government and state auditors lack capacities necessary to enforce audit reports on defaulting officials in the local government. Although there has been audit reports carried out by Enugu state audit officials on Nsukka local government since 1999, there was however, no official publication on how the audit reports were implemented. Furthermore, corruption among political leaders both at the local government and the state government that interferes with the independent auditing exercise by auditors has equally militated against efficient and effective auditing exercise and internally generated revenue of the local government. The implication of this backdrop situation on the grassroots development projects cannot be put to question. This is because the local government has since failed to mobilize enough funds for the initiation or indeed, completion of the grassroots development projects spread across the local government area.

The significance of this research study is in two-fold- theoretical and practical. The theoretical significance derives from the gaps emanating from the existing scholarly works on
internally generated revenues and grassroots development in Enugu state in general and Nsukka local government council in particular, which the study has endeavored to fill. At the practical level, this study will be of interest and immense importance to Nigerian government, Enugu state and local government scholars interested in the problems militating against internally generated revenues and grassroots development in Enugu state and Nsukka local government council in particular. The issues discussed will not only enhance the understanding of local government internally generated revenues and grassroots development problems in Nigeria but will provide valuable information/data that will assist local government scholars and law makers in articulating potent policies that will help to address the problems.

Our literature review followed a thematic order- empirical and practical literature. From our review of the extant literature pertaining to internally generated revenues and grassroots development in Enugu State using Nsukka local government council as a case study, many factors were accounted by scholars. These factors among other things include, Nigerian federal structure and intergovernmental fiscal policies as enshrined in the 1999 federal constitution, undue interference of most state governments including Enugu to the finances of the local governments, mismanagement of funds and shortage of manpower especially in Nsukka local government. However, none of the scholars reviewed have indeed devoted enough time to examine the relationship between official corruption and internally generated revenues and grassroots development constraints of Nsukka local government council. The scholars reviewed have equally failed to examine the relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems. This is in addition to poor auditing and monitoring of rural development projects and rural development problems of Nsukka local government. Indeed, where mention
were made of these problems by scholars, their analysis often lack empirical evidence needed for generalization. Therefore, it was this noticeable gap in the extant literature which the scholars have not satisfactorily filled that this study has attempted to fill.

Our hypotheses were derivatives of the three research questions stated above. Core assumptions of the David Easton (1956) System theory formed the basis of our analysis. This study also made use of qualitative and quantitative methods of data collection and data analysis.

8.2 Conclusions

In the course of our analysis concerning the internally generated revenue and grassroots development in the Nsukka local government area since 1999, we made use of both primary and secondary data, and through our statistical analysis, we have been able to validate our hypotheses and arrived on the following conclusions, thus: (1) That official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development; (2) That there a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its rural development problems; and (3) That poor auditing and monitoring of rural development projects contribute to the internal generated revenues and rural development problems of Nsukka local government council. On the basis of these conclusions therefore, we put forward the following recommendations

8.3 Recommendations

Arising from the summary of our research findings and conclusions, we therefore make the following recommendations;

(1) That a constitutional arrangement or procedures should be made, especially now that the Nigeria’s seventh National Assembly of the Fifth Republic has been inaugurated, that
would provide for the establishment of the offices for corruption fighting institutions in the various local government areas in Nigeria, including Nsukka local government area.

(2) It is equally our recommendation that the various state ministries of local government should endeavor to observe recruitment policies that base on merit and expertise. This is to say that the personnel needs of the various local government councils should be determined before recruitment, especially as it affects personnel’s responsible for internally generated revenue.

(3) That a state/local government body outside the ministry and commission, should be established and saddled with the responsibility of monitoring the manner under which the Nsukka local governments’ funds are generated and used in execution of projects and programmes at the grassroots.

(4) Finally, and to curb the menace of corruption, Nsukka dwellers should endeavour to come out and vote people of proven integrity and experience during local government elections.
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**Book Chapter**


**Journal Articles**


**Official Publications**


Internet Sources


Inaugural Lecture


Conference Paper


Newspapers

Thisday, June 18, 2003

Workshop and Research Paper Series


Unpublished Work

APPENDIX 1

SAMPLE OF THE QUESTIONNAIRE

Department of Political Science,
University of Nigeria,
Nsukka.
4th December, 2013.

