

# Revenue Outlay and Community Development in Ezeagu Local Government of Enugu State, Nigeria

Martin Ifeanyi Okeke (Ph.D)<sup>1</sup>, Hyginus Chukwuebuka Ofodu<sup>2</sup>, Johnpaul Onyebuchi Nduba<sup>3</sup>

<sup>1</sup>Associate Professor, Department of Political Science, Nnamdi Azikiwe University, Awka, Nigeria

<sup>2</sup>Department of Political Science, Nnamdi Azikiwe University, Awka, Nigeria

<sup>3</sup>Department of Political Science, Nnamdi Azikiwe University, Awka, Nigeria

**Abstract-**The paper is the evaluation of the revenue outlay and community infrastructure development in Ezeagu Local Government of Enugu State between 2012-2018. Local governments have not performed creditably with regards to her constitutional duties and allocations and therefore necessitate this study. Adopting Developmental Theory of Local Government as its framework of analysis, the research employed both descriptive statistical technique and thematic analysis in analysing data sourced from the questionnaire and interview. From the analysis, the study revealed that the revenue outlay to the Local Government is not significant to run her offices and as well initiate development projects geared towards improving the standard of living within the communities. Furthermore, the study found out that there is no significant relationship between revenue outlay and community development initiatives in Ezeagu Local Government Area. Finally, the study revealed that the expectations/services of the local government were not significantly met within the period of study. Against this backdrop, the study recommends that the federal government should endeavor to mobilize the already established Nigeria Financial Intelligent Unit (NFIU). This is a system that can control the financial movement of the local government funds. This system is to checkmate that the local government gets what is due for them from the federation account and this to a large extent will abate the state interference of the local government allocations and accord the local government the opportunity to meet up with her constitutional mandate. Also Ezeagu local government should endeavor to delve into agriculture as they are blessed with fertile land with large land mass.

**Key words:** local government, revenue outlay, infrastructure, community development

## I. INTRODUCTION

Local government is the third tier of government of local level created by an act of parliament. The 1999 constitution of the Federal Republic of Nigeria in the spirit of 1976 local government reforms strategically position local government as third-level of government to provide public goods and services whose benefits and impacts are localized in nature (Egwaikhide, 2004). This point implies that local government councils in Nigeria being the closest to the people occupy peculiar position as promoters of grassroots mobilization and participation in governance, and catalyst for rural transformation and development.

Also the 1976 local government reforms brought about a uniform local government system in Nigeria, specific

functions were allotted to the local government. This did not only widen the functional scope of the local government. There was also the attempt for a “decentralization that ensures that appropriate divisions of functions exist between the state and Local Governments and that local authorities thereby play a significant role in the development process” Onyediran, (2001, p.197). In this contest, while the supervisory role of the state was retained, there was some attempt and a clear delineation of space that was meant to enlarge the functional autonomy while ensuring the viability of the local governments in the light of increased responsibilities that the third tier of government became a recipient of direct funding from the federations account. Although the allocation from the federation account was channeled through the state government, local government became a statutorily established part of the national fiscal regime, with a definite percentage of funds which was initially 10 percentage of the total nationally derived revenue prior to the to the implementation of the report of the Aboyade committee on revenue allocation during 1977/78 financial year, but this was raised to 15 percent in 1990 and 20 percent since 1992 to date in the current revenue allocation formula.

Section 7 (6) of the 1979 constitution provides that: The National Assembly shall make provision for statutory allocation of public revenue to local government council in the federation, and the House of Assembly of a state shall make provision for statutory allocation of public revenue to the local government council within the state. Revenue is essential in enabling Local Government transform the lives of the rural dwellers through the provision of social services and rural infrastructures like the construction and maintenance of rural roads, markets, school centers, pipe born water, electricity and the rest of them.

Differently stated, development is a sine qua non for modern civilization. In order to carryout development at all nooks and crannies of the society, it is the responsibility of the Government to provide direct development to people to a certain level. Development is associated with funds and much revenue is needed to; plan, execute and maintain infrastructures (Ekpo, and Ndebbio 2008). The needed revenue generated for such developmental projects, like construction of accessible roads, building of public schools, health care centres, construction of bridges is generated from taxes, royalties, haulages, fines, and grants from the states,

national and international governments and more especially from the federal and state monthly allocations as stated earlier. These funds could either be obtained internally or externally. Thus, the Government cannot embark, execute and possibly carryout the maintenance of these projects without adequate revenue generation. Nwankwo, (2004).

Nigeria as a sovereign state operates a federal system of government, that is, the federal government, state government and the local government councils. Onwo (2012) Observed that each level of the three tiers of government derive its powers not from the magnanimity of the central government but from the constitution; each level of government has defined responsibilities assigned to it by the constitution. The implication of this is that the three segments of governments are mutually interrelated in a unified effort to make life worth – while for the masses.

Local governments operate at the grassroots and are expected to provide services to their stakeholders. In a federal system like Nigeria, local governments are close to the people and hence could effectively alter socioeconomic and political conditions within their jurisdictions. Apart from providing and maintaining basic infrastructures, local governments can complement the economic activities of other levels of government. This of course depends on the availability and proper utilization of funds. Proper utilization is the improved resources, especially financial resources, which have become available to people to be used creatively so that more people can benefit. This reason, coupled with the fact that Local Governments are engines of growth and development, make imperative the need for Local Governments to map out strategies for proper utilization of funds, emphasizing especially the external sources which could be in the total control of the Local Governments.

Local governments in Nigeria are created to bring governance closer to the people at the grass-root level and promote political participation. It 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 as well as access roads and drainages. According to Olusola (2011), 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 (Sharp, 2007). As a result of this development, 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 development and a sense of belonging.

Therefore, the focus of this study is to identify the nature of community development in Enugu State local governments as it affects Ezeagu local government area from

2012-2018, in respect to the numerous sources of revenue available to the local government as specified in the Nigeria 1999 constitution, during the period under investigation.

## II. PROBLEM STATEMENT

With the local government reform of 1976, local governments in Nigeria became recognized as the third tier of government, vested with the statutory powers to discharge the duties and responsibilities of government. To achieve this, no doubt, efficient and effective revenue utilization and management becomes germane. Local governments in Nigeria are faced with many difficulties especially in the area of revenue; such problems are cogwheel to the smooth running of the local government system.

