THE ROLE OF LOCAL GOVERNMENT IN SOCIO-ECONOMIC DEVELOPMENT AT THE GRASSROOTS LEVEL IN NIGERIA

(A CASE STUDY OF IKWERRE LOCAL GOVERNMENT AREA OF RIVERS STATE 1997-2002)

BY

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CERTIFICATION

This Thesis entitled the role of local government in socio-economic development at the grassroots level in Nigeria (A case study of Ikwerre Local Government area of River State (1997-2002) meets the regulations governing the award of Masters Degree in Public Administration (M.P.A) of Ahmadu Bello University, Zaria, and is approved for its contribution to knowledge and literary presentation.

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DECLARATION

I hereby declare that this thesis has been written by me and to the best of my knowledge, it has never been submitted to Ahmadu Bello University, Zaria or any other Institution of higher learning for the award of any degree.

The various sources, which the author is indebted to are clearly and duly, acknowledged in the bibliography.

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DEDICATION

This work is dedicated to the rural dwellers in Nigeria, who are victims of economic mismanagement by government at all levels.

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Above all, I thank the Almighty God for providing life and resources that made the completion of this programme possible.

ABSTRACT

This study is concerned with the assessment of the performance of Ikwerre Local Government (1997-2002). In assessing the performance of the council, the researcher conducted a study of the various functions, achievements and constraints of the local governments to determine the extent to which the local government has performed its roles or functions within the period under review.

Local governments in Nigeria have been blamed for inefficiency in discharging their service delivery functions. The researcher examines the factors responsible for this development, and make recommendations.

This study will reposition the local government to effectively discharge its service delivery functions. The researcher employed a number of investigative techniques in carrying out this research. These include primary and secondary method of data collection.

The researcher employed system theory as a theoretical framework to explain the role of Ikwere Local Government in socio-economic development of Ikweme People. This theory is important in many respects. First it recognizes the role of other actors in socio-economic development. Secondly it sees development as a collective efforts and therefore assesses the performance of the council in terms of input -process -output.

The researcher postulated four hypotheses. One out of the four hypothesis postulated was rejected while three were accepted. Following the findings, the researcher recommended that Ikwerre Local Government Council should improve in its service delivery function so that it will attract the support of the people in terms of payment of taxes.

Ikwerre local government must on its part accommodate the inevitability of intergovernmental intervention, supervision and sometimes control in order to ensure accountability.

The Local Government political job should cease to be a full-time job, hence it would be unwieldy to have such (salaries) funds paid to council men for part-time jobs. Ikwerre Local Government must be community based. It must be under the control of community people instead of being under politicians. This will check corruption in the council.

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND OF THE STUDY

This study is on the role of Ikwerre local government area of Rivers State, Nigeria in the socio-economic development of the people at the grass root level. The role of Ikwerre Local Government will be explained in terms of the general provisions made by various local government reforms and constitutions. In Nigeria, local government is a structure to which power has been devolved. All local government units once created are expected to operate based on a clearly worked out procedure as contained in the local government laws or rules.

Like every other local government, Ikwerre Local Government is a third tier of government. The third tier status was first accorded recognition by the 1979 constitution though the 1976 local government reforms laid enough foundation for this. Subsequent reforms and constitutions acknowledged this fact and tried, as much as possible, to preserve this institution. In Nigeria's set-up, there are three tiers of governments: federal, state and local. The federal government operates at the national level; state operates at regional, level while the local government operates at the grass root level[2].

For the socio-economic development of Ikwerre people to materialise, a number of functions have been assigned to Ikwerre local government in conformity with some constitutional provisions. The local government reforms of 1976, the Edicts establishing local governments, the 1979 Constitution of the Federal Republic of Nigeria and subsequent decrees amending the constitution in relation to local governments, all provide for two types of functions namely, the exclusive and concurrent

functions.

However, Section 7(5) of the 1999 Constitution provides that "the functions to be conferred by law upon local government shall include those set out in the Fourth Schedule to this Constitution".

According to that Schedule, the main functions of local government council are:

a) consideration and recommendations to 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;

b collection of tenement rates, radio and television licenses,

c) Establishment and maintenance of cemeteries, burial grounds and homes for destitute,

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

e) Establishment, maintenance and regulation of slaughter slabs, markets, motor parks and public conveniences,

f) Construction and maintenance of roads, streets lighting, drainages and other public high ways, parks, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a state,

g) Naming of roads and streets and numbering of homes,

h) Provision and maintenance of public convenience, sewage and refuse disposal,

i) registration of all births, deaths and marriages,

j) Assessment of privately owned houses or tenement rates for the purpose of levying such as may be prescribed by the House of Assembly of a state,

k) Control and regulation of:

i) outdoor advertising and boarding

ii) movement and keeping of pets of all description

iii) shops and kiosks

iv) restaurants and bakeries and other places for sale of food to the public

v) laundries; and

vi) Licensing, regulation and control of liquor.

The functions of local government also include participation of such council in the government of a state as regards the following matters:

a)the provision and maintenance of primary, adult and vocational education;

b) the development of agriculture and natural resources other than the exploitation of minerals.

Local governments in Nigeria have been found wanting in the discharge of these developmental functions. This research assesses the performance of Ikwerre Local Government in relations to its constitutional functions.

1.1. STATEMENT OF THE PROBLEM

According to Suleiman (1996), "man since creation has been battling with the problem of adapting himself to his environment. Present solution becomes a problem in the light of increasing knowledge and the attendant changes in taste" In order to adapt to his environment man has to contend with the problem of socio-economic development.

These include provision of health facilities, good roads, educational facilities etc. .

Despite all efforts made by the local governments to promote socio-economic development at the grass root level in Nigeria, development activities are still at low ebb. Eradication of poverty has been man's problem. Government at all levels has intensified efforts in eradicating poverty in Nigeria by taking a number of steps, to ensure the socio-economic development of the people.

This research assesses the performance of Ikwerre Local Government in relation to its function. Despite the huge allocation of funds to the local government to ensure effective service delivery to the people at the grass root level, the rural; people are still living below poverty line.

The poor people see local government as their first port of call, in terms of socio-economic and political problems. This is because of their lack of trust in state and central institutions. This view has the support of the voices of the poor report. Drawing from participatory research exercises in 23 countries, the report concludes:

> *From the perspectives of poor people world wide, there is a crisis in governance. While the range of institutions that play important roles in poor peoples lives is vast, poor people are excluded from participation in governance. State institutions whether represented by central ministries or other bodies are often neither responsive nor accountable to the poor: rather the reports detail the arrogance and disdain with which poor people see little recourse to injustice, criminality, abuse and corruption. Not surprising poor men and women lack confidence in the state institutions even though they still express their willingness to collaborate with them under fairer rules. The poor people take their problems to their local government (Narayan, et al: 2000: 172).*

The quotation above explains the justification for local government. In the same vein, Sharpe (1970) advocated for the existence of local government due to

> *The efficiency value is expressed in terms of the role of local preferences and socio-economic conditions of each community. If local government did not exist, it would have to be invented in order to fulfill this function" (Sharpe, 1970)*

its role in socio-economic development at the grassroots level. Sharpe posits that:

The above submissions by Narayan and Sharpe point to the fact that local governments play important role in socio-economic development of the rural people.

In the assessment of local government in Nigeria, it is clear that many local governments have not effectively performed their roles in socio-economic development. As at the time of this study, some communities and towns in Ikwerre Local Government Area of Rivers State lack good drinking water, resulting in outbreak of diseases like cholera, typhoid, etc. These communities are Apani, Ipo, Ubima, Ozuaha and Omademe. Economic activities are at low pace in some communities due to the absence of electricity, good roads (tarred), hospitals, etc.

Local governments in Nigeria have not been effective in the performance of their functions as provided for under the constitution. This has remained so inspite of increasing revenue allocation from the federation Account. The question is why is this so? What has been responsible for this?

1.2 OBJECTIVES OF THE STUDY

Despite the increase in financial allocation from the federation account to local governments in Nigeria, for improvement in service delivery (development) poverty persists.

The broad objective of this study is to assess the performance of Ikwerre Local Government Area by:

i) Examining the existing statutory functions of Ikwerre Local Government and ascertain how far the local government is performing these functions within the bounds of its present income, to bring socio-economic development to Ikwerre people.

ii) Exploring citizens' (residents) attitude to Ikwerre Local Government with a view to explaining whether or not the local government has met the peoples' yearnings in terms of increasing the developmental activities in Ikwerre Local Government and aspirations and possibly find out the peoples' perception of the services of the Council in general.

iii) Examining prospects for Ikwerre Local Government in the light of the findings and logically recommends ways for effective performance for the local government.

1.3 HYPOTHESES

Four hypotheses have been postulated in order to explain the reasons for the slow-pace of socio-economic development in Nigeria in general and Ikwerre Local Government in particular. To achieve this objective the factors influencing the performance of Ikwerre Local Government are examined. These factors formed the hypotheses.

i) Non-payment of tax, user fees and other levies by the residents of Ikwerre Local Government are responsible for the poor performance of the Council.

ii) The ineffectiveness of Ikwerre Local Government is as a result of poor funding.

iii) The poor performance of Ikwerre Local Government Council is caused by lack of skilled and technical staff.

iv) Corruption is responsible for the poor performance of Ikwerre Local Government Council.

1.4 RESEARCH METHODOLOGY

The research method used in this research is survey method. For the purpose of this research, both primary and secondary methods of data collection were used. Primary sources of data were those collected for the first time by the researcher, which include interview, personal observation, questionnaires, etc. In respect of the secondary data, the principal sources were from existing literature relevant to the subject matter of this study. These include lecture notes, textbooks, official records, journals, unpublished past research, etc.

Sample and Sample size

Sampling is the procedure for drawing samples from a population (Asika, 1990). This definition corroborates Molem's view. According to Molem (1979), "sampling is a means by which one can draw a sample from a population for study based upon which inference is drawn on the characteristics of the population". In order to ensure that each section of the population is adequately represented and that there is sufficient information about the sections, random sampling technique was used. This enables the researcher to pick respondents randomly from each stratum, for adequate representation.

There were 200 structured questionnaires administered to the respondents both at the local government council and the rural area (residents of the council). Ikwerre Local government Council constitutes one of the populations for this study, with four hundred and forty seven workers. The residents received 100 questionnaires as well as local government workers.

For the purpose of obtaining independent response from the respondents,

the researcher classified the respondents into four groups. These are male junior staff and this represents group 'A' with a population of 201. Another group is the male senior staff with a population of 59 staff this represents group B. Female junior staff numbering 143 this represents group C and female senior staff numbering 42 staff, this represents group D.

Group	Population	sample size
A	201	30
B	59	20
C	143	30
D	42	20

This sample size was chosen following the number of staff in each stratum. The respondents were randomly selected in each stratum for the purpose of adequate representation.

Using stratified sampling technique, the population was divided into four groups at both the local council level and the residents. The strata here are the executives of the council (top) and their council workers.

The respondents in the rural area (residents) of the Council received 100 questionnaires. The strata here are the ward heads (the chiefs in each of the wards) which represent group 'A' Group 'B' high income Group C low income group 'D'. Peasants The choice of this group of people is to obtain a fair representation of the population.

The researcher decided to reach the entire population through this sample size

to ensure adequate representations. The researcher chose the entire ten in group A and B since they are not many. In group C and D we randomly selected them.

Interview method

Information was collected through personal interview. The respondents, responded to a number of questions designed by the researcher. This was aimed at obtaining data for analysis

Participant Observation

One of the techniques adopted in this study by the researcher was participant observation. The researcher visited the local government (the rural people to see things for himself). There is poverty characterized by low level of socio-economic development. The role of Ikwerre Local

Government as an instrument for socio-economic development is yet to b e felt in some communities, such as Ubima, Omademe, Omanwa, Iguruta and Apani

The simple percentage technique was used for the purpose of the analysis of the data

collected. Simply put, the data collected to test the hypotheses were reported in aggregated form in terms of percentage. For the purpose of clarity, this was presented in tabular form

1.5 Scopes and Limitation of the Study

The study is limited to the period from 1997-2002. This was a period of increased funding from the federation account. The choice of this period was informed by the need to among other things find out why Ikwerre Local Government has performed

below expectation, despite various reforms and increase in funding, from the federation account. This research is focused on the role of Ikwerre Local Government in socio-economic development at the grass root level as specified in the 1999 Constitution. The mode of revenue generation and control as well as its impact on the people will serve as the yardstick to measure the performance of Ikwerre Local Government.

1.6 The Significance and Justification of the Study

The need for this study cannot be underestimated because of the important position of local government in socio-economic transformation of the people at the grass root. Hence, a study of this kind is important for many reasons:

First, to find out how Ikwerre Local Government utilized the statutory allocation as well as internally generated revenue in transforming the lives of the grass root people. Secondly, it is to recommend the necessary steps that should be taken to ensure effective local government administration in Ikwerre Local Government council in particular and in Nigeria in general. If the objective of this study is achieved, local governments in Nigeria will be repositioned to effectively play their role of service delivery at grassroots level.

1.7 Definition of Terms

TIER: a set of governments with their own identity, powers and sources of revenue established under state legislation and functions for which they are responsible to the state.