Dear Respondents,

I am a postgraduate student of the above-mentioned department. I am currently conducting a research work on the topic: “Internally Generated Revenue and Grassroots Development in the Nsukka Local Government Area since 1999”

The research is in partial fulfillment of the requirements for the award of Master of Science (M.Sc.) degree in Political Science (Public Administration). Please you are kindly requested to provide answers to the questions set out in the attached questionnaire to the best of your knowledge. Information supplied and views expressed are solely for academic purpose.

Thanks for your kind response.

Yours faithfully,

Eze, Philip Okeke
Researcher
APPENDIX II
QUESTIONNAIRE

INSTRUCTION: Please tick (✓) inside chosen box

SECTION 1: PERSONAL DATA

(1) Sex:
(a) Male ❑
(b) Female ❑

(2) Academic Qualifications:
(a) WAEC/GCE ❑
(b) OND/NCE ❑
(c) HND/B.SC ❑
(d) Other Qualifications ❑

(3) Years of Experience:
(a) 0-2 ❑
(b) 3-5 ❑
(c) 6-10 ❑
(d) 11 and above ❑

SECTION 2:

Hypothesis (1): Official corruption undermined the capacity of Nsukka local government council to generate internal revenues for grassroots development.

(1) Are you aware of the existence of internal sources of revenue to Nsukka local government council?
(a) Yes ❑
(b) No ❑
(2) Do you think that Nsukka local government council has been effective in generating enough revenues from its various internal sources?

(a) Yes [ ]
(b) No [ ]

(3) If your answer in question (2) above is “No”, what do you think is responsible?

(a) Non declaration of the actual taxes collected by the local government tax officials
(b) Appointment of tax officials that are inexperienced in tax administration by the local government council
(c) Tax evasion by the occupants of the local government area

(4) Do you agree that award of tax collection contracts to party agents by the council executives contributes to its poor internal revenue generation and grassroots development?

(a) Yes [ ]
(b) No [ ]
(c) Do not know [ ]

(5) Do you agree that over-dependence on external sources of revenues for grassroots development has negative impact on the council’s capacity to generate internal revenues?

(a) Yes [ ]
(b) No [ ]
(c) Not always [ ]
Hypothesis (2): There is a relationship between the paucity of highly skilled manpower necessary to generate internal revenues in Nsukka local government council and its grassroots development problems

(6) Do you agree that recruitment of highly skilled manpower contributes to effectiveness in internal revenue generation in Nsukka local government council?
   (a) Agreed □
   (b) Disagreed □

(7) Do you think that non-recruitment of personnel with expatriate knowledge in internal revenue generation contributes to the revenue problems and grassroots development in the council?
   (a) Yes □
   (b) No □
   (c) Not always □

(8) Do you agree that mode of personnel recruitment in the local government council impacts on their performance?
   (a) Agreed □
   (b) Disagreed □

(9) Do you agree that workers in the council undergo regular in-service training exercise?
   (a) Yes □
   (b) No □

(10) Do you think that there is a relationship between lack of skilled manpower and poor internal revenue generation and grassroots development in the council?
    (a) Yes □
    (b) No □
    (c) Not always □
Hypothesis (3): Poor auditing monitoring of grassroots development projects contribute to the internal revenue generation and grassroots development of Nsukka local government council

(11) Do you agree that proper audit exercise and monitoring of grassroots development projects enhances accountability in internal revenue generation and grassroots development effort in the council?
   (a) Agreed 
   (b) Disagreed 

(12) How often do the local government auditors carry out audit exercise in the council?
   (a) Regularly 
   (b) Once a year 
   (c) When need arises 

(13) Do you agree that non-enforcement of audit and project monitoring reports in the council contribute to its internal revenue generation and grassroots development problems?
   (a) Agreed 
   (b) Disagreed 

(14) What other problem do you think militates against internal revenue generation and grassroots development in Nsukka local government council?
   (a) Official corruption 
   (b) Tax evasion 