However, the ex-Nigeria president Obasanjo in his address presented at the inauguration of the Technical Committee on the Review of the Structure of Local Government Councils in Abuja, June 25, 2003, p.3 stated as thus:

What we have witnessed is the abysmal failure of the local government system. It is a record that no time in the history of the country has there been the current level of funding accruing to the local government from the federation account, yet the hope for rapid and sustained development has been a mirage as successive councils have grossly under-performed in (their assigned responsibilities). Almost all the areas of their mandate, yet the clamor for the creation of more local government area have not aborted.

Obasanjo's observation aligns with the general agreement of most scholars and professionals that local governments in Nigeria have not justify the reasons for their creation as an avenue for rapid and sustained grassroots development. Uzuegbunam, (2004, p.168) states that "the crucial role of local government in shaping national development is universally known and widely acclaimed." This suggests that local government have produced exactly opposite the original for their creation as widely acclaimed.

Also, in "The Guardian N3ewspaper", former Governor Ikedi Ohakim of Imo State gave a damning verdict on the performance of local governments: It is obvious that the council administration is not working. The council system has failed woefully in Nigeria. And if nothing is done to salvage the situation, the country will continue to have problems at the grassroots. We have wasted money to the extent that the council system has become an enterprise of a different dimension where some 'big men' try to install their housemaids and houseboys so that they can be making returns. The council system has enriched only few individuals who are now being chased by the masses on the streets (Guardian, 27th December, 2007).

Ohakim's observation equally aligns with Akinola, (2004, p.47) who also observed that, "the local governments,

designed to be centrifugal points of socio-economic emancipation and welfare propagation for the citizens moved into diversion of public resources into private pockets, embezzlement, inflation of contracts, corruption, position consolidation etc.” The political leaders at the local level could be described as predators of public resources, meant for the benefit of all. An effective and development-focused local government administration system in Nigeria in real terms is a problem and challenge that most local government of Nigeria have not been able to solve. We believed that a representative and effective local government administration will in turn lead to development at the grass root level bearing in mind that local government system is the closest level (tier) of government of the people (Abutudu, 2011).

Okeke, (2013, p.84) maintains that, “the local government is government at the grass roots. It is a basic government, near to the people and so localized in order to meet the basic social and economic needs of the beneficiaries (the local people).” The general feeling is that an effective local government system is that one which is designed to be centrifugal points of socio-economic emancipation, welfare propagation and rural development for the citizens, but the case is generally lacking in Ezeagu local government area. This is evident in the environmental state, deteriorating public school buildings, poor market facilities and lack of health centers as well as access roads and drainages. Therefore, there is need to verify the revenue outlay and its impacts on community development in Ezeagu local government area.

### III. CONCEPTUALIZING LOCAL GOVERNMENT, REVENUE OUTLAY AND COMMUNITY DEVELOPMENT

All over the world, various approaches and strategies have been adopted or used by government for the management of its rural areas. But there is no rapport or congress on the most appropriate strategy to the administration of the rural areas. This has resulted in the varied interpretations being ascribed to the concept of local government by different scholars.

In Appadorai (1975), local government is defined as government by the popularly elected bodies charged with administration and executive duties in matters concerning the inhabitants of a particular district or place. It unites the people in a defined area in a common organization whose functions are essentially complimentary to those of the central government in the interest of the local resident of satisfaction of common communal needs. Consequently, its effectiveness is judged through the development it generates, the social amenities it provides and to what extent it has catered satisfactorily for the happiness and general well-being of the communities which it was established to serve.

In Nigeria, the document which came out of the 1976 Local government Reforms defines local government as a government exercised through representative councils established by law to exercise power within defined areas

(Gboyega 1993). These powers should give the councils substantial control over local affairs as well as the staff and institutional financial powers to initiate and direct the provisions of services and to determine and implement projects so as to ensure, through devolution of functions to these councils and through participation of the people in their traditional institution, and that local initiatives and response to local needs and conditions are maximized (Federal Republic of Nigeria, 1979, p.1).

Also, Wraith (1972) loosely defines local government as public organization authorized to decide and administer a limited range of public policies within a relatively small territory which is a subdivision of a regional or national government. Local government is at the base of a pyramid of governmental institutions, with the national government at the top and intermediate governments (states, regions, provinces) occupying the middle range.

Whalen (1969, p.312) elaborated on the definition offered above. According to him, each unit of local government in any system is assumed to possess the under-listed characteristics: a given territory and population, an institutional structure for legislative, executive and administrative purposes, a separate legal identity, range of power and functions authorized by delegation from the appropriate central or intermediate legislature and lastly, within the ambit of such delegation, autonomy, subject always, at least in Anglo-American tradition, to the limitation of common law, such as the test of reasonableness

According to the Guidelines, a local government is: Government at the local level exercised through representative councils established by the law to exercise specific power within definite areas. These power should give the councils substantive control over local affair: as well as the staff and institutional and financial powers 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 active participation of the people and their traditional institutions, that local initiatives and response to local needs are maximized (FRN, 1961).

Furthermore, Ofuebe, (2005) argued that the definition that is generally informed is that provided by the united nations offices for public Administration which state that local Government is a political division of nation or (in a federal system) state, which is constituted by law and has substantial control of local affairs including the power to impose taxes and to exact labor for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected (quoted in Ola, 1984, p.7 and Ofuebe, 2005, p.223). Ola (1984) and Ofuebe (2005) went further to report that the United Nations definition has been widely accepted as being reasonable embracing and both the Cambridge conference on Local Government in Africa (1961) and the United Nations Conference at Hague on Administration

Aspects of Decentralization (1961) considered and adopted the United Nations definition.