Local Government: according to the Guidelines for Local Government Reforms of 1976, government at local level exercised through representatives' councils established by law to exercise specific powers within defined areas. These powers should give

council substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services and to determine and implement the projects so as to complement the activities of the state and federal governments in their areas and to ensure through devolution of functions to these councils and through active participation of the people and their traditional institutions that local initiative and response to local needs and conditions are maximized.[10]

Planning the process of programming for the long-term economic and social development of a country. It is an effort to raise the standard of living and of socio-economic competence and well-being by a total and coordinated use of all resources of a country, physical and human. It is the process of determining national economic and social goals for the future with the ultimate aim of enriching the conditions of human life and activity (Ohiani, 1999).

Budgeting: a comprehensive plan expressed in financial terms by which an operating programme is effective for a given period of times[11.] In he public sector, a budget is a legal document that empowers government and its agencies to raise and spend public funds over a period of one year. A budget is also defined as a conscious and systematic allocation of resources prepared in advanced relating to a future period, and based on a forecast of key variables adopted to achieve certain policy objectives, which may or may not set explicitly performance targets for the achievement of objectives, relate anticipated expenditure to anticipated revenue can be measured and controlled[12] (Ohiani, 1999).

Decentralization; this is the transfer of power from the central government departments to local and regional government authorities, that is , locally elected representatives.[13]

Devolution: this is a situation whereby the power that resides with the civil services are passed from the central government to the commissioners of the Republic and to outside government departments.[14]

Corruption: This is dishonesty and illegal bahoviour by people in position of authority or power .

Poverty: This is a situation where the resources of individuals or families are inadequate to provide a socially acceptable standard of living (Johnson 1974).

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The 1979 Nigerian Constitution of the Federal Republic of Nigeria.

The 1999 Constitution of the federal Republic of Nigeria

CHAPTER TWO

2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 The Meaning of Local Government

According to Massoud(1999)local government is that tier of government, closest to the people, which is vested with certain powers to exercise control over the affairs of the people in its domain. According to him, there is no nation in the world without a local government system except that this system differs. In some nations, local governments exist as deconcentrated units while in others, they are described as devolution.[1]

One of the ardent believers in local government as a deconcentration unit is Stanley Hoffman. According to this school of thought, the underlying basic concern appears to flow from a belief in a certain intrinsic essence of humanity.

Hoffman thus wrote The creation of self-governing unit---(at the local level) will release the spontaneity of the citizens for liberty as power to build ---. It will also preserve the dignity of the individual who will remain the master of his fate. The salient point here is that once power is deconcentrated, the liberty of the citizens is guaranteed. This will encourage the taking of individual initiatives necessary for socio-economic development.

> In his study titled "Enemies Within and Enemies Without the Gate",
> Hickey (1966) referred to local government as "the management of services and regulatory functions by locally elected councils and officials responsible to them, under statutory and inspectorial supervision of central legislature and executive, but with enough financial and other independence to admit a fair degree of local initiative and policy making".
> Local government according to Harris (1970) is "
>
> > Government by local bodies, freely elected while subject to the supremacy of national (state) are endowed in some respect with power discretion and responsibilities which they can exercise without control over their decisions by the higher authorities".

Awolowo (1952) refers to local government as "

> a system of government wherein local councils make, accept responsibilities for and implement their own decisions subject only to such control as exercised by the people through their own regional government".

The guidelines for local Government Reforms of 1976 defines local government as the;

> *Government at local level exercised through representative councils established .by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs 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 Governments, in their areas, and to ensure, through devolution of functions to these councils and through the active, participation of the people and their traditional institutions that local initiative and response* to local needs and conditions are maximized".

The local government reform of 1976 thus envisages a system of constructive cooperative federalism and complimentary of functions. State and local Governments are not supposed to be in adversary relations. Rather, they are to work hand in hand to engender peace, progress, prosperity and stability at the grassroots. A local Government as mere deconcentration can be described as:

> A sub-unit of government controlled by a local council, which is authorized to pass ordinances having a local application, levy, local taxes and exert labour and within limits specified by the central government, vary centrally in deciding policy, in applying it locally[3].

Local Government as devolution can be defined as:

" The legal conferring of powers to discharge specified or residual functions upon formally constituted authorities[4].

The technical differences among these definition is that while local governments in a deconcentration responds more to the whims and caprices of central governments, those in a devolution are much more powerful because of the way they are constituted and the amount of powers they enjoy. Marrying the two definitions, a local government as a third tier of government should actually agree with the United Nations definition where it says:

A political sub division of a nation [or in federal system, a state], which is constituted by law and has substantial control of local affairs including the power to impose taxes or to exert labour for prescribed purpose. The governing body of such an entity is elected or otherwise locally seleted[4].

From all these definitions certain issues or characteristics stand out:

a. That local government is a subordinate system of government.

b. It has both legal and constitutional powers to perform certain legislative, administrative and quasi-judicial functions.

c. It has the power to make policies; prepare budgets and a measure of control over its own staff.

d. Its council could be elected or selected.

e. It has legal personality.

f. It exercises authority over a given territory and population.

There is no doubt that the Nigerian Local Government System has at one point or the other exhibited most or all of these characteristics especially the presidential system of government at local level of the early 1990s.

The above definition is similar to the one by W. A. Robson (1984), which defines local government as a territorial non-sovereign community possessing the legal right and necessary organization to regulate its own affairs[5].

It is evident that there is a cleavage among the writers on the mechanism for political recruitment at the local level (elected or selected membership) one should note that ideally, a local government should strictly be composed of elected members as it is the only way it can claim to be truly democratic, potentially responsive and accountable to the people in its area of authority, thereby satisfying some of the categorical imperatives or attributes of a government. In fact, Sir Edward Heath (one time British Prime Minister) in his contribution to the House of Lords Debate on Local Government Abolition Bill in Britain (1984) argued that all over the world, there has been a progressive move from indirect representation to direct representation in virtually all government bodies including Local Government.

The ineffectiveness of Local Governments in Nigeria has been blamed on many factors. According to Brigadier Yar'adua the then Chief of Staff, Supreme Headquarters

> paramount was the continuous whittling down of their powers by State Governments that have continued to encroach upon what would normally have been the exclusive preserves of Local Government, others were lack of adequate funds, inappropriate institutions, inadequate staffing arrangement, excessive politicking which make Local Government to be ineffective and ineffectual and made the emergence of a virile Local Government impossible. And lastly, there was said to be a divorce between the people and government at this level of government[6].

It will be seen from the above definition that there is a general agreement from the authors cited. This is because to these authors, there is a distinction between local government and local administration. Those who do not make this type of

distinction refer to many things that are merely the administration of local government (Oyediran, 1987).

In this study, local administration is the administration of local communities essentially by means of local agents appointed by and responsible to only the central government, state or regional bodies. On the other hand, by local government we mean government in which popular participation both in the choice of decision-makers and in decision making process is conducted by locals bodies, which while recognizing the supremacy of the central government is able and willing to accept responsibility for its decisions

2.2 Justification for Local Government

This section will examine those concepts which form the basis of the existence of local government such an analysis will illuminate the premise upon which the Nigerian Local Government system is based and the appropriateness of this premise given past and current debates about the purpose of local government and its peculiar nature in Nigeria's development.

As a level of government, the local authority presents perhaps the most controversial discourse about the justification of its existence. In the search for an explanation of the existence of local government, several scholars have captured divergent views. This divergence has evolved into two major schools of thought about the justification of local government – those who perceive of it as a means of providing efficient services at the local level and those who see it as a way of propagating democracy at the local level.

To enhance our knowledge of local government in respect of the emergence of the two school of thoughts mentioned above, a thorough examination of the philosophical consideration underlying the local government system is necessary. The structure, composition and functions of local government influenced by the political beliefs of those who have the authority and responsibility for determining the main features of the local government system.

This relationship between values or political beliefs and structures for the distribution of powers in society has been argued by amongst others, Stanley Hoffman (1959). As he wrote .

> any preference for a certain scheme of area division of powers presuppose a decision on the ends for which power is to be exercised – a decision on the values power should serve and on the ways in which these values will be served[7]

They are determining philosophical considerations, political beliefs, or values and the constitutive principles of the local government system. The analysis of the constitutive principles of the local government system is important because without the insight, which it affords, in the words of Wilson the resulting work becomes all too frequent a dull accumulation of facts and classifications"[8]. To put it another way, this is the boreholes theory of local government studies in terms of which the study of local government is a mere catalogue of the number of boreholes, market stalls etc, constructed by the local government institution.

Failure to examine the constitutive principles results also in another type of dilemma. The second consequence of the omission is that writers have shown

themselves unable to measure their arguments and solution against well-established ends and criteria"[9]. In order, words the regulative principles must take cognizance of, and be compatible with the constitutive principles.

As was mentioned above, there are 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 other class of theories is contrapuntal to the first class of theories. It argues that an effective local government system contradicts the purposes of a democratic regime; indeed, the two, local government and democracy stand in antithetical relationship to one another such that the weakness of one is the strength of the other. In any case, it is argued that the local government institutions are neither democratic in their internal operations nor admit responsiveness, accountability and control.

A convenient point to begin the examination of the first class of theories is with the work of John Mill (1975) who was credited with having contrived, at the beginning of the modern period " to say everything that was fundamentally important with respect to local government"[10].

He justified local government on three main grounds. The first was that there are certain concerns or interests, which only a section of the community has in common, and it is convenient as well as, advisable that only those who share this community of interests should administer them. As he puts it

> The very object of having a local representation, is in order that those who have any interest in common, which they do not share with the general body of their countrymen, may manage that joint interest by themselves[11].

"The second reason was that local government is one of the " free institutions", which provides political education. Again Mill is worth quoting:

> I have dwelt in strong language- hardly any language is strong enough to express the strength of my conviction- on the importance of that portion of the operation of free institutions, which may be called the public education of the citizens. Now, of this operation, the local administrative institutions are the chief instruments."[12]

The third reason was that of accountability. As Mill expressed it,

> ---not only are separate executive officers required for purely local duties…but the popular control over those officers can only be advantageously exerted through a separate organ. Their Original appointments the function of watching and checking them, the duty of providing, or the discretion of withholding, the supplies necessary for their operation, should rest ------ with the people of the locality "[13].

From the above passage Mill expressed local duties in terms of economic empowerment. This must be preceded by participation in local administration, which must be done collectively.

In more recent time the arguments of Mill have been refined by elaboration. His modern adherents include Brick (1954) who also argued the pedagogic value of local government, asserting that participation in local administration teaches the participants the art of weighing and choosing between competing claims and justifying the choice as a just one, i.e. being accountable[14].

Panter argued that the capacity to make rational choices and "the art of winning

consent" are as much necessary in local government as in central government, and enhanced by participation in local government.

Another adherent is C. H. Wilson who argued that the higher ultimate purposes that local government serves are political. One of these is political education which participation in local government affords. That political education is " in the first place, an education in the possible and the expedient; in the second place, it is an education in the use of power and authority and in the risks of power; in the third place, it is education in practical ingenuity and versatility[15].

Bentham, as Mackenzie (1961) pointed out regarded local government as a training ground for national politicians as did Harold Laski[16]. In addition, local government has the advantage that local knowledge, interest and intimate "first hand knowledge which makes administration concrete and relevant" to a locality can be more easily and perhaps cheaply made available to the local and central governmental authorities.

As Wilson admitted, this is not the only means by which knowledge about a locality's needs and priorities can be gained. For instance, the central government can utilize the services of social scientists in order to ascertain local wishes but usually at a great cost and with less assurance about the profundity of the knowledge so acquired.

It is also important to refer to the more theoretical organized discussion of the subject in the book edited by Arthur Mass, Area and power. Here, Paul Ylvisaker (1959) argued that area distribution of power, that is decentralization as embodied in local government, helps to realize the basic values of a democratic state (liberty, equality and welfare) through the achievement of other values, which are instrumental to the

attainment of the democratic values[17]. The instrumental values deserve closer attention, especially as they relate to the basic values.

Ylvisaker claimed that liberty is realized through local government because the latter provides for the individual access to power and point of pressure and control. It enables minorities to avail themselves of governmental positions and power, and keep power close to the people thereby facilitating control of government officials by the people. As a level of government it is countervailing power to other governmental levels, and as a power-sharing device it helps to localize and confine problems that may arise out of the governmental process.

In summary, local government, it is claimed, enables services of local importance only to be locally administered, provides education in citizenship, and provides training in political leadership, makes available to the central government information about localities which is essential for adequately meeting their needs efficiently and minimizes concentration of political power by diffusing it really. These values, it is added, promote democracy; they are contributive to the development of a democratic climate.

The foregoing survey of theories of local government is necessarily partial and representative. MacKenzie, Smith and Sharpe have provided more comprehensive and excellent surveys of theories of local government[18]. The criteria for selecting the theories presented above are that they are the most recurrent in the literature and the most plausible. But having conceded that much, it is important to question whether these theories stand up to scrutiny.

That it is possible to distinguish between interests (services) which are of local importance only and those, which have national importance have been disputed by I.