The above definition implies that there are essential distinguishing characteristics of local government which are also well articulated in scholarly works of the United Nations (1961), Whalen (1970), Mawhood (1983), Ola (1984), Olowu (1988), Ezeani (2004 and 2006), and Okoli (2009) respectively. These features are as follows:

1. Localized: This particular feature implies that local government is the lower tier of government; it is the government at the grassroots nor local level. Consequently, local government is subordinate but subservient; to the central or federal or state government.
2. It has a legal existence enshrined in the constitution of Nigeria. This protects it from arbitrary actions of higher authority, as a legal entity, it can sue or be sued and has a perpetual succession. This implies that the life of a local government does not expire with the end of each administration.
3. It enjoys substantial autonomy. Although local government are subjects to state or federal government control in certain areas, they enjoy a reasonable degree of independence in administrative and financial affairs, such as the hiring, control and discipline of their own staff and financial affairs, certain upper limits, the preparation of annual estimate or budgets, and the execution of certain projects (Blair, 1977, p.13; Ozor, 2003, p.19).
4. It exists within a defined territory.
5. Local government exercises its authority over a given population. In other words, as a corporate entity, the local government is created to serve residents citizens in a known territory.
6. It exercises specific power and performs certain functions as enshrined in the constitution or statutes (as the case in Nigeria).
7. It is composed of elected representatives of the local people (Ola, 1984, p.7-8) Olisa et al, (1990, p.10).
8. Local government is usually divided into department, divisions or units which facilitate the accomplishment of its goals, objectives, and functions Ezeani, (2006, p.256-257).

Although local government and local administration are sometimes used interchangeably, they do not mean the same thing. Okoli (1985) captures the apparent lack precision in the use of the term 'local government', which is equally used interchangeably with 'local administration'. Ademolekun (1983) partially solves this puzzle when he views local administration as arising where a local government lacks substantial authority, independence or autonomy and does not have legal personality.

According to Mbah (2009, p.276) local government are subordinate of administration vested with the authority to

perform local functions, this has become necessary because the concentration of power and governmental function at one centre may not promote development and accountability. Local government can be defined as a system of territorial unit with defined boundaries, legal identity, institutional structured powers and duties laid down in general and special statutes and degree of financial and other autonomy (Hills, 1974, p.23) in Ibietun, (2010, p.205).

Furthermore, the existence of the local government has been criticized by different scholars they include; Chadler (2004) criticized local government as being inefficient and irresponsible. Le grand (2003) posited that there is a long history of support of the equalization of resources between communities to tackle deprivation and poverty, often associated with the recognition of the limit of local government as a vehicle for securing those ends, because of its reliance on unequally distributed local tax resources. In the same vein, Adeyemo (2005) posited that other contradictions that tend to erode local government autonomy include the inability of the local government to meet the financial and their constitutional responsibilities. The other school of thought however argues that the justification of local government lies in the fact that it is important for the existence of a democratic state.

#### *Reasons for the Establishment of Local Government*

According to Ezeani (2005, p.257) there are a number of reasons while local governments are created and they are as follows:

- To assist the central or state government to maintain law and order.
- To complement the efforts of central or federal or state government in the provision of series of services within their areas of authority. Local government all over the world is seen as an efficient agent for providing services that are local in character. According to Mackenzie (1961, p.14) in Ezeani (2006) 'local government exist to provide services and it must be judged by its success in providing services up to a standard measurable by a national inspectorate. It is argued that because of its closeness to an area, local government can provide certain services far more effectively and efficiently than the central or federal government Ezeani (2004, p.38). Local government particularly in developing countries is seen as a veritable instrument for rural or grassroots development. Consequently, all over the world, local governments have been assigned some functions under the law they include;
- To assist the central and state government carry out their functions and polices, especially those areas that require local knowledge and participation for successful execution.
- To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representative bodies.

- To assist the central or federal and state government in resolving conflicts in the rural areas.
- To sensitize and mobilize the various commodities in their areas of authority in order to get involved in the overall development of their areas.
- To facilitate the exercise of democratic self-government close to grassroots of our society and to encourage initiative and leadership potential.
- Local governments act as a medium through which the federal or state government promote mutual understanding and meaningful communication between people who are resident in rural areas Olisa, (1990, p.93).

Other rationales for the creation of the local government according to the National Guidelines for Local Government Reform (1976, p.1) include;

- To provide a training ground for democracy. Local government serves to promote democracy at the grassroots. These are the view espoused by the democratic participatory school which argued that local government functions to bring about democracy and to afford opportunities for political participation to the citizen as well as to educate and socialize him politically Ezeani (2004, p.37)
- To make appropriate services and development activities responsive to local wishes and initiatives by developing or delegating them to local representative bodies.
- To mobilize material resources through the involvement of members of the public in their development.
- Acting as a veritable instrument for development Ola (1984, p.14) the local government can do a lot to promote human development index which is very low compared to that of other countries, the roles of local government towards the development process includes;
  - a. Helping inculcate in people positive citizenship attitudes, such as consideration, self-control, community and identity.
  - b. Providing basic community services which is both to improve the quality of people's lives and enable the community attract economic activities. Such basic community services includes, primary health care, basic primary education, provision of basic infrastructure etc.
  - c. Helping people especially in the rural areas to organize themselves for the mobilization and effective management of community resources and central government programs respectively.

These authors (Olowu 1995; Okoli, 2000; Enemuo, 2005) in Ezeani (2006) are all of the opinion that the rationale for the creation of the local government system includes:

1. Political Integration and Nation-Building: this is to create an opportunity for political participation, articulation of interests and achievement of sense unity. It is envisaged that local government assures better access to information which

enhances intra arid inter-group relationships as well as the understanding of the environment with a view to improving capabilities for survival.

2. Training in Citizenship and Political Participation and Articulation: The local government makes it easier to gain the people's knowledge and initiatives. The opportunity to conduct their local affaire for their benefit and upliftment.

3. Promotion of Accountable Governance to the Local People: to promote the exercise of democratic self- government at the grassroots that encourages local initiative and leadership, it also provides a framework for mobilizing and sustaining developmental initiatives. The local government screens the local populace against over- concentration of power at the higher level.

4. Promotion of Claim-making on State and Federal Government: having been established by statue, the local government is a more credible stakeholder in national affairs than individuals and communities. The interests and choices of the local government are integrated into national policies. Such policies are often implemented through the instrumentality of the local government especially those that require local knowledge and participation.

5. Promoting Channels of Communication: the local government serves as a two- way channel of communication between the local population and the higher levels of government. It aggregates local interests and transmits these to higher level of government and also creates awareness of higher government policies and programmes.