J. Sharpe. In his view, "today, almost all services can have national implication[19]. Certainly, all the services that constitute the core of local government's activities are national in character. The local fishpond or town hall project may be local interest only because these do not affect the viability of the country as a whole, but they are peripheral to the main services and activities of local government. Health, education, water supply and roads are nationally important. Neglect of any of these in a part of a country will be reflected nationally in disease, ignorance and poor communication or isolation.

Thus the justification of local "has to rest on something more substantial than its efficacy for the disposal of sewage or refuse". In functional terms, local government provides organizational unity for the performance of various services to match the socio-economic entities which local government communities' are[20] (Sharpe, 1970). Theoretically, the coordination, which is implied in the provision of organizational focus at the local level for the various local services, could be provided by structures other than the local government unit.

In France, the prefecture achieves a blend of local and central coordination. Under the British colonial administration in Africa, the political officers, the residents or divisional officers were the local points of coordination. In Ghana, the colonial practice persists as district commissioners coordinate governmental activities at the local level. In Nigeria, the local administrative system of the mid-1970s provided for residents who coordinated the functions of government at the local government level. These examples argue the inevitability of coordination, but not any particular device for achieving it.

The difference between Coordination by the local government body and the agents of the central government is qualitative. Since not all local needs and wants can be

met, choice and the determination of priorities are important functions that have to be performed on behalf of the Community. If the agents of the central government perform these functions, the subjective need of the Community may not be accurately reflected. This could produce adverse reaction such as frustration or alienation.

Nothing short of a genuinely representative system in the absence of direct citizen participation, can satisfy democratic demand of Constitution and consent in the determination of public, policy for the local community. This then is a firmer determination or anchor for the justification of local government that decisions of 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 agents of the central government.

To what extent can we say that local government constitutes a classroom for political education? The argument is that local government enables a large number of people who lack either the opportunity or stomach for national politics to participate in politics. This argument is more difficult to evaluate. The major issue, which is argued, is the opportunity, which is provided for certain sections of society and the impact of their participation in the political process.

In Sharp' s view, "

> since parliament, in the nature of things will always be an institution dominated by the middle class, local government provides the only real opening for the working class to take a direct hand in the political process" although this alone is hardly adequate justification for the existence of local government [21].

Mill argued the consequence of such participation unequivocally:

> But in the case of local bodies, besides the function of electing, many citizens in turn have the chance of being elected and many either by selecting or by rotation, fill one or other of the numerous local executive offices. In these positions, they have to act, for public interests, as well as to think and to speak and the thinking can not all be done by proxy. It may be added that these local functions, not being general sought by the higher ranks, carry down the important political education, which they are the means of conferring to a much lower grade in society[22].

Thus local government extends participation to section of the Community that otherwise would not have participated in the political process; and secondly, the participation educates the participants in public affairs. The validity of this argument should not rest upon the numbers involved in participation[23]. However small the number may be, it is important that the opportunity exists for those who may be inspired to participate to do so.

As Smith reported, there does not seem enough evidence to conclude that local government provides training for a successful career in the British parliament; the best that could be said was that local government provided " some sort of political training" whose experiential value for national leaders or legislators should not be over-estimated[24].

Lastly, we may consider the argument that local government ensures greater accountability, flexibility and sensibility [reflection of local knowledge]. Here, Smith has observed, "important factor which militates against local flexibility and responsiveness[25]. These factors include the need to maintain minimum national standards and the fact of inadequacy of locally generated finances.

In spite of this, the local councilor is often regarded as more liable to

local control than the local agent of the central government. The case is stated forcefully by Finer (1978) thus:

> Mistaken policy or flagrant misadministration can be corrected at the polls: aired in full council publicize in the local press. The nemesis of local administration is swift and direct. The Town or country hall permits the groaning ratepayer or angry mother to confront their tormentors directly. Desks can be thumped and threats bandied, because they are voters. They may thump the desk at regional HQ (when they have found it)-but with how much less assurance: the civil servant is cushioned against their wrath by distance and time…[26]

Put simply, accountability is achieved more easily because communication lines are short and miscreant councilors take their exit at the next election. Local government " provides what is to some extent a unique opportunity for the measurement of consumer satisfaction. The elective process allows for demonstration of discontent or satisfaction at the general way in which the affairs of the locality are administered and managed in those spheres where local authorities can be parochial ------- Elections not only select leaders but also allow views to be aired[27] (Finer, 1978).

And how is this related to democracy? It has been observed that local government has the potential to educate people on Citizenship. It is also a training ground for national leaders, even if the significance of this is minimal. Lastly, it permits citizen-control of public officials and redress of grievances because of the elective element in the selection of councilors. These values are those political values held to be promotive of democracy. How does realization of these values promote democracy? The question will be better answered if we first examine the theories of local government that regard the practice

of local government as antithetical to the attainment of democratic rule.

Langrod (1953) most ably argues the case. He denied the existence of "an inevitable tie of reciprocal dependence between democracy and local government". Indeed, Langrod argued, there is a fundamental contradiction between local government and democracy. He wrote:

> Democracy is by definition an egalitarian, majority and utilitarian system. It tends everywhere and at all times to create a social whole, leveled, and subject to rule…. On the other hand, local government is by definition, a phenomenon of differentiation of individualization of separation….
>
> Thus, since democracy moves inevitably towards centralization, local government by the division which it creates constitutes, all things considered, a negation of democracy[27].

Moulin (1954) writing in support of Langrod argued that democracy may not be defined solely in terms of external characteristics like ballots and elections. For him democracy implies the existence of a public spirit of respect for human rights and the right of minorities, fair play, decent methods, tolerance and the observation of the rules of the game. On this reading of term democracy, Moulin concluded that local government:

> Far from being the best training for the exercise of democracy at the state level, the realities of local political life are so little in conformity with the spirit and ethics of a democracy as defined above, that they usually tend to distort and debase the processes of democracy, first at the municipal level and then at the national level[28].

Moulin found the evidence of his conclusion in the 'bargaining and collusion'

inherent in local politics and the limited number of active participants in local political processes.

The case against local government as a basis for democracy is two-pronged. First local government creates horizontal divisions whereas the concept of democracy implies a "social whole". Secondly, the operational rules of local government are contrary to the spirit of democracy. We can examine the argument separately.

Langrod's (1953) argument that local government and democracy stand in antithetical relationship to each other, that the strength of one is the weakness of the other rest entirely on a particular reading of the term "democracy". Stipulative definition is neither inherently good nor inherently bad so long as we understand that analysis made on its basis is predicated on the acceptance of some ideological value premise[29]. Langrod's definition of "democracy" according to Whalen is in the mainstream of the radical theory of democracy whose ideological fountainhead is Rousseau[30].

The radical democratic theory puts a premium on the creation of a social whole, uniform and equal; the individual confronts authority directly, having no need of intermediaries between him and the authority. The individual is supposed to realize himself by partaking in the determination of the public will for public wealth. In contrast, according to the liberal democratic theory, individuals realize themselves in collective action mediated and directed by such groups as they belong to, be it a vocational, religious or communal group. Such a group finds its *raison d'etre* in its very existence, and in relation to the state, it does not have to affirm nor is it required so to do, its validity.

Consequently, one resolves the contradictory positions of the two theories of

local government by reference to ideological value preferences much used as explanation because ideological value preferences are simply asserted and not proved. Ideological preferences may be persuasive but would still be an explanation.

These two ideological positions, which informed the theories of local government under discussion are irreconcilable and worse, still, becloud proper analysis as a result of their emotional force[31]. As Walen argues, "no problem in fact exists, except a purely verbal one". There are, he adds, many traditions of democracy and many traditions of local government each conditioned by peculiar circumstances of history and geography. Therefore, the justification for local government must rest upon practical advantage or values rather than abstract principle[32].

The argument is persuasive because it takes us past an ideological impasse. It does not however establish agreement over what the practical values are which local government promotes. What this suggests is that these practical values could be according to history and traditions of local government and should be subject of inquiry in each particular instances if they are in doubt or require re-statement. This is especially important with respect to non-western societies of whom there is controversy as to whether the values promoted by local government are valid.

Sharpe (1965) has suggested that much of his discussions of values of local government "will be applicable to advanced industrial democracies and at the very least…unlikely to be applicable, to societies dominated by subsistence farming". Burke goes even further to suggest that evolving philosophy of local government in Africa negates much of western theory[33].

The challenge inherent in these views is that students of African local

government ought to analyze the practical values which local government promotes in Africa and also to point up the social philosophies, which justifies these values.

From the views expressed by different authors above on the role of local government in socio-economic development at the grassroots level, it is clear that they all point to democracy as an essential instrument for the promotion of community governance which encourages collective efforts in development activities.

It is widely recognized that development is not something that the government does entirely for the people with borrowed fund or personnel but it is what the people do and create for themselves (liberal democratic theory)

Particularly in a developing country such as Nigeria, local government plays important role in poverty reduction or alleviation. The acceptance of the above roles for local units implies an automatic identification with the position that economic changes in the countries must be brought through a shift over form the older model of administration with its emphasis on control what is needed in these societies is an adaptive as well as flexible administration that is easily responsive to the particular and unique needs of the locality in short what is needed is "development administration".

According Esman ( ) the process of development administration refers

--- to those activities of government that foster economic growth, strengthen human and organisational capabilities and promote equality in the distribution of opportunities, income and power.

These activities inevitably involve deliberate attempts at social and behavioural changes.

The need for the active flow of ideas from consumers to administrators and

the reduction of social distance between the two which development administration presume clearly necessitates deconcentratlization. To that effect the public's corporation is crucial for the successful implementation of development projects. The mobilization of people and securing their corporation in development project is a very important factor for the successful implementation of development project by local governments in Nigeria. The study now examines the 1976 reforms in order to deduce the conceptual and theoretical premise which guided it.

2.3 THE 1976 GUIDELINES FOR LOCAL GOVERNMENT REFORMS IN NIGERIA

Let us now briefly examine the 1976 reforms in order to deduce the conceptual and theoretical premise, which guide the existence of local government in Nigeria. As a document, which prepared the way for the present system of local government in Nigeria, the 1976 Guidelines has been and continues to be the subject of several debates[31]. In all, virtually every writer considers the document to be a major turning point in the development of local government in Nigeria, though for different reasons. Our interest here is to deduce the theoretical and conceptual basis upon which the Guidelines is predicated especially with regard to the purpose and functions carved out for local government. The major question is which conceptual or theoretical reasoning guided the policy, which emanated from the guideline.

The principal aims of local government according to the Guidelines are:

a) To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representative

bodies.

b) To facilitate the exercise of democratic self-government close to the local levels of our society and to encourage initiative and leadership potential.

c) To mobilize human and material resources through the involvement of members of the public in their local development.

d) To provide a two-way channel of communication between local communities and government (both state and federal).

Going by the 1976 Guideline, it is clear that local government policy is primarily predicated upon the local representative democratic theory and concept. This makes the local government a provider of local needs. Thus, the emphasis of the Guidelines is on mention the utilization of representative local government as the source of participatory democracy to deliver appropriate services and development activities in order to be responsive to local wishes, according to this "Great" document Local government must be subjected to the whims of local representative bodies.

Local government is a means to enable participation in local affairs, delivers services that meet local needs (Skelcher, 2003). This study shall examine the relevance of liberal democratic theory of local government.

2.4 LITERATURE AND THEORETICAL FRAMEWORK

The Liberal Democratic Theory of Local Government

Theory is the principle that governs the existence of an idea. A study of this nature has to revolve round a theoretical framework. The framework provides a summary for the existence of local government in Nigeria. The conceptual framework employed here is liberal democratic theory. This theory is associated with Rousseau. It permits the right to self determination. Liberal democratic theory of local Government will

be discussed in relation to its relevance to the research

Liberal democratic theory calls for more participatory principles than other theories of local government, going by the guideline (1976). It emphasized the citizens participation in managing their own affairs. In fact, liberal democratic theory differ from other forms of democracy because the poor (rural) people see the local government as their only government. This view has the support of voices of the poor report, a participatory research exercise in 23 countries (voices of the poor report).

> *From the perspectives of poor people worldwide, there is a crises in governance, while the range of institutions that play important roles in poor people's lives is vast, poor people are excluded from participation in governance, state institutions, whether represented by central ministries or local government are often neither responsive nor accountable to the poor; rather the reports details the arrogance and disdain with which poor people are treated. Poor people see little recourse to injustice, criminality, abuse and corruption by institutions. Not surprisingly, poor men and women lack confidence in state institutions even though they still express their willingness to partner with them under fairer rules (Narayan, et al 2000; 172)*

The voice of the poor is not alone in its findings. Another study by commonwealth foundation (1999) in over forty countries also found a growing disillusionment of citizens with their governments, based on their concerns with corruption, lack of responsiveness to the needs of the poor, the absence of participation or connection to ordinary citizens. Liberal democratic theory encompasses community governance and participatory democracy. This view has the support of Clark and Stewart (1998).