Revenue outlay refers to the local government's funds generated within (internal) and outside (external) sources of the local government area of administration. In many countries, Nigeria included, the local government is widely acknowledged as a viable instrument for rural transformation and for the effective delivery of social economic services to the people. According to Obadan (2008):the local government in Nigeria is a well-recognized third-tier of government. It is administration or government at the grass roots or local level. At this level, government is expected to be very close to the people, both in the villages, settlements and towns, and to impinge on the day-to-day life of the common man. Furthermore, local government is expected to be actively involved in the overall national development objective of achieving a broad-based social and economic development and securing an optimum utilization of manpower.

Local governments are strategically located to deliver on the functions spelt out for it for three main reasons:

- proximity to the people;
- greater responsiveness to the needs of the local populace; and
- simplicity of operation in that local government organizations are usually not complex.

Although local government has existed in one form or the other in Nigeria for quite some time, it was after a number of reforms, particularly the 1976 reforms and the subsequent ones, that it acquired the respectable status it now enjoys today. One compelling reason for the reforms was the need to make local governments perform their economic development functions better. Some major developments in the local government system since the 1976 reforms are as follows:

(i) Unlike previously, local governments have now been assigned and guaranteed certain specific developmental roles in the 1979, 1989 and 1999 Constitutions of the Federal Republic of Nigeria.

(ii) In order to enable local governments perform their functions, a constitutional backing has been provided for them to receive a statutory proportion of funds in the Federation Account as well as the states who are to contribute a proportion of their internally generated revenue to local governments in their domain. Accordingly, the revenue share of local governments in the Federation Account has progressively increased from 10 percent in the early 1980s to 15 percent in 1990. As at 2019, this proportion stood at 20 percent.

Currently, the revenue sharing formula from the Federation Account is as follows:

Table 1: Revenue Sharing Formula

(a) Federal Government	= 50%
(b) State Government	= 24%
(c) Local Government	= 20%
(d) Special Funds	= 6.5%
Total	= 100%

The Valued Added Tax (VAT) is also currently distributed as follows:

(1) Federal Government	= 15%
(2) State Government	= 50%
(3) Local Government	= 35%

Source: Federal Office of Statistics, Benin City

#### *Sources of Local Government Revenue in Nigeria*

The performance of any Local Government is subject to the availability of adequate funds which it can use to finance its ever increasing responsibilities. Local governments in Nigeria have a gamut of functions to carry out and it is only when money is available and sufficient that these objectives can be carried out.

Generally, there are two main sources of revenue for the Local Government system in Nigeria like in many other countries of the world. They include external sources and

internal sources. We shall discuss in details each of the two main sources of local government revenue

*External Sources:* External Generated Revenue refers to the Local Governments funds generated outside the Local Government area of administration, Alo (2012, p.23). Nigeria is among the very few countries in the world where local governments are legally and constitutionally allocated a share of the total national derived revenue, Ezeani (2004, p.97). The constitutional recognition of local governments as the third tier of government, occasioned by the 1976 nation-wide local government reforms, brought the country's local governments into the mainstream of inter-governmental fiscal relations in the federation. In that regard, the external sources of local government revenue in Nigeria include:

a. The statutory allocation from

i. Federal government: Starting with the implementation of the Report of the Aboyade Committee on Revenue Allocation during the 1977/78 financial year, local governments have been allocated a specific share of the Federation Account, like the other two levels of government viz: the state and federal. Therefore, the statutory allocation from the federation account to local governments was ten per cent (10%) initially (1977/78), but this was raised to fifteen per cent (15%) in 1990, and twenty per cent (20%) since 1992 to date, Ezeani, (2004, p.97).

With regard to the above, the summary of Gross Revenue allocation by Federation Account Allocation Committee (FAAC) revealed that:

a) The total sum of N123, 467, 663.02 was allocated to Ezeagu local government in April, 2017 for the month of March, 2017.

b) The total sum of N109, 257, 593.41 was allocated to Ezeagu local government in May, 2017 for the month of April, 2017.

c) The total sum of N168, 551, 112.98 was allocated to Ezeagu local government in January, 2018 for the month of December, 2017.

d) The total sum of N165, 915, 870.93 was allocated to Ezeagu local government in March, 2018 for the month of February, 2018.

ii. The states government: Apart from the federation account, the Report also have it that local governments are also to be allocated ten per cent (10%) of their respective states' internally generated revenues. This provision initially specified ten per cent (10%) of total revenue, but was later restricted to internally generated revenue

b. Local Government share of value Added Tax (VAT) which started in 1995.

c. Special grants, which aim at assisting local governments finance especially urgently required services such as

ecological/environmental problems, supply of drugs, roadwork, natural disasters etc.

*Internal Source:* Internally generated revenue is revenue generated within the local government area of administration. Internally generated revenue is a strategic source of financing local government operation and which can be explored given the enabling environment and political will. The level of internally generated revenue by each local government depends on the size of the local government, nature of business activities, urban or rural nature of the council, rate to be charged, instruments used in the collection of revenue, political will and acceptability by the people to pay based on the legitimacy of the council and socio-cultural beliefs of the citizens regarding the issue of taxation (Anifowose and Enumuo, 1999). Local government are constitutionally empowered to control and regulate certain activities in their jurisdiction, and in so doing, they impose some taxes and rates on these economic activities as a way of generating funds for their operations. Within this, the revenue that could be generated under the resource capability of the local government includes the following:

- Property taxation such as tenement rate
- Licences, example of which are licence on liquor.
- Fines and fees
- Markets, shops, Kiosks, motor parks and towing operation
- Cattle tax
- Outdoors advertisement/hoarding and entertainment
- Restaurants, laundries, etc.
- Revenue from sales (for local governments that engage in business activities)
- Interest payment and dividend
- Revenue from commercials undertaking such as markets, mass transit, vehicles etc.
- Registration of contracts
- Identification certificate
- Rent on local government property capital enterprises
- Grants in lieu of rates
- Local flat rates/community rates (poll tax and capitation rate).
- Miscellaneous (sales of seized goods, recovery of losses and payment)

Other sources of revenue for the local may include donations from public spirited individuals or philanthropists. Bank loan is also another source of finance for the local governments. The above submissions show that local governments have an ample sources of revenues that if properly tapped and harnessed could bring meaningful development to the councils, however most of the sources are either neglected (especially the internal sources) or diverted for personal use as the case may be in Ezeagu Local Government council.

Community development is defined “as a series of economic and social development activities directed at a given rural population and whose converging effects indicate in fine, a progressive improvement in the quality of life and arise in the standard of living of the people concerned” ([www.grossarchive.com](http://www.grossarchive.com)). Tayebwa (1992, p.261), in Vianney Nsanganira (2011), posits that development in general includes improvements in economic, social and political aspects of whole society like security, culture, social activities and political institutions. Also in the same work, Todaro (1981, p.56), conceptualizes development as a multi-dimensional process involving the reorganization and reorientation of the entire economic and social systems. He further asserts that development is a physical reality and a state of mind in which society has, through some combinations of social, economic and political process secured the way of obtaining better life.

#### *Local Government as a Development Tool*

Local government is, indeed, an instrument of development, encompassing political, economic, social and cultural spheres of life. The paper will below shed light on some of these aspects of development at the local level of government in Nigeria.

#### *Political Development*

Local governments bring political development to the people at the grassroots. For instance, exponents of the democratic-participatory theory of local government in Ezeani (2004, p.34) avow that local governments “bring about democracy and...afford opportunities for political participation to the citizen as well as to educate and socialize him politically.” To buttress this point, there are wards and other fora in local governments in Nigeria where most people at the grassroots often hold political party meetings, thereby acquiring democratic, political training and development. Most scholars see local government as a good place for political development serving as “a good recruiting ground for upper levels of government and hence source for greater participation” Ezeani (2004, p.36). Across Nigeria today, most politicians serving as governors, federal legislators or senators were once, either, councilors or chairmen etc. at local government level, where they first acquired the necessary political training and development.

#### *Economic Development*

Local governments in Nigeria bring various kinds of economic development to the local communities. They are involved in economic activities like building of market stalls in their areas for the people to hire and display their goods for sale on market days. Local governments also build and maintain motor-parks for vehicles in which certain amounts are collected, especially from the commercial vehicles using the parks. Local governments act as the voice of the local communities, channeling the people’s needs and complaints to the state and federal governments for action to be taken on

things of economic value like road constructions and other infrastructural amenities in the local areas. Local governments also bring about economic development to the people in the area of agriculture. Today, Nigerian rice is gaining ground because authorities are promoting agricultural programmes on such produce through relevant agencies at the local communities. Across, Nigeria, some local governments are in transport business, thus helping to develop such vital economic sector. They generate revenues from various means which are equally used for developmental projects in the locale. Economic development of the people at the grassroots is very essential hence Ozor in Abugu (2014, p.134) aptly emphasizes as follows:

The grassroots should constitute the major basis of sustainable economic development program who wear the shoe, ought to know better where it pinches. No national economic development programme can succeed without the active co-operation of the local population who constitute the majority of the citizenry of this nation. For any economic, social or even physical development programme to be successful, it must not only be people-oriented but also people-centered, and that means it must be planned to meet the needs of the majority of the citizens who are at the grassroots

#### *Health Development*

Primary health care centres are constructed and maintained in rural areas in Nigeria by local governments. These facilities have made it possible for children, pregnant women, nursing mothers etc. to receive medical services like immunization and treatments that are either free or at subsidized rates. The local government authorities also promote federal government's, state's or World Health Organization's health programmes through these health centres, enhancing the health of the local communities and developing the health sector.

#### *Mass Mobilization and Social Development*

Local governments foster social harmony, and mass mobilization for social betterment of people at the grassroots. Little wonder Ola (1984, p.14) in Ezeani (2004, p.40) states that local government in developing countries is a "...veritable instrument for development, national integration, national evolution and national consciousness." The 1976 local government reform in Nigeria reinforces the preceding point(s) asserting that local government should mobilize human and material resources through the involvement of members of the public in their local development. Mobilization connotes an assembling or putting into action or operation. It means equipping the citizens for the onerous task of community development, Abugu (2014, p.132). Abugu also points that "local government as a grass root government is designed to transmit the pulse of other arms of government to the vast majority of the rural populace, and to equally mobilize them for effective national development."

Mobilizing local communities as stated above means that local government is an instrument of social development. "Social development is about putting people at the centre of development. This means a commitment that development processes need to benefit people, particularly but not only the poor, but also a recognition that people, and the way they interact in groups and society, and the norms that facilitates such interaction, shape development processes" (www.insocdev.org). Thus, local government nurtures community participation in programmes that will uplift the social standards of people at the rural areas; informing and encouraging the citizens at the local level to embrace public policies and decisions that will lead to their social development. The local government is involved in social development when it promotes safe and secure communities for the people. Supporting the law enforcement agencies, traditional institutions, vigilante groups, town unions, religious groups and other relevant local associations to protect lives and property will translate to social development at the grassroots level, including promotion and preservation of the local people's culture. Organizing the communities to be orderly by the local government authorities, making sure that the environments are well-protected and conducive for the people to interact and carry out their lawful businesses, will enthrone social development.

#### IV. THEORETICAL FRAMEWORK

This study adopted the development theory of local government as its theoretical framework. This theory is closely associated with Sady, (1962), Maddick, (1963) and Ola, (1984). One of the major interest of the developing nations is how to achieve a reasonable level of economic development and political integration in societies that are culturally plural, and in many cases culturally diffuse. Local government in developing countries is seen as a veritable instrument for development, national integration, national evolution and national consciousness Ola (1984:14). The position of this school is that local governments, particularly in the developing world, are effective agents for improving the means of living socially and economically (Adeyemo, 2011). The local governments constitute reliable basis for the local or grassroots people to get a better share in the national wealth. Maddick (1963:24) notes this need for instituting local government in his comment thus:Local authorities provide the opportunity for local people to participate in local decisions and local schemes within the general national policies and to act above all, as local centres of initiative to development.

The proponents of this school contend that far more than in developed western countries, local government in developing nations can and should have the function of helping to reduce the congestion at the centre. This it can do at the local level by being involved in implementing socio-economic programmes that attempt to reconstruct the infrastructure necessary for an improved way of life (Ola, 1984:14).Specifically, the development functions of the local



government include nation building, social, economic and manpower resource development.