Local authorities are based on the principles of representative democracy, yet representative democracy has become passive. Rather than expressing a continuing

relationship between government and citizen, the citizen is reduced to being a periodic elector. It is as if the idea of representative democracy has served to limit the commitment of the citizen to local government. At the same time, representative democracy and participatory democracy have been argued as mutually exclusive opposites. In fact an active conception of representative democracy can be reinforced by participatory democracy all the more easily in local government because of its local scale and its closeness to the local communities.

Similarly, the commonwealth study agues that " in the past the relationship between the state and the citizens has tended to be mediated and achieved (or thought to be) through the intermediaries, elected representatives and political parties structures. But this aspect of participation in governance for good society requires direct connection between citizens and the state must be based on participation and inclusion (82)"

Socio-economic development can not be realized at the local level without the application of liberal democratic theory which permits deliberation. For instance, the recent controversy surrounding the polio immunization exercise in Nigeria was resolved through deliberation. This view was supported by (Fung and Wright 2001:7).

"Increasingly around the world, a number of mechanisms are being explored which can foster these more inclusive and deliberative forms of engagement between citizen and state. These go under various labels, ranging from participatory governance to deliberative democracy to 'empowered deliberative democracy, Fung and Wright (2001:7) defined as

(a) democratic in their reliance on the participation and capacities of ordinary people,

(b) deliberative because they institute reasons-based decision-

making.

(c) Empowered since they attempt to tie action to discussion.

Such an approach, later relabeled "empowered, participatory governance by Fung (2002:3-4) involves linking 'bottom –up and 'top-down' forms of governance that cuts a middle path between the dichotomy of devolution and democratic centralism."

In his support for liberal democratic theory, as an instrument for socio-economic development at local government level, Lister (1998:228) recognized its importance in giving the citizens the right of participation in decision making.

> *"the right of participation in decision-making in social, economic, cultural and political life should be included in the nexus of basic human rights….. Citizenship as participation can be seen as representing an expression of human agency in the political arena, broadly defined, citizenship as rights enable people to as agent".*

Through liberal democratic theory the poor participate in decision making. The importance of this has been recognized by DFID. The DFID paper on Human Rights for poor people calls for participation of the poor in decision which affects their lives to be in the list of universal human rights (DFID 2000). "the right to participate is also linked to rights of inclusion, and to rights to obligation, through which poor people may expect to hold governments more accountable and responsive"

Bringing government closer to the people increases peoples participation in politics and decision making. This participation will enhance economic growth and reduce poverty. This view has been strongly corroborated by Blair (2000:23) in his argument.

> *The hope is that as government comes closer to the people, more people will participate in politics……. that will give them representation, a key element in empowerment, which*44*can be defined here as significant*

voice in public policy decisions which affect their futures. Local policy decisions reflecting this empowerment will serve these newer constituencies better living conditions and enhance economic growth. These improvements will then reduce poverty and enhance equity among all groups.

From the above quotation it is clear that the socio-economic development of the people at the local level can be enhanced by mass participation in their own affairs. This will make the local government to render services to and provide facilities for the people in a manner that every individual will have an unrestrained access to the services so rendered and the facilities provided.

It will also help to mobilise the people in the process of transforming the society. The structures must be created at the local government level which will mobilise the people and which will direct their efforts towards viable community projects.

Empowered deliberative democracy is a component of liberal democracy, it empowers the ordinary people to involve in the discussion of their affairs. This has its strength in the work of Fung and Wright (2001) on innovative deliberative mechanism in the US, Brazil and South Africa, it points to three principles that are fundamental to EDD (Empowered Deliberative Democracy) and three which 'design principles' for institution building. They are perhaps helpful starting points for democracy building strategies.

Principles of EDD (Empowered Deliberative Democracy)

(a) focus on specific tangible problems

(b) involvement of ordinary people affected by these problems and officials close to them

(c) deliberative development of solutions of these problems

Design, Principles for EDD

(d) Involvement of the people at the stages of the project identification and planning.

(a) devolution of public decision making authority

(b) formal linkages of responsibility, resources distribution and communication

(c) use and generation of new state institutions to support and guide these efforts.

The above postulation by Fung and Wright, Lister and the commonwealth are positive and relevant contributions to the adoption of liberal democratic theory by this study. The theory provides for community governance and mass participation by the ordinary people in the management of their affairs. Some of the benefits of the local people derived from their participation in local affairs include the resolution of the controversial polio immunization exercise in Nigeria, social and economic development and as well as determining how they are governed at grassroots level. This support the idea that community development aims at improving the material and social conditions of the people through local actions.

Liberal democratic theory lays emphasis more on the peoples participation in government and decision making without looking at all the elements involved in socio-economic development of the people at the grassroots.

Following the discovery of this pitfall (negligence of the actors involved in socio-economic development) an acceptable theory for this research is system theory.

SYSTEM THEORY

A system refers to a set of units, parts or entities, which interacts with one another to perpetrate the functional existence of the whole system. Thus a system is not just a sum of units /parts but also include the interaction among the parts. Each part has

specific roles or functions to play in ensuring the functional survival of the system. And absence or malfunctioning of one or more of the units/ entities, of the system may not necessarily destroy the system but can result in its malfunctioning. Every part of the system is important for the existence of the entire system.

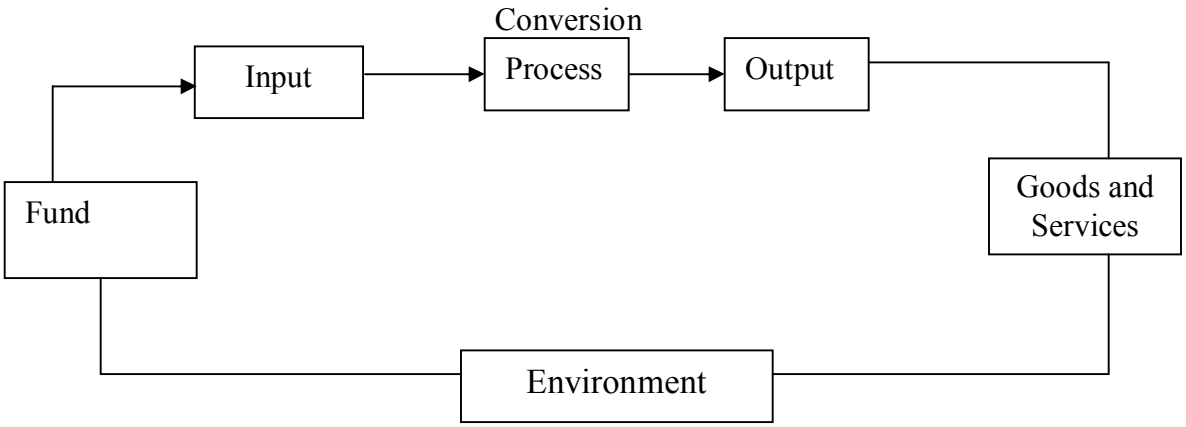
Gibson, et. al. (1994) defines a system as a group of elements that individually establish relationship with each other and interact with their environment both as individuals and as a collective.

In the context of system theory the organization is on element of a number of elements interacting interdependently. The flow of inputs and outputs is the basic standing point in describing the organization. Simply put the organization takes resources (inputs) from the large system (environment), process these resources and returns them in changed or transformed form (output).

The theory shows that organizations are open social system because they must draw resource (input) from their environment which they mobilize and utilize to produce goods and services which have to be sent to their environment as output. This process occurs in a cyclical manner. The success or failure of an organization is measured in terms of the rate of inputs and output.

The Basic Elements of a System

Table 1: **The System Theory Input – Output**



Source Gibson L.J, et al (1994) Organization Behavior, Structure, and Process

This theory (system theory) is suitable for the explanation of the role of Ikwerre Local Government in socio-economic development. As an organization (system), Ikwerre Local Government receives input from environment. These come inform of tax, intergovernmental relations, personnel and other forms of support from the environment. Ikwerre local Government converts these inputs to finished goods which are necessary for the socio-economic development of the people of Ikwerre Local Government. It is imperative to assess the role of these actors in the environment as mentioned above. This is because; Ikwerre Local Government cannot work in isolation. It needs the full support of both the State and Federal government in-terms of funding the residents in terms of tax payment.

In assessing the role of Ikwerre Local Government, importance is attached to the inputs it draws from the environment and how it exports the output to the

environment in terms of the provision of socio-economic facilities aimed at bringing development to the people. This comes inform of provision of health care facilities, schools, employment, reduction of inequability etc

The concept of the organization as a system, that is related to a system introduced the importance of feedback. The organization depends on the environment not only for its inputs but also for the acceptance of its outputs. This calls for adjustment on the part of the organization in order to meet environmental demands. For instance if the quality of the goods and services rendered by the Local Government is substandard it will attract negative response from the residents. The local government must as a matter of fact adjust to meet their demands. Feedback refers to information that reflects the outcome of an act or series of acts by an individual, group or organization. System theory emphasizes the importance of responding to the content of the feedback information.

System theory is important in the sense that it sees the larger system (society) as an entity that makes demand from the organization. These demands are as stated above. System theory focuses on two important considerations, first, the survival of an organization depends on its ability to adapt to the demand of its environments, and in meeting these demands the total cycle of input –process- output must be the focus of manager. The criteria for assessing the performance, effectiveness and efficiency of any organization must reflect the two considerations stated above. The system approach is the acceptable theoretical guide for this research because of its consideration of all the elements involved in development.

2.5 Development

It is a truism that the main reason for the existence of any level of government is to ensure the welfare of the citizens. This is even more so with the local government council in Nigeria. Those who designed and executed local government reform of 1976 placed much hope on the capacity of local government to improve the quality of life in rural areas o f the country. The local government ensures that the welfare of the rural people is improved by embarking on a number of developmental projects that would positively affect the socio-economic life of the people. This section is concerned with the various perception of development. Development must reflect the general idea expressed by some scholars.

Obviously, developing countries are faced with numerous problems such as poverty, illiteracy among others. There have been efforts geared towards overcoming the problems of poverty. The establishment of local government as third tier of government is among others aimed at bringing development to the people at grassroots. Several attempts have been made since independence in 1960 to accelerate Nigeria's socio-economic development. Policies formulated and strategies employed were informed by a set of ideas similar to and which were influenced by the leading economic ideas on development, which came to the fore after the Second World War. Their views thus, illuminate much of what happened in this country since independence and, thus, brief examinations of some of these important writers on development problems becomes necessary and thereafter attempt a working definition of development that encompasses concern for essential material and non-material.

The work looks at development from two broad theoretical

perspectives or assumptions hence, a consideration of liberal development, underdevelopment and the more radical perspectives.

a. The Liberal Perspective

The debate between liberal academic and practitioners has focused on the post independence manner of development within African countries.

i. The linear stages.

ii. The structure – change models

iii. The neo – classical, free market – counter revolution (Todaro, 1989).

The early approaches to development (1950-1960) were dominated by the concept of successive stages of economic growth in which the process of development was seen as a linear path along which all that is required for any take off into self sustaining growth state is the mobilization of domestic and foreign saving in order to generate sufficient investment to accelerate economic growth.

Development thus became synonymous with rapid, aggregate economic growth. Proponents of the economic mechanism by which more investment leads to more growth include W. W. Rostow and Harrod-Domar.

i. The Linear Stages

The linear stages approach was followed by the theories and patterns of structural change (1970s) which uses modern economic theory and structural analysis in an attempt to portray the natural process of structural change that a typical developing country must undergo if it is to succeed in generating and sustaining a process of rapid economic growth. The structural change stresses the mechanism by which underdeveloped economies must transform their domestic economic structures from heavy

emphasis on traditional subsistence agricultural to a modern, more urbanized and more industrially diverse manufacturing and service economy. The two well-known proponents of this development approach are W. Arthur Lewis' "Two sector Surplus Labour' and Hollis Chenery's Pattern of Development".

ii. Throughout much of the 1980s, a neo-classical counter revolution in economic thought took place (as a result of the political ascendancy of conservative governments in Western world and north America), one that emphasized the beneficial role o f free markets and the heavy economic costs of government intervention in promoting development. This counter –revolution emphasized the privatization of public corporations in developed nations and the persistent call for the dismantling of public ownership, planning and regulation of economic activities in developing countries. Using the world's two most powerful international financial agencies, the World Bank and the International Monetary Fund (IMF), they are achieving their objectives. A good example of their prescriptions of the on-going privatization in Nigeria and other countries through the Structural Adjustment Programme (SAP).

iii.. The Radical perspective

Proponents of this theory are opposed to the views of liberal scholars. Attempts have been made to explain the continued underdevelopment of Africa and the rest of the third world countries by reference to historical processes within a structural framework in which Africa's position in the world capitalist system is seen to be fundamental. This analysis derived considerable impetus from the writings of Karl Marx, V. I. Lenin and Luxemburg on class analysis and exploitation, and international capitalism. Other scholars who supported this view are Paul Baran, Gunder Frank and Walter Rodney.

These writers argued that the historical structure of relations between Africa and Europe derived from the spread of international capitalism during colonial period and based on an unequal exchange created economic dependence and an unequal social structure within colonial territories. Despite the attainment of political independence, it is suggested that the persistence of international and intra-national inequalities derived from the fact that Africa's position within the international capitalist system has not changed and is indeed maintained by the interests of the indigenous elites. A pattern of investment, trade and aids exist and motives ascribed which reinforce the inherited 'structure of dominance', which perverts growth rather than enhancing growth potentialities of the economy in the medium and long terms.

Going by this approach, the point to note here is that due to these structures, the very conditions from which African leaders sought to break away from after independence viz external control, economic dependence and internal inequalities have persisted and perpetuated underdevelopment. A leading African nationalist, Dr. Kwame Nkrumah in his book, 'Neo-colonialism the Last Stage of Imperialism' clearly articulated the feelings of the continent when he emphasized the need to avoid "neo-colonialism ... where the state which is subject to it is, in theory independent and has all the outward trappings of international sovereignty. In52reality its economic and political policy is

directed from outside".

Since the end of the united Nations (UN) first (1960s) and second (1970s) development decades, however, the failure of conventional economic indicators to represent the plight of the vast of third world population and the inadequacy of traditional theory to account for these conditions have led to important changes. Among the most significant is the recognition of the international dimension of development and underdevelopment. Notably, the detrimental effects of conditions external to the developing countries on economic growth. With this the need has been acknowledged to reconcile sustained economic growth with a concern for the redistribution of income , assets in favour of the poor, both at international and intra-national levels (Chenery et al, 1974).

a. Meaning of Development

This work will look at the meaning of development as was put forward by some scholars such as Seers (1977), Kindleberger (1977) and Todaro (1970) poses the basic questions about the meaning of development succinctly when he asserts

> the questions to ask about a country's development are therefore: what has been happening to poverty? What has been happening to employment? What has been happening to inequality? If all three of these have declined from high levels then beyond doubt this has been a period of development for the country concerned. If one or two of these central position have been growing worse, especially, if all three have, it would be strange to call the result development even if per capita income is doubled

Kindleberger (1977) also sees economic development as encompassing improvements in material welfare especially for persons with the lowest income, the eradication of poverty with its attendant problems of illiteracy, disease and early death, changes in composition of inputs and outputs that generally include ways of production

from agricultural towards industrial activities, the organization of the economy in such a way that productive employment is general; rather than the situation of a privileged minority, the correspondingly greater participation of broadly based groups in making decisions about the directions, economic of otherwise in which these should move to improve their welfare"[43].

The establishment of local government as the third tier of government has its support from the definition of development by Todaro. According to him, development is a multidimensional process involving major changes in social structures, popular attitudes and national institutions as well as the acceleration of economic growth, he reduction in absolute poverty. Development in its essence must represent the whole gamut of change by which an entire social system turned to the diverse basic needs and desires of individuals and social groups within that system, moves away from a condition of life widely perceived as unsatisfactory and towards a situation or condition of life regarded as materially and spiritually better[44].

Though holistic, all the above definitions are reflecting reduction or elimination of poverty, inequality and unemployment within the context of a growing economy like ours. The establishment of local government is concerned about the desire of the government to bring development to the people at the grass root.

2.6 POVERTY

According to Seers (1977) the basic question to ask about country's development are therefore what has been happening to poverty, unemployment and inequality this sub-section briefly analyses the basic concept involved in the perception and prevalence of poverty. It discusses the steps taken by the Federal Government to

bring about development. It is aimed at elucidating, among others, the meaning and the depth and the attempt, which are made in attacking poverty. It is more than mere definition as it elaborates the various issues involved with the benefit of some studies and surveys conducted in recent years on the problem. The specific concepts discussed includes the perception, the indicators, the causative factors of poverty, as well as the approaches aimed at its alleviation. The existence of poverty has remained a threat to all development efforts embarked upon by the various levels of governments since the inception of this Country, Nigeria.

a. PERCEPTION OF POVERTY

Given its multi-dimensional nature, poverty has been perceived using different criteria. Poverty may be seen as a reflection of glaring defects in the economy as evidence in mass penury, pauperization of the working and professional class including artisans, mass unemployment and poor welfare service. It denotes absence or lack of basic necessities of life including material wealth, common place regular flow of wages and income and inability to sustain oneself based on the resources available. In such a state the means of achieving minimum subsistence, health, education and comfort are absent. That is why Greenwald and Associates defined poverty as a "condition in which income is insufficient to meet subsistence needs"

Similarly, Harry Johnson (1974) defined poverty as "a situation when the resources of individuals or families are inadequate to provide a socially acceptable standard of living" In other words, the individuals live below the conventional poverty line demarcating the poor from the non-poor. The government in 1922, described poor people as "not having enough to eat, a high rate of infant mortality, a low life

expectancy, low educational opportunities, poor water, inadequate health care, unfit housing and lack of active participation in the decision making process "(Federal Ministry of Economic Co-operation and Development, 1992:13).

Sometimes, attention is drawn to the relative nature of poverty and a clear distinction is drawn between poor and non-poor. According to the world bank Development Report 1990, poverty is defined as "inability of certain persons to attain a minimum standard of living" to demonstrate the practical aspect of this concept, three sets of ratios based on the level of consumption were constructed by the world Bank in 1997. These are called P-alpha ratios, showing (i) the head count ratio, the proportion of the population for whom consumption fall below the poverty line (ii) the dept of poverty, which is obtained by multiplying head-count ratio by the proportion of the population deemed to be poor; and (iii) the severity of poverty, obtained by squaring the gap between the incomes of the poor and the poverty line, and also taking into account income distribution. Professor Sam Aluko (1975 defined poverty as "Lack of command over basic consumption needs such as food, clothing and/or shelter" such lack of resources to meet the basic needs incapacitates the individual in prospecting himself against social, economic and political deprivations. Also, Deng (1996), A.S.F. Atoloye (1997) and a. Englama and Bamidele (1997), defined poverty as "Lack of basic necessities of life".

Based on these concepts, Anyanwu J.C (1997) categorized the following as poor, especially within the Nigerian context.

(a) Households or individuals below the poverty line and whose incomes are insufficient to provide for their basic needs.

(b) Household or individuals lacking access to basic services, political contracts and other forms of supports;

(c) People in isolated rural areas that lack essential infrastructure,

(d) female – headed household whose nutritional needs are not being met adequately,

(e) Person who have lost their jobs and those who are unable to find employment as a result of economic reforms under the structural Adjustment Programmes (SAP) and those who are in danger of becoming the "new poor; and

(f)Ethic minorities, who are marginalized, deprived and persecuted economically, socially, culturally and politically.

Poverty manifests itself in different forms depending on the nature and extent of human deprivation. When the minimum level of conception to sustain human existence becomes important is distinguishing the poor from the non-poor, the unemployed and low-income earners come readily as the stratum of poor households. It is more likely that this group may not have the capacity to provide the basic needs like food, clothing, housing and transportation for themselves and their teeming dependants. Most of them live in shanty, usually over crowded and poor ventilated homes. This class of people spread across geographical divisions, urban – rural and occupational categories.

Aboyade (1987) held the view that there seems to be a general agreement that poverty is a difficult concept to handle, and that it is more easily recognized than defined. Thus, even though it is difficult to be specific about the minimum level of well being for the state poverty, the poor in any given society usually stands out sufficiently in terms of severe material deprivation for their wretched conditions to be immediately recognized.

He stated that, in absolute terms, insufficient or total lack of necessities

and facilities like food, housing, medical care, education, social and environmental service, consumer goods, recreational opportunities, neigbourhood amenities and transport facilities are sufficient that poverty is more if a relative condition of well being, he stated that people are poverty stricken when their incomes, even if radically behind that of the community average, they can not have what the larger community regard as the minimum necessary for decency, and they can not wholly escape therefore the judgment of the larger community that they are indecent. They are degraded, in the literal sense, they live outside the grades or categories which the community regards as acceptable". In this conception what is considered poverty level in one Country may well be the height of well being in another.

Poverty has income and non-income dimensions, It also represents general condition of deprivation manifesting in social inferiority, powerlessness, isolation and degradation. According to (1993), poverty may be structural or chronic (long term and persistent) if it is caused by more permanent or chronic factors such as limited access to production resources, joblessness or endemic socio-political problems. Poverty may also be transitory or temporary and therefore reversible, if it is caused by natural or man-made disasters such as flood, draught, war, environmental degradation or even failure of public policy.

2.7 INDICATORS OF POVERTY

Indicators of poverty in general, focus on measures of economic performance as well as the standard of living of the population. They thus combine measures of income or purchasing power or consumption with those social indicators which highlight

availability and access to health care delivery, education, basic infrastructure and other welfare-enhancing facilities in order to define the incidence of poverty (how many are poor) the intensity or severity of poverty (how poor are they) and the distribution of poverty within population.

Income based measures frequently used include GNP per-capita, the purchasing power of real GDP per capital etc. the need to specify benchmarks against which individual regional and national measures of poverty can be compared has led to the construction of poverty lines which represents the value of basic (food and non-food) need considered essential for meeting the minimum socially acceptable standard of living within a given society. Thus, any individual whose income or consumption falls below the poverty line is regarded as poor and the national poverty rate is the percentage of the population of a country. Similarly, separate Urban and rural poverty lines may be constructed since the cost of living in the rural areas tends to be cheaper than in urban areas. From these, the corresponding urban poverty rates and rural poverty rate may be derived.

A real measure is the poverty Gap Index (or Income Gap Index) that measures the shortfall of gap between the average income of the poor and the poverty line. And in order to reflect inequality with the distribution of income, the percentage share of income or consumption according to segments of the population can be indicated by deciles (lowest to highest 10.0 percent) or quantities (lowest to highest 20.0 percent) of the population. However, the Gini Index which measures the event to which the distribution of incomes or consumption expenditure among individuals or households within a population deviates from equal distribution is a good summary of the degree

of inequality.

However, poverty lines will necessarily defer from country to Country depending on general price needs, exchange rates etc. Hence at the international level, there is an international poverty line of US$1.0 a day, expressed in 1985 international prices and adjusted to local currencies using purchasing power partly exchange rate. With per capital income of $240, Nigeria is one of the poorest countries in the world in spite of its enormous human and natural resources, because the living standard of the generality of its people falls below the poverty level.

The social indicators measure the availability and access to health, education and welfare facilities as well as basic infrastructure. The health indicators include those life expectancy at birth, mortality rates across the age-segments of the population prevalence of malnutrition, percentage of the population with access to heath care, safe water and sanitation. They also include the number of hospitals, hospital beds and physicians per unit of population, availability of productive health facilities and access to child immunization. For education the ratios computed are literacy rates, and gross and not enrolment ratios at the primary, secondary and tertiary educational level, desegregated by gender, and expressed as a percentage of the relevant age group within the population. Measures of basic infrastructure include supply of electric power, telephones, paved roads, railways, air traffic etc, per unit of population.

A recent development in computing indicators of poverty is the initiative of UNDP to provide a composite quantitative measure of both the economic and the social indicators of human development called human development Index (HDI). The HDL combines a measure of purchasing power with measures of physical health and

educational attachment to indicate progress or introgressions in human life. The building blocks of the HDL are data on longerity, knowledge and income. Longevity measures solely by life expectancy at birth, while knowledge is measured by the adult literacy rate and mean years of schooling weighted at 2:1 respectively. For income, purchasing power party (PPP) (based on real GDP per capital adjusted for the local cost of living) is used. These three measures are combined in a 3- step process to arrive at an average index. The HDI sets a minimum and a maximum rate for each country stands in relation to thus range, expressed as a value between O and 1 The main limitation of the HDI as a composite socio-economic indicator is the fact that, like all averages, it conceals the wide distribution inequalities within a population.

THE CAUSATIVE FACTORS OF POVERTY

The causes of poverty can be grouped broadly into two, namely, low economic growth and market imperfections. Increased unemployment and under employment when the income of those affected may generally not be sufficient for them to maintain adequate living standard is generally associated with the period of low growth. Market imperfection refer to those factors which, Largely through institutional distortion would not make for equal opportunity or access to productive assets, such as ignorance, culture and inequitable income distribution.

In recent decades, a number of schools have identified some of the main causes/sources of poverty. In a brief definition, Johnson (1974) came up with two conceptional sources of poverty namely:

(a) The factors which make the number of individuals in the consuming unit

(individual or family/household) large relative to the amount of productive services the unit is able to supply; and

(b) Those, which make the value of the productive services the household, supply low relative to the household's need.

Under the first category, Johnson mentioned excessive family size in relation to income as an example; while in the second category he listed factors including chronic obsolescence of acquired human skills, mental, or physical incapacity and discrimination in terms of age colour, race or sex.

Galbraith (1971) made a cursory observation on the causes of poverty in the three regions of the developing world: the sub-Saharan Africa, Latin America and Asia. For sub-Saharan Africa, he ascribes poverty to the "absence of opportunity rather than absence of aptitude" as the countries of this region "have had only a few years" of independence to face the task of economic development. He observed that in this region "people with requisite education, training and honesty for performing public tasks are unavailable". Consequently" taxes are collected in haphazard or arbitrary fashion and public funds spent inefficiently or for no particular purpose except the reward of the recipients". He sees this situation as a potential source of instability as "those who do not have access to public income will have a strong incentive to seek out those who do" furthermore, he noted that law enforcement in sub-Saharan Africa was unreliable and essential public services which trade flourish with the attendant handicaps. But modern large, technically advanced corporate enterprises, which require more, demanding environment for the protection of their personnel and properly cannot operate, because "their business cannot be translated in the absence of Common Carrier

transportation".