#### *Tenets of the Theory*

The basic tenets of the development school are:

For Sady, (1962:137) local government in developing areas should be concerned with the following:

1. Decongesting government at the centre, thereby freeing national leaders from onerous details and unnecessary involvement in local issues;
2. Increasing people's understanding and economic development;
3. Making programmes to foster social and economic betterment at the local level more realistic and lasting;
4. Training people in the art of self-government; and
5. Strengthening national unity.

#### *Application of the Theory*

Situated within the present study, the above theory has relevant applicability in examining and understanding developmental issues in Ezeagu local government area of Enugu State. For one thing, the local government ought to transform centrally generated revenue allocated to them into infrastructural development. Such infrastructures will in turn assist in the mobilization of the local people to do more for themselves and for their communities. Thus, local governments serve as veritable partners with the states and national government in national development issues as units of development by which national development efforts, resources and benefits percolate to the grassroots (Olowu, et. al, 1992).

Also, decentralization or devolution of governmental powers to the local government affords the opportunity of participation in the development process to the local or grassroots people. With decentralization, the creative energy of the people can be harnessed. Again, decentralization offers the opportunity for innovation and experimentation to the sub national units (Nico, 2008). Innovative policies and practices in one local government may be modified and replicated in others as well as adopted by the state or national government. Nico (2008) notes that allowing space to different entities not bound by a single one-size-fit-all approach; decentralized decision making makes it possible for local government to experiment with innovative ideas.

Furthermore, the existence of local government helps in decongesting government at the centre thereby freeing national leaders from onerous details and unnecessary involvement in local issues (Ola, 1988). It seems that the reverse happens to be the case as it affects Nigeria government which can be adjudged to be a failure in the side of the local governments.

Finally, local government is in a better position than the national government to stimulate initiatives, inculcate that feeling of national consciousness and encourages drive and experimentation in the people. This is because of its wealth of experience and knowledge of the locality and its people. This advantage the local government could use to great developmental advantage, especially in improving the economic life of the local citizen and influencing to better their social way of life.

Indeed, the expectation is that local governments being closer to the people and, as such, being better aware of the local needs of the people are in position to initiate and execute local projects and programs and motivate people to actively participate in public affairs.

#### *Justification for the Adoption of the Theory*

From the foregoing, the basic need for the creation of the local government is development. This is because the role of enhancing democratic participation and delivery of efficient and effective social service are ultimately development oriented. They all, indeed, are targeted at improving the social or economic lives of the grassroots or local people.

It is necessary to note that all the services by local government as discussed do not only have local importance. Indeed, almost all the services that constitute the core of local government activities are national in character. For instance, health, education, water supply and roads are nationally important. As Adeyemo (2011) notes, neglect of any of them in a part of the country will be reflected nationally in disease, ignorance and poor communication. Given this, we can posit that the development role of the local government is even appreciated in the context of overall national development efforts. For this, the functional relevance of the local government appears so compelling that if it does not exist, something else would have to be created in its place. Blani (1977) argued that local governments are what basic tissues are to human body and without them government system would have no vitality. Therefore, local government is a veritable instrument for rural development if its resources are properly harnessed and executed in the right proportion.

#### V. METHODOLOGY AND ANALYSIS OF DATA

The study utilized exploratory research design as it adopted both the quantitative and qualitative research design. The population of this work is the entire twenty (20) political wards that make up the Ezeagu Local Government and the result from the findings of the study is applicable to the entire population of the people of Ezeagu Local Government which is 169,718 at the 2006 census. Data was sourced from the target population utilizing Taro Yamane sample size determination formula with three hundred and ninety-nine as the sample size using purposive sampling technique and interview was conducted with some knowledgeable persons within the council.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	242	68.4	68.6	68.6
	female	111	31.4	31.4	100.0
	Total	353	99.7	100.0	
Missing	999.00	1	.3		
Total		354	100.0		

Out of the three hundred and ninety-nine distributed copies of questionnaire, one can aptly deduce from the above table that the total number of respondents (those that filled and returned the questionnaire) is three hundred and fifty-four (354), out of

which two hundred and forty-two (representing 68.4%) were males and one hundred and eleven (representing 31.4%) were females, while one respondent (representing .3%) didn't indicate.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	47	13.3	13.3	13.3
	agree	192	54.2	54.2	67.5
	undecided	38	10.7	10.7	78.2
	disagree	67	18.9	18.9	97.2
	strongly disagree	10	2.8	2.8	100.0
	Total	354	100.0	100.0	

Table 2 shows that forty-seven respondents strongly agree that Revenue outlay in Ezeagu local government did not usually manifests in development projects initiated within her communities, one hundred and ninety-two agree, thirty-eight were undecided, sixty-seven disagree while ten strongly

disagree. It is therefore obvious from the data generated that, revenue outlay in Ezeagu local government did not usually manifests in development projects initiated within her communities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	46	13.0	13.0	13.0
	Agree	194	54.8	54.8	67.8
	Undecided	39	11.0	11.0	78.8
	Disagree	66	18.6	18.6	97.5
	strongly disagree	9	2.5	2.5	100.0
	Total	354	100.0	100.0	

Table 3 shows that forty-six respondents strongly agree that there are insignificant development projects geared towards the betterment of the lives of the local populace, one hundred and ninety-four agree, thirty-nine are undecided, sixty-six

disagree while nine strongly disagree. The implication of the above is that Ezeagu dwellers have been denied of their basic infrastructural rights over the years.

**Table 4: PROVISION OF INFRASTRUCTURES HAVE IMPROVED AMONG THE COMMUNITIES WITHIN THE PAST SIX YEARS. (Item 3)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	9	2.5	2.5	2.5
	Agree	43	12.1	12.1	14.7
	Undecided	35	9.9	9.9	24.6
	Disagree	167	47.2	47.2	71.8
	strongly disagree	100	28.2	28.2	100.0
	Total	354	100.0	100.0	

Table 4 shows that nine respondents strongly agree that provision of infrastructures have improved among the communities within the past six years, forty-three agree, thirty-five are undecided, one hundred and sixty-seven

disagree while one hundred strongly disagree. From the data generated from the field, it is evident that there has been little or no improvement in the provision of infrastructures for Ezeagu inhabitants.

**Table 5: THE LEVEL OF SOCIO-ECONOMIC ACTIVITIES WITHIN THE COMMUNITIES HAD INCREASED AND WERE THE COURTESY OF THE LOCAL GOVERNMENT. (Item 4)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	4	1.1	1.1	1.1
	Undecided	24	6.8	6.8	7.9
	Disagree	164	46.3	46.3	54.2
	strongly disagree	162	45.8	45.8	100.0
	Total	354	100.0	100.0	

Table 5 shows that four respondents agree that the level of socio-economic activities within the communities had increased and were the courtesy of the local government, twenty-four are undecided, one hundred and sixty-four disagree while one hundred and sixty-two strongly disagree. From the field survey, it is clear that economic activities in Ezeagu has not witnessed any improvement.

#### *Qualitative Data (Interview)*

The data generated from the questionnaire is in partial agreement with the answers given by the interviewees. The talk of local government been independent financially is a hoax as there are many politics that goes behind the scene in terms of accessing and utilizing funds allocated to the local government by the federal government. The past secretary of Ezeagu local government whom I interviewed noted that “the only external revenue that the local government have or get is that allocation that comes from the federal government. Initially when these allocations normally come, they normally have what they call FAAC at the federal level and JAAC at the state level, that JAAC is the joint committee that discuss about the revenue that comes to the local government having been released under the FAAC at the federal level. These committees are to monitor the movement of the cash. Then the revenue sharing in the state is being determined based on the revenue format of a particular local government. That is, the internal revenue of

a particular local government determines what the external revenue will be”

Also, the revenue officer (R O) of the local government in our conversation stated that “Ezeagu local government through internal generated revenue (IGR) generates very minimal funds because the state government have taken over of some of those sources which the local government used to generate funds and also Ezeagu being in a rural area contributed to a large extent to her lack of funds coupled with the fact that the state government equally interfere with the federal allocations of the local government”.

The implication of the above is that the government cannot do much without adequate funding. So, the expectations and services required by the communities is anchored on the availability of funds to enable the local government serve them better. This reveals that one actually needs to draw closer to the policy makers in the local government to be able to understand the plight of the local government especially ones in the rural areas like Ezeagu. It is believed that the local government ought to be a centrifugal point of socio-economic emancipation and welfare propagation for the citizens but in practical, they seem to be handicapped and as such could not do much.

Furthermore, the local government has not been able to perform optimally in their constitutional mandate of

providing infrastructure and essential services to her communities owing to the fact that they usually encounter insufficient funds and state interference. Moreover, there still exist a gap between revenue outlay and development initiatives in Ezeagu local government area. One cannot put all the blames on insufficient funding as there are still evidences of mismanagement and embezzlement of public funds in the local government system. The result of an investigation on local governments in Nigeria, carried out by Newswatch Magazine in the year 2001 revealed that no fewer than thirty-one local government chairmen from different parts of the country were either under investigation, impeached or on suspension due to the allegations of corruption.

However, the question that comes to mind is, how effectively and efficiently has the local government been able to utilize the 'little fuds' they claim to have generated to impact positively in the lives of the local dwellers? Akinola, (2004, p.47) observed that, "the local governments, designed to be centrifugal points of socio-economic emancipation and welfare propagation for the citizens moved into diversion of public resources into private pockets, embezzlement, inflation of contracts, corruption, position consolidation etc." Obi & Okolie (2014) argued that one of the basic problems of local government, is that other higher government see local government as a tool for political patronage and rewards for those who voted them into power. The implication of the above is that, most of the leaders found in the rural areas are not people oriented and as well lack good leadership qualities. In essence, they hide under the advertisement of insufficient funding to drive home their personal interest as against the interest of the people. Observers alleged that only the entrance gate to the house of some of the past local government chairman of Ezeagu local government worth a million naira whereas the rural road that will benefit the surrounding communities where the said house is cited is in shamble.

#### *Discussion of findings*

Local government operate at the grassroots and are expected to provide services to the people as they are engines of development around the world. The data generated and analyzed, and the hypotheses tested have shown that the character of funds accruing (revenue outlay) to Ezeagu local government are not significantly sufficient to meet the expectations and services of the local government.

Furthermore, the study also revealed that there is no statistically significant relationship between revenue outlay and community development initiatives in Ezeagu local government area as the available funds due to slim nature of it together with other corrupt practices of some of the public office holders, do not translate to or have significant impact or improvement on the development of the council.

Against the foregoing backdrop, the third finding of this study showed that the outstanding expectations/services of the local government were not significantly met within the year 2012 to 2018. Infrastructures is the basic rights of the communities and not a privilege, maintenance of good roads, good pipe-born water, servicing of health facilities among others are the civic right of the communities. These are called the cooperate social responsibility of the local government to the communities but few of the above have been provided by the local government to the various communities in Ezeagu

#### VI. CONCLUSION AND RECOMMENDATIONS

Maddick, (1963: p.24) notes the need for instituting local government in his comment thus: "local authorities provide the opportunity for local people to participate in local decision and local schemes within the general national policies and to act above all, as local centres of initiative to development". Critical to this is the provision of public school building, good market facilities, adequate health centres, conducive environmental state as well as access roads and drainages among others. The failure of the local government in the area of these services made the local dwellers to lose trust in government as an institution.

This study tried to determinethe relationship between revenue outlay and community development initiatives among the various communities of Ezeagu within the period of study. The data generated for the study revealed that there is no significant relationship between the revenue outlay and community development initiatives in Ezeagu local government area. Conclusively, the study also revealed that the outstanding expectations/services of the local government were not significantly met within the period under study.

Based on the findings of the study, the paper recommends that, the federal government should endeavor to mobilize the already established Nigeria Financial Intelligent Unit (NFIU). This is a system that is established to control the financial movement of the local government funds. This system is to checkmate that the local government gets what is due for them from the federation account and this to a large extent will abate the state interference of the local government allocations and accord the local government the opportunity to meet up with her constitutional mandate. Also Ezeagu local government should endeavor to delve into agriculture as they are blessed with fertile land with large land mass. This to a large extent will enhance their finance capable of speeding up community development initiatives within the area and equally avert over dependence on federal monthly allocations and equally provide employment opportunities for the local dwellers.