In another book written earlier, (the Affluent society 1958) Galbraith directed his attention to the causes of poverty in the United States of America, Undisputedly the richest country in the world, which also continues to grapple with the problem of poverty. He identified two broad categories of poverty, namely case poverty and insular poverty which he attributed to different causes. According to him, case poverty is traceable to some characteristics of the individual poor or his family, such as "mental deficiency, bad health, inability to adapt to the discipline of modern economic life, excessive procreation, alcohol, insufficient education or perhaps a combination of several of these handicaps". As for insular poverty, this "manifests itself as an Island" of poverty within a country". In the Poverty Island, everyone or nearly everyone is poor. It is the characteristic of an entire Community in which the people have been frustrated by their environment. Insular poverty is often worsened by the inability, lack of opportunity, or the Unwillingness of the people, to move away to more prosperous areas. When faced with internal revolution in the civil right movements of the 1960s the United States had to face the issue of poverty seriously. The January 1964 Report of the council of economic advisers to the president identified some causative factors of poverty, including unemployment and under-employment, lack of productivity, lack of adequate education, discrimination on account of colour, sex and age, poor parentage and the environment.

The international community has given much attention to studies on poverty in the sub-Saharan African in recent years, with the aim of identifying the causative factors and providing appropriate solutions. The World Bank has been particularly active in this regard. Some of these studies include: "taking Action for Poverty Reduction in Sub-

Saharan African; 1996 and the social impact of adjustment operations" 1995. The latter identified the causes of poverty as including inadequate access to employment opportunities, inadequate physical assets, inadequate access to means of supporting rural development in poor countries, low endowment of human capital; destruction of natural resource endowments; inadequate access to assistance for those living at the margin and those victimized by transitory poverty because of draught, floods, pests and war, inadequate participation of the poor in the design of development programmes; and poor maintenance culture or the failure to retain development programmes; and poor maintenance culture or the failure to retain and maintain existing structures, leading to deterioration in rural, Urban and highway roads and township slums and Equator. From the foregoing, the causative factors of poverty may be summarized as follows:

(1) The Stage Of Economic And Social Development: There is little doubt that situation of economic underdevelopment can be a hindrance to the capacity of a nation to formulate and implement programmes and projects that would enhance real economic growth, the first necessary step for poverty alleviation. The term absorptive capacity was coined some decades ago to refer to the observed skill and management constraints in developing Countries, even when export earning might be abundant. Managers with the capacity, and the integrity to utilize such funds for development projects may not be easily available. The old Cliché in Nigeria was "money is not our problem, but how to spend it". In a situation like this, poverty will tend to persist.

(ii) Low Productivity: Causes poverty since the consuming unit is unable to earn enough income which will enable it to maintain adequate/decent living standard

Low productivity may be due to obsolescence of human skill or low acquired skill resulting from low education, poor health and physical incapacity. It could also be as a result of inadequate access to productive assets, and consequently unemployment or underemployment. Nigeria's human and physical skill has tended to deteriorate with the passage of time as a result of a combination of brain – drain and falling educational facilities and funding.

(iii) Market imperfections: Distortions in the employment market which introduce all forms of discrimination and rigidities, that prevent the advancement of people along the social and sex, age, colour race and tribe constitute market imperfections. Also the existence of an income distribution structure, which is skewed in favour of some classes in the society, is a form of market imperfection that renders the less favoured class poor.

(iv) Physical or Environmental Degradation: A classic case of this cause of poverty is readily seemed in Countries like Ethiopia, Sudan and Somalia in Africa. Misuse or over use of land which results in deforestation, desert, encroachment and blight in an excessive shifting cultivation system of agriculture are destructive of endowment land resources, swelling the population of the poor as well as keeping the incidence of poverty. It is the same effect that oil spillage produces from mindless exploitation of crude oil.

(v) Structural Shifting in the Economy: Inadequate macro-economic management policies usually resulted in an unwholesome shift in economic activity. Nigeria is good example of such a structural shift. It was a well-balanced economy with five principal export commodities, namely coca palm produce, rubber, groundnuts and cotton before the advent of crude oil. The country's structural shift occurred

when undue concentration was given to crude oil to the neglect of agriculture, which provide job for the man poor. In the process, the economy became mono-culture, while mass poverty became the lot of the rural sector, with the consequent rural – urban drift, which also swelled the number of the urban poor. The Southeast Asian countries (Malaysia and Indonesia) present good cases of efforts at preventing undesirable structural shift.

(vi) Inadequate commitment to Programmes implementation: Much of the policies and programmes in the Development plans of the 1970s and 1980s, in Nigeria for example, were not faithfully implement even when the country did not suffer lack of funds. This failure contributed to deepening poverty. Also the failure to adequately implement the structural adjustment programme especially after 1990 worsened the lot of the poor as this led to continued worker retrenchment and general economic hardship. Also worthy of note here is the usual pattern of lack of commitment to policy by each successive government, however beneficial the policies of the preceding government may be. All this results in economic instability and is unhelpful to poverty alleviation.

(vii) Political instability: - In line with the observation of Galbraith, the rush to "share in the national cake" has resulted in political instability in most of African Countries, with serious adverse impact on the economy. In Nigeria, the failure to successfully actualize the political transition programme in 1993 has brought untold hardship to the economy. There has not been much real economic growth in Nigeria since 1993, thus seriously enlarging the number of the poor.

(viii) Corruption: The incidence of corruption has taken a frightening dimension

such that Nigeria is now internationally regarded as one of the most if not the most corrupt country in the world. In its attempt to measure corruption, the transparency international (an NGO set up to counter corruption worldwide) developed the corruption Index (CPI) which ranks countries according to the extent to which they are perceived round the world as corrupt. The CPI published annually since 1995 measures perception of corruption on a scale 10.0 to 1.0 a Score of 10.0 implies that a country is perceived to be practically free from corruption, while a score of 1.0 indicates that a country is perceived to be completely corrupt.

Transparency international based its finding on a collection, analysis and dissemination of information on the damaging impact of corruption on human and economic development. In it's 1998 report, Transparency International ranks Nigeria among the highest four most corrupt countries in the world with a ranking of 1.9.

The frightening damage to well-being and economic development of corruption is such that an international approach to tackling it through the world Bank in collaboration with the transparency International is being pursued with the publication in1998 of a book entitled New Perspective on combating corruption. At the regional level, the Asian development Bank undertook a major study, which led it to evolve and approve an anti-corruption policy in the Southeast Asian region.

The study established the following facts,

(a) The total losses due to corruption can be more than a country's foreign debts.

(b) Corruption can cost government as much as 50 percent of their tax resources

(c) Corruption can add between 20 percent and 100 percent to government costs for goods and services.

INCIDENCE OF POVERTY IN NIGERIA

The various causes of poverty highlighted above are prevalent in Nigeria and hence the problem of poverty is very serious, in spite of the country's vast resources. The causes are complex and the consequences after reinforce the causes, leading to further impoverishment. In a recent survey (1996) carried out by the federal office of statistic (FOS) and publish by the World Bank under the auspices of the National planning commission (NPC), titled, poverty and welfare in Nigeria 1997. Nigeria festering poverty profile was described as "widespread and severe" in a comparative analysis of welfare the report ranked Nigeria below Kenya, Ghana and Zambia and expressed concern over the dwindling purchasing power of the people and the increasing income inequality in Nigeria which have made life unbearable for citizen despite improved inflation rate.

Whether measured in absolute or relative terms, poverty is generally more prevalent in the rural communities of Nigeria. Although the population has increased from 19.0 percent in 1963 to about 25.0 percent in 1990, both urban and rural areas share similar poverty characteristics while certain peculiar features arise from either relative intensity of socio-economic deprivation in the rural areas or from problems of rapid urbanization.

The sluggish growth and low level of income, coupled with inequality in income distribution as well as lack of Access to basic social amenities have accentuated poverty levels across economic groupings and geo-political divisions. When the bench

marks for poverty line was estimate by the World Bank based on two-thirds of the mean per capital household expenditure for 1985. (i.e. N395.00) about 43.0 percent of the entire population was considered poor. Using the same benchmark, 31.7 percent of urban population and 50.0 percent of urban dwellers and 36.4 percent of rural population were adjudged to be poor. Nevertheless, in terms of number of persons affected, the improvement was not considered significant considering the growth in population and the deplorable state of all social infrastructures, which have jointly contributed to the worsening of the quality of life.

In most urban centers, poor wage income and high rate of unemployment in the absence of social security benefits have reduced the capacity of most people to provide the basic needs of human existence. While the growth in real wage incomes has been negative due to high inflation rate, most urban poor families spend about 80.0 percent of their income on food. What is left of their income is barely insufficient to support housing, transportation, children education and health care needs. Similarly the intensity of poverty among the rural dwellers is manifested not only in very low incomes which barely provide half the nutritional requirements for healthy living, but also in poor living conditions with little or no access to potable water, electricity and modern health care facilities.

Indeed in terms of quality of life deterioration in income, unemployment and poor social infrastructures, the poor have become poorer between 1985 and 1997. The CBN survey on poverty assessment while complementing the earlier work by the World Bank shows that the decline in poverty observed between 1985 and 1992 had been reserved in 1992 (see table). Although skill acquisition is a prerequisite for gainful

employment, high incidence of poverty among educated Nigerians reflected problems of unemployment and low wage levels. Even among those in regular or self-employment, those living below poverty line account for about 30.0 and 25.0 percent, respectively.

Another significant development is the redistribution of poverty among occupational categories. In spite of the fact that poverty is more prevalent in the rural areas, the proportion of farmers in the population of those who live below poverty line has declined progressively from 86.6 percent in 1985 to 67.4 and 33.3 percent in 1992 and 1997, respectively. But the civil service, corporate establishments and trading (or informal) sector, which accounted for about 11.1 and 26.3 percent of the poor in 1985 and 1992 respectively, now harbor about 52.5 percent. This reflects the impact of falling real wages and inaccessibility to social services on the living standard of the people.

Deterioration in fixed and physical assets and failure to repair and maintain them has become a commonplace occurrence in Nigeria. Highways and township roads are in state of disrepair. Many of the road networks survive for only a few years thus resulting in high capital consumption and maintenance costs. The consequence is that the average life of investment in Nigeria generally falls far below the average maturity of borrowing.

2.8 NIGERIA'S SOCIO-ECONOMIC PERFORMANCE 1993-1997

We are concerned with a brief analysis of some-socio economic indicators of the Nigerian economy in this section, with a view to highlighting the current economic situation of the country. The indicators considered include the Gross Domestic product (GNP) growth rates, the investment, and price development situation. An attempt is also made to gain more insight into the country's economic condition by a brief

comparison with the socio-economic indicators of selected countries in comparable stages of development. The countries include Ghana and South Africa in the African continent and Brazil and Mexico in Latin America and the indicators used for the exercise are GDP/GNP growth rates, health status, education and basic infrastructure.

Gross Domestic Product (GDP)

During the period under review, Nigeria's GDP was characterized by slow growth and little structural shift. The growth rate averaged 2.7 percent recorded for the period 1988-1992. The analysis of GDP into the major components of agriculture, industry and services revealed relative sect oral stability and lack of the services sector remained relatively stable at an annual average of agriculture and industry average 39 and 21 percent respectively in the review period (see table).

The relatively low growth rates in the review period are attributable to uncertain political situation and inconsistencies. The political problems hung on the failure to bring the democratization process to a successful end in 1993 as planned, owing to the annulment of the nearly concluded presidential election. This led to major political crisis in 1994 which resulted in disruption of economic activities changes in the regulatory / control measures and the maintenance of inappropriate exchange rate policy introduced in this period militated against the expansion of productive activities during the same year. The "guided deregulation" policy of 1995 including the deletion of the scheduled enterprises from the Nigerian Enterprises promotion Decree, 1972 and the abrogation of the Exchange Control Act of 1962 in 1996 did not result in expected increase in foreign participation in the economy. The problems of rapid inflation in the economy and exchange rate depreciation led to high cost of spares and other inputs. These

problems were compounded by inadequate infrastructure.

The GDP average growth rate of 2.7 percent compared with the average population growth rate of 2.8 percent indicate that real per capital income fell during the review period. Furthermore, the years witnessed persistent and upward movement of prices, with 57.2, 57.0 and 72.8 percent rates of inflation for 1993, 1994, and 1995 respectively. However, the inflation rate dropped to 29.3 in 1996 and further to a single digit of 8.5 percent in 1997.

AGRICULTURE: Agricultural production (comprising crops, fishing, water resources, livestock and forestry) maintained a slight upward movement in the review period, rising from N37.8 billion in 1993 to an estimated N43.50 billion in 1997.The growth rates in the period ranged between 1.4 and 4.9 percent and average an annual rate of 2.5 percent. At annual average of 38.8 percent of total GPP for the period, agriculture continued to represent a major component of GDP, falling slight bellow the services sector which now dominate the GDP components at an annual average of 41 percent.