## REFERENCES

- [1] Abugu, S. O. "The Role and Challenges of Local Government in Community development: An insight" vol. 3, No. 6, December 2014, retrieved from [www.arabianjbmbr/RPAMindex.php](http://www.arabianjbmbr/RPAMindex.php).
- [2] Abutudu, M. (2011). The challenges and opportunities for improving the Local Government System in Nigeria Paper presented at the third Biennial National Conference on Community Development in Nigeria, Grand Hotel Asaba, November, 20 – 24, 2011. Retrieved from [www.communitylifeproject.org](http://www.communitylifeproject.org).
- [3] Adeyemo, D.O. (2005). Local government autonomy in Nigeria: A historical perspective, *Journal of Social Science*, 10(2), 77-87.
- [4] Adeyemo, D. (2011). Optimizing Local government finance through public-private partnership in Tony O. (ed.) *Key issues in local government and development: A Nigerian perspective*. Enugu: Praise House Publishers.
- [5] Akinola, S. (2004). "Local Governance as Alternative to Predatory Local Government .in Nigeria" *International Journal of Studies in the Humanities* Vol.3 (1): 47-60.
- [6] Alo, E. N. (2012). Fiscal Federalism and Local Government Finance in Nigeria. *World Journal of Education* 2(5): 19-27.
- [7] Anifowose, R. and Enemu, F. (1999). Elements of Politics. Lagos.
- [8] Appadorai, A. (1975). *The substance of politics*. New Delhi: Oxford University Press. dr, G. (1977). *Government at the grassroots*. California: Palisades Publishers.
- [9] Egwaikhide, F. O (2004). Intergovernmental Fiscal Relations in Nigeria. In Egwaikhide, F.O. (eds) *Intergovernmental Relations in Nigeria*. Ibadan: Programme on Ethnic and Federal studies, 1 – 23.
- [10] Ezeani E. (2004). *Local Government Administration* Enugu: Zik-Chuks Nig. Publishers
- [11] Ezeani, E. (2006). *Fundamentals of public administration*. Enugu: Zik- Chuks Publishers, Fajobi, O. F. (2010) *X-Ray of local government administration in Nigeria*, Ibadan: Crest Hill Ltd
- [12] Federal Government of Nigeria (1976). *Guidelines for the reform of local government in Nigeria*. Lagos: Federal Government Press.
- [13] Federal Republic of Nigeria (1999). *The constitution of the federal republic of Nigeria*. Lagos: Government Press.
- [14] Gboyega, A. (1983). Local government reform in Nigeria, in P. Mawhood ed., *Local government in the third world*. London: John Wileysons.
- [15] Gboyega, A. (2003). "The Crises in Nigerian Local Government: An Agenda for Reform in Governance and Politics at the Local Level" Port Harcourt; Centre for Advanced Social Science
- [16] Ibietan, J. (2010). Local Government and the localism principle a review. In *International Journal of Studies in the Humanities (Ijosh)* Vol 7. No. S.pp 203-216.
- [17] Mackenzie, W.J.M. (1961) *Theories of local government*, London: London School of Economics and Political Sciences
- [18] Mbah. P. (2009). Legislature and accountability in the local government system. *Nigeria Journal of Public Administration and Local Government* vol. 10. No. 1. 276-291.
- [19] Nico, S. (2008). Enhancement of democracy through empowerment of disadvantaged groups. In John, K. and Rupak, C. (eds.) *Local Government in Federal System*. New Delhi Viva Books Ltd.
- [20] Nigeria Local Government: A discourse on the theoretical imperatives in governmental system copyright© IAARR 2014: [www.afrevjo.net](http://www.afrevjo.net) 324 *Indexed African Journals Online: www.ajol.info* Nigeria. Lagos: The Human Rights Law Services.
- [21] Ofube, C. (2005) *Scramble for Nigeria*, Enugu: New Generations Ventures
- [22] Okeke, G. (2013). "The Nigerian Federalism: The Constitutionality of the Local Government as a Federating Micro-Unit" *Journal of Humanities and Social Science* Vol. 12 (5): 80
- [23] Okoli, F.C. (2000). *Theory and Practice of Local Government: A Nigerian Perspective*, Enugu: John Jacobs Classic Publishers Ltd.
- [24] Okolie, D. & Eze, E. (2009). *Local government administration in Nigeria: Concepts and applications*. Enugu: John Jacob Classic Publishers
- [25] Ola, R. (1984). *Local government in Nigeria*. London: Kegan Paul International
- [26] Olowu, D. (1995). The failure of current decentralization programmes in Africa. In James Wunsch and Olowu Dele (ed.) *The failure of the centralized state: Institutions and self governance in Africa*. California, I.C.S. Press.
- [27] Olowu, D. (1988). African Local Governments as Instruments of Economic and Social Development. Aague. International Union of Local Authorities.
- [28] Onyediran, O. (2001). Local Government During Transition and Beyond *Nigerian Journal of Policy and Strategy*. 2(1), 35-43.
- [29] Ozor, E (2003), *Third- tier government in Nigeria: Evolution, development, future*, Ibadan: University of Ibadan Press
- [30] Tayebwa (1992) in Vianney Nsanganira (2011). "The Sociological Study on Environmental Conservation as a means of sustainable development in rural areas" retrieved on February 10, 2018. From [www.memoireonline.com](http://www.memoireonline.com)
- [31] Todaro, (1981), in Vianney Nsanganira (2011). The Sociological Study on Environmental Conservation as a means of sustainable development in rural areas. Retrieved from [www.memoireonline.com](http://www.memoireonline.com)
- [32] Tolu, L. (2014). "Local Government and Rural Infrastructure Delivery in Nigeria". *International Journal of Academic Research in Business and Social Sciences*, Vol.4 (4): 141-143.
- [33] Uzuegbunam, A. (2004). "The Nigerian Local Government System in Historical Perspective" *Nigerian Journal of Public Administration and Local Government*. Vo. 12(1): 79-80.
- [34] Wilson, G. (2013). The Politics of Local Government Reforms and democratic Governance in Nigeria Local Governments. *Journal of Developing Country Studies*, 3(1), 136-143.