It should be noted, however that agriculture has been beset by long standing problems impeding its productivity and contribution to aggregate output. These problems include: insufficient farm inputs, inadequate rural infrastructure, and inappropriate technology low extension services, shortage of experienced professional and technical manpower, poor environmental management, relative neglect of the sector by the government and policies encouraging rural-urban migration and low productivity in the persisting predominance of small-holding and the inappropriate land tenure system. Nonetheless, potential for growth remains considerable with diverse agro-ecological conditions making a range of cropping possible, providing food the growing

population, employment and income for rural dwellers, serving as a source of foreign exchange earnings; and supplier of essential raw materials for domestic industries.

The industrial sector. After consecutive declines of 1.4, 1.8 percent from 1993 to 1995, the industrial sector made a positive gain of 2.9 percent in 1996. it expanded further by 5.8 percent to ₦22.5 billion in 1997, contributing 20.2 percent of total GDP. The petroleum sub-sector, which averaged 13.0 percent of total GDP, was responsible for most of the increase in the industrial sector. The sector represented 20.1 percent of GDP with an average growth rate of 1.3 percent during the review period. The manufacturing sub-sector constituted a major drawback. At ₦1.0 billion in 1997, the sub-sector showed an increase of only 0.7 percent over its level of ₦6.9 billion in 1996 when it increased by a mere 0.9 percent over its 1995 level.

The performance in the years, 1993-1995 showed decreases of 4.2, 0.8 and 5.5 percent respectively, showing an average growth rate of 1.8 percent for the review period. The sub-sector's share in the GDP declined from 7.3 to 6.3 percent of total GDP in the period 1993 to 1997.

Some of the constraints of this sub-sector derived from the government policies of excessive regulation especially in the period of stringent exchange control, when most of them were established under high protective tariffs and relatively easy access to cheap foreign exchange in the 1970s and early 1980s. the manufacturing grew very rapidly during the period without strong domestic intra-industry linkages. At the outset of the implementation of the structural adjustment programmed (July 1986) the cost of production rose very steeply, especially foreign exchange costs, making imported raw materials, machinery and spare parts very prohibitive.

Mining and quarrying sub-sector accounted for an average of 0.3 percent of the GDP during 1993-1997, the sub-sector showed an annual average growth rate of 2.9 percent.

The major sub-sectors of the services sector are wholesale and retail trade, producers of government services, and finance and insurance, which in 1997 contributed ₦12.8, ₦10.8 and ₦10.3 billion, respectively, total GDP. The next important group included transport, housing, and building and construction which accounted for ₦3.4, ₦2.6 and ₦2.1 billon respectively. These developments showed that the services of the sub sectors that made significant contributions were those that tended to support existing economic activities rather than expansion in the economy. For instance, wholesale and retail trade depend mainly on distribution of imported goods and local agricultural and manufactured products.

Within the service sectors communication, hotels and restaurants, real estate development and community, social and personal services remained insignificant within an average growth of 3.4 percent. This sub sectors of the industrial sectors could be more important in the future given the current emphasis on exploitation of its vast solid mineral resources estimated to be one of the highest in the world.

During the review period, the problems facing industrial production were compounded by infrastructural inadequacies (electric, power, roads, communication, petroleum products etc). Declining real income arising from high inflation resulted in weak consumer demand for manufactured products. There were also inefficiencies resulting from bureaucratic delays, low productivity and general mismanagement in government owned firms (corporations. Capacity utilization during the period was

estimated at between 29-32 percent mainly as a result of weak consumers demand. On a positive note a reasonable large market exist for Nigeria's manufacturers in West Africa sub-region, and even beyond which represents an important factor for its potential expansion.

The services sector. This consists of utilities, building and construction, transport, communication, wholesale and retail trade, hotels and restaurants, finance and insurance, real estate, housing, producers of government services and community. Social and personal services accounted for an aggregate value of ₦45.1 billon in 1997, showing an increase of 2.4 percent over the level in 1996 and accounted for 40.6 percent of total GDP.

A brief analysis of the share of non-oil in GDP Appendix iv represents the percentage composition of non-oil GDP in total GDP, analyzed into tradable component and non-tradable components from 1980 to 1997. in the table, the tradable sectors are sub-divided into agricultural and industrial activity sectors, while the non-tradable are activities outside the two sectors in the non-oil GDP. In this study, emphasis was laid on non-oil GDP and its components because they harbor the socio-economic activities that hold the greater prospects for poverty alleviation. The tradable sectors of agriculture and industry constitute the sectors of real economic growth which are the greater employment and either income/welfare-enhancing opportunities. The share of non-oil GDP from 67.2 percent in 1980 to a peak of 87.6 percent in 1995 to 86.4 percent in 1997.

The agricultural tradable share of non-oil GDP declined persistently from 48.6 percent in 1980 to 43.5 percent in 1993 and maintained a slightly upward trend from 1994, rising to 45.4 percent in 1985 in 1997.

The share of the manufacturing sectors fell persistently from 10.1 percent in 1985 to 7.3 percent in 1997. These developments would indicate that production activity in the economy was becoming more informal. It is common knowledge that agricultural activity in Nigeria is still under taken with primitive technology. The greater share of the agricultural sectors in the non-oil GDP vis-à-vis the manufacturing sector, has serious implication for the modernization of the economy, creation of employment opportunities and improvement in welfare as well as the acceleration of economic growth, which are the obvious pre-conditions for poverty alleviation.

Companion of the tradable components with the non-tradable component of the non-oil GDP showed that the share of non-tradable has increased from 42.3 percent in 1980 to 47.3 percent in 1997 while that of the tradable components declined from 57.7 percent to 52.7 percent in the same period. In the course of a normal economic growth, it is the growth of the tradable sectors that facilitate that of non-tradable activities. In other words, expansion in production in the real sector of agriculture and industry should cause increased demand for non-tradable services, such as government services, wholesale and retail trade and building and construction etc. it is normal to expect that it tradable sectors of agriculture and industry are activated, employment opportunity and income would increase and thereby increase demand for the services of the non-tradable sectors. Therefore, a situation where tradable activity sectors are shrinking and non-tradable are increasing may give the impression of an economy which is moving away from real growth and in the process offering no hope for poverty alleviation.

By way of conclusion, the above brief analysis has underlined two fundamental facts about the current situation of the Nigerian economy namely that:

a. The contribution of the modern sector (manufacturing industry) to the GDP is dwindling with adverse implications for modernization, employment creation and improvement in socio-economic welfare, and
b. The share of the tradable component of the non-oil GDP is declining vis-à-vis the non-tradable component, implying little real economic growth.

All this calls for policies, which will activate the real or tradable sectors of the economy if significant poverty alleviation is to be achieved.

Socio-Economic indicators

Human development measured by the well being of its citizens is sometimes gauged by the level of income and the accumulation of savings, which will enhance its capacity to create additional wealth. Provision of gainful employment/earnings, opportunities makes it possible for more people to provide the basic necessities of life, provided wage levels are realistic and domestic price level is reasonably stable.

These factors when combined with relative access of the people to social infrastructure such as health cares education and public utilities give an indication of the extent of improvement in the quality of human life in the society under reference.

Average Income

Even though Nigeria recorded average annual growth rate of 2.7 percent in aggregate income (measured by Gross Domestic product at 1984 constant factors cost) during the review period, the impact of this on individual access to food, shelter and social amenities was not significant. Nigeria's per capita income has increased steadily since 1994 from N9, 415.4 through N19, 705.0 in 1995 to N29, 742.0 in 1997. From the estimate for

1996/97 which put per capita income for urban areas at N6, 349.2 as against the N4,819.6 for the rural areas, one can deduce that the disparity in per capital income between the two sectors is of the order of 30.0 percent.

Saving Investment

According to F.O.S. estimates, Nigeria's Gross National savings which was N63.4 billion in 1993 declined to N59.0 billion in 1994.Even though it rose to N174.0 billon in 1995, Gross National savings dropped to N143.4 billon in 1996 Gross fixed capital formation rose moderately from N80.9 billion in 1993 to about N96.0 billion in 1997. the sluggish growth in savings and investment neglected the sordid state of Nigerian economy between 1993 and 1997 following persistent socio-political uncertainty and the attendant unstable economic environment.

Inflation

Inflation rates measured by changes in the consumer price index (CPI) reflected the instability that characterized the Nigerian economy between 1991 and 1994. The upward spiral in the rate of price inflation began with 12.9 percent in 1991, and peaked at 72.8 percent in 1995. It however, decelerated to 29.0 and 8.5 percent in 1996 and 1997 respectively. It is striking to note that between 1991 and 1997, Nigeria experienced an average annual inflation rate of 40 percent compared with the single digit inflation rates in most developed countries. While food continued to dominate the item of consumer expenditure, the cost of living has generally risen more sharply in the rural areas than in the urban centers over the period. Notable among the major cause of inflationary measures in the review period were the rising level and distribution of government expenditures, excess liquidity and supply shortages.

Unemployment

Although reliable data on unemployment are scanty, the composite index of registered unemployment showed a downward trend between 1991 when it was 3.6 percent and 1995 when it recorded 1.8 percent. It picked up in 1996 and hit an all time height of 4.5 percent in percent in 1997. As expected, the rate of unemployment was consistently higher in the urban area than in the rural areas. While urban unemployment was put at 5.2 and 8.5 percent in 1991 and 1997 respectively, the rate in the rural areas was 3.2 in 1991 and 3.7 percent in 1997. However, these figures should be taken with caution because of poor coverage and other limitation. Not only do they exclude unemployed persons who failed to register with the labor exchanges, but also do not reflect substantial under employment which abounds in the informal sector. Unemployment is more prevalent among secondary school leavers as they account for about two-thirds of registered unemployed persons each year. Unemployment among college graduate becomes more serious between 1993 and 1997 when, on the average, nearly one out of every ten applicants was a university graduate, a sad reflection of the continued economic depression.

Health status

The health status of a nation is an indication of a citizen's well being. The level of household income and educational attainment usually influences living conditions of the people. But with the report growth in population and the worsening poverty situation, the demand for health care services both at primary and secondary levels has increased astronomically.

Indicators of health status include the life expectancy of the population and the

rate at which people die, especially children who account for about 45.0 percent of total population. Life expectancy at birth in Nigeria stood at 52 years in 1994 compared with 57 and 64 respectively in Ghana and Indonesia. Infant mortality rate per thousand of life births, which was 99 in 1980, dropped to 78 in 1996. In the same period, the infant mortality rate declined from 70 to 36 in Indonesia and from 100 to 71 Ghana, thus reflecting greater improvement in the healthy living conditions of those countries other than Nigeria. The national infant mortality rate estimated in 1990 was 95 per thousand live births as against 75 in the urban centers indicating a much higher rate for the inadequate access to pre-natal and post-natal health care services by pregnant women as well as poorer living condition. Between 1985 and 1990, for example only 65.0 percent of pregnant mother sought and had access to pre- natal care. This proportion was 89.0 percent in the urban centers compared with 59.0 percent in the rural areas. Similarly the percent of children aged 12-23 months in 1990 that was immunized was a mere 30.0 percent. This ratio varies from 45.0 percent in South West to 16.0 percent in the North West. Consequently, the mortality rate among under –five children was as high as 191 percent. Live births in 1990 with the urban –rural differentials in the availability of medical facilities, potable water housing and sanitation, under-five mortality rate varies from 144 per thousand in the south east to 244 in the North –west. Overall, the under-five mortality rate, which is about 200 per thousand in Nigeria, is higher than the 90 per thousand in Kenya and 150 per thousand in Ghana.

Another factor, which accounted for high mortality rate among young children, is poor nourishment. Malnutrition is caused principally by the inability of households to provide food containing adequate nutritional value for their members, thereby

resulting in poor growth. In areas that have lesser access to health services, nutritional welfare of children under five who suffered from malnutrition was 35 as against 27 in Ghana and 14 in Mexico. There is no doubt that an improvement in the level and distribution of government expenditure on health services could significantly improve the health status of Nigeria. This was estimated at us $9.0 in 1990, much lower than the $140 and $16.0 for Ghana and Kenya, respectively. As a fraction of GDP, government expenditure on improvement of health services was 2.7 percent in contrast with the 3.5 percent in Ghana and 4.3 percent in Kenya. Nonetheless, with emphasis on primary health care and the growth in the number of health institutions such as general hospitals, maternity homes and health centers where more Nigerians continue to have access to medical facilities especially in urban centers where more of these establishment are located. Adequate access to health care facilities focusing on preventive as well as curative service delivery can minimize the incidence of communicable diseases and lower the rates of infant and maternity mortality.

EDUCATION:

Education is critical to the development of human capital, attainment of higher living standards, social integration and increased labor productivity through the adoption or adaptation of modern technology. With the sharp increase in population, huge resources have been committed by the three tiers of government towards raising the level of literacy.

Consequently, total adult literacy rate, which was 25.0 percent in 1970, rose to 50.0 and 56.0 percent in 1990 and 1995, respectively.

Albeit, this achievement is below the 53 and 83 percent recorded for Ghana and

Indonesia in 1994. Indeed, by 1995, adult illiteracy for female and male stood at 53.0 and 33.0 percent respectively. Both levels as well as gender differential are higher when compared with the 47.0 percent for female and 24.0 percent for male in Ghana or the 22.0 percent for female and 10.0 percent for female in Indonesia.

As proportions of total persons in the relevant age groups, gross enrolment for primary, secondary and tertiary institution have generally been below the optimum, creating wide disparities in education and literacy between genders and among geo-political zones. In the largely urban South, primary and secondary school enrolments are twice those in the north. While about 18.0 percent of the male population in the South West did not go to school in 1995, the population of such people in the North –west was 73.0 percent. The comparative figures for female population were 30.0 and 80.0 percent, respectively. In 1995, the percentage of primary school age children who were not enrolled in school was 15.0 and the comparative figure of secondary school age that refused to enroll was 70.0 percent. A more worrisome development is the astronomical increase in the number of school drop-outs at primary and secondary levels. This is of great concern in view of the attendant, crimes, drug addiction and prostitution among the youths.

Equally disturbing is the turn-out of graduates of polytechnics and universities in the face of sluggish growth in employment opportunities in civil administration, commerce and industry. This is further compounded by the Skewers in enrolment in favour of social science as against pure science and technology. As a result, many of these graduates are largely absorbed in informal sector activities.

In spite of these major shortcomings, greater attention is being

focused on the need to maintain and expand educational infrastructure to accommodate the pressing need of a fast growing population. As a result, expenditure on education which claim 1.7 percent of government budget in 1991 has increased more than four fold to 6.7 percent in 1994.

BASIC INFRASTRUCTURE

Electricity consumption is a good indicator of the standard of living even in the rural areas. Nigeria's per capital consumption of electric power at 85 KWH is only one-third of Indonesia's and one quarter of Ghana's consumption. Availability of telecommunication facilities in Nigeria as reflected in the number of telephone main-lines has shown some improvement between 1992 and 1996. But at 4 lines per 1,000 persons the number of lines will need to be increased at least twenty –fold in order to meet the current levels in south Africa, Brazil and Mexico. Even in the provision of transport infrastructure as reflected in the coverage of tared roads, railway traffic and air traffic, Nigeria, in relation to the comparable countries has a significant gap to cover.

INTERNATIONAL COMPARISON

Appendix v shows a cross-country comparison of various indicators of poverty between Nigeria and five selected developing countries located in Africa, Asia and Latin America. The following comments are important.

BASIC INDICATORS

Applying the basic indicators in analyzing the incidence of poverty, Nigeria

came out as the poorest of the selected developing countries. Given a population growth rate of 2.9 percent per annum and GDP per capital estimated at $240 as at 1996, at 30.0 percent per annum growth in Nigeria's economy, barring income redistribution effects, will make no dent on the 1981-1995 period but whose population is growing at only half the Nigeria rate, the gap in poverty rates between Nigeria and Brazil will continue to widen. At the current 2.9 percent per annum population growth rate, the Nigeria economy needs to grow at close to 10.0 percent per annum in order to double income per capital in a decade and shrink the poverty rate. However, at the current average annual GDP growth rate of 1.9 percent, which is below the population growth rate, more Nigerians have moved into the poverty bracket.

HEALTH

In relation to the comparable countries, Nigeria has the lowest life expectancy of 53 years, and the highest infant and maternal mortality rates of 78 per 1000 live births and N1,000 live births, respectively, even behind Ghana with 59 years life expectancy and 71 infant death rate and 740 maternal deaths per 100,000 live births. Overall, access to safe water and sanitation in Nigeria is poorer than that of the comparable countries, although the number of hospital beds and physicians as at 1994 puts Nigeria in the middle. Thus while availability and access to health institution in Nigeria appears average in comparison with other countries such access is not reflected in a significant reduction in mortality rates.

EDUCATION

Gross enrolment ratios in Nigeria's primary, Secondary and tertiary institutions are the lowest when compared to the selected countries except for primary

education where the enrolment ratio in Nigeria exceeds that if Ghana. Gross enrolment in primary schools in Nigeria will need to increase by about 12.0 percent in order for Nigeria to catch up with South Africa. The enrolment data also shows gender bias against females, including the data on adult literacy, which show 53.0 percent Nigeria females as illiterate, against 33.0 percent male.

SUMMARY OF SOCIO-ECONOMIC PERFORMANCE

The Nigerian economy witnessed low growth rate between 1993-1997. The average growth of GDP stood at 2.7 percent as against population growth rate of 2.8 percent. Although the agricultural sector recorded relative growth, the growth of the industrial sector and its contribution to the GDP doodled with adverse implications for output of goods and employment. The share of the tradable components of the non-oil GDP also declined compared with the non-oil tradable component, offering little hope for poverty alleviation.

Even though per capita income increased in nominal terms, the benefits were eroded by mounting inflationary pressure. The price level was generally on the increase throughout the review period, but the inflation rate drooped significantly to a single digit of 8.5 percent in 1997. The employment situation worsened and many of the jobless found solace in informal sector activities, much of which were characterized by underemployment. The state of social services (education and health) remains deplorable. Access to basic economic infrastructure like electricity, water and sanitation are grossly inadequate. Nigerians have relatively less access to social infrastructure such as health care, education and economic infrastructure compared to several other

countries at the same stage of development with her in the 1970s.

The above account is an indication that there is poverty in Nigeria characterized by unemployment, inequality, etc. The establishment of local government is aimed at reducing poverty in Nigeria. For the local government to effectively play their role in the socio-economic development the ordinary people must be part of the local administration. This is what liberal democratic theorists advocate for. Development programme must be people oriented. To that effect, this study is interested in identifying the role local government in Nigeria are playing to reduce or eradicate poverty but with particular attention to Ikwerre Local Government of Rivers State. Table 2.2 shows Nigeria economic performance while table 2.4 shows some economic indicators of Nigeria.

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CHAPTER THREE

3.1 History of Ikwerre Local Government

The creation of states or local government is always in response to the demand by those who feel that their interests are not adequately protected and threatened by larger groups.

Commenting on creation of local government based on the need to protect local or sectional interests, Stewart (1946) submits "the very object of having local representation is in order that those who have an interest in common which they do not share with the general body of their countrymen may manage that joint interest by themselves".

The above reason informed the establishment of Ikwerre Local Government in 1976. Ikwerre Local Government Area (KELGA) has its headquarters at Isiokpo. It is one of the first generation local government areas in Rivers State. Its creation dates back to 1976. Then it was one political and administrative unit that held together the people of the present Ikwerre, Etche and Emohua Local Government Areas of Rivers State. It was first called Ikwerre/Etche Local Government Area. However, with the local government creation exercise of 1989, Etche Local Government was carved out. In 1991, Emohua Local Government was created out of what was left, thus leaving the components of the present day Ikwerre Local Government Area as a grassroots' political and administrative unit.

Ikwerre Local Government is strategically located within the fresh water of the delta basin. It is bounded in the North by Ohaji/Egbema Local Government Area in Imo State, in the East by Etche Local Government Area. On the West it is bounded by Emohua Local Government Area, and on the south by Obio/Akpor Local Government

Area, all in Rivers State. The Local government has a population of 900,000 people living in twelve densely populated and mutually complementary communities, most of which are autonomous. The communities are delineated into thirteen (13) wards for political purposes.

The local government occupies a vast tropical land where the people are predominantly farmers. Food crops are produced in large quantity to the extent that the local government is acknowledged as the "Food basket of Rivers State". Ikwerre Local Government Area is also an oil producing area. There are, federal and state government institutions located in the area such as 344 Air Defense Artillery Regiment at Elele, International Airport Hotel at Omagwa, Risonpalm Limited, a giant palm oil producing industry located at Ubima among others.

Etche Local Government was a District Council Area before the creation of local governments in 1976 when it was fused with Ikwerre/Etche Local Government Area. The local government, which was carved out of the former Ikwerre/Etche Local government Area in October 1989, has its headquarters at Okehi. It has an approximate population of 700,000 people made up of five clans:

1. Okehi – Igbodo, Egbeke/Nwuba, Aku/Obua, Obibi and Akukabi.
2. Mba – Ndasi, Obite, Akpoku and Umuoonye
3. Igbo – Egwi, Ogida, Okomoko, Opiro, Abara Umuechem Chokocho, Ikwerre – Ngwor, Choko and Odagwa.
4. Ozuzu – Isu, Elele, Owu, Ihio and Egbu.
5. Ulakwo – Umuselem, Afara, Nihi and Odufor.

The Local Government Area is located within the fresh water of Delta basin.

It is bounded in the North by Ngo-Okpuala in Imo State and West by Abara. To the East, it has boundary with Omuma Local Government Area and to the South by Obio/Akpor Local government Area.

From the above account, it is clear that Ikwerre Local Government Area gave birth to two other Local Governments Areas namely, Emohua and Etche Local Government respectively. This development was due to increase in population, which resulted in the increase in the responsibilities of Ikwere local government. The need for socio-economic development informed the creation of the two local governments from Ikwerre local government in 1989 and 1991 respectively.

Supporting the need for the creation of local government to cater for the problems that are local in nature, Mill (1912) argues that certain functions of government are purely local in character and should be locally administered and controlled…."

3.2 ORGANISATIONAL STRUCTURE OF IKWERRE LOCAL GOVERNMENT AREA

The structure of Ikwerre Local Government Area is in line with its statutory functions. There are various departments and positions. These are explained in terms of their functions.

The Local Government Chairman

The chairman is the Chief Executive and Accounting Officer of the Local Government. In that capacity, he performs the following functions:

1. he observes and complies with Financial Regulations governing receipt and disbursement of public funds and other assets entrusted to his care and

he shall be liable for any b reach thereof.

2. he complies fully with the following guidelines regarding management of financial and material resources of the local government.

a) all instructions relating to expenditure of public funds by the Chairman must be in writing.

b) He is accountable to the Public Accounts Committee for all monies voted for each Department and shall be financially liable.

c) He renders monthly statement of income and Expenditure and Annual report to the Local Government Council

d) He renders quarterly returns of the actual income and expenditure of the local government to the state government and Central bank.

e) He ensures that there is strict compliance with the spending limits of all concerned.

f) He directs the affairs of the Local Government and shall allocate responsibilities to the Vice Chairman, Supervisory councilors and Secretary to the Local Government.

g) He presides over the meeting of the Executive Committee of the Local Government at least once a week.

h) He complies with the provisions of the Financial Memoranda regarding his fiscal responsibilities.

Vice Chairman

The Vice Chairman is elected with the Chairman of the Local Government. He I s assigned responsibility for the administration of a Department or

Departments. He acts for the chairman in his absence.

Secretary to the Local Government

The secretary to the Local Government is a senior officer in the Local Government Service. He is appointed and could be transferred by the Local Government Service Commission. He is the Chief Administrative Advisor to the Chairman of the Local Government Council, the Executive Committee and other Standing or Statutory Committees. He is Secretary of the Local Government. In this capacity, he performs the following functions (under the 1999 constitution):

a) He serves as Secretary to the meeting of Local Government Council, the EXCO and other committees charged with the responsibility of policy formulation and decision-making.
b) He keeps all records and minutes of all the policy-making bodies.
c) He co-ordinates the activities of all Departments as the Head of Service.
d) He takes over the signing of cheques and vouchers of all contractual documents on behalf of the Local government.
e) He liaise with the Secretary to State Government and other necessary state functionaries on State-Local Government Relations, with regards to administrative matters.
f) He performs such other functions as may be assigned to him from time to time by the Council, the Executive Council and the Chairman.

Supervisory Councilors

Supervisory Councilors are intimately involved in the management of their respective Departments by performing the following functions:

a) they serve as political heads of their respective departments.

b) They serve as members of the Executive Council, which in effect is the cabinet of the Local Government.

c) They give directives to the professional heads of their departments on general policy issues.

d) They assist the Chairman to supervise the execution of the Local Government Project within their respective Department.

e) They carry out such other functions as may be assigned to them from time to time by the Chairman.

Supervisory councilors are not responsible for the day-to-day running of affairs of their departments. In specific terms, they have nothing to do with staff matters and keeping of financial records or transactions in form of Accounting, Auditing and Investigations. These are the responsibilities of professional/career officers.

Non-Portfolio Councilors

These are members of the local government council who are involved in policy making promulgation or enactment of bye-laws and making of rules and regulations governing the running of affairs of local government.

Their specific functions include:

a) attending all meetings of the local government council at least once in a month.

b) serving as members of Council Sub-committees for Education, Primary Health Care, Social development Works and Housing, Agriculture and natural resources, Public enlightenment, etc, to assist the whole council in formulating its policies.

c) Liaising with the local government and their constituencies on policy

matters and to mobilize people for their support to the local government.

The Local Government Treasurer (Director of Finance)

He is the Chief Financial Adviser and chief custodian of all accounts records and documents relating to the finances of the local government. His functions are as stipulated in Paragraphs 1.13 – 1.18 of the Model Financial memoranda (1991). Among such functions are:

(a) Administrative control of the Finance Department.

(b) Budgetary control and supervision of Accounts kept by all departments.

(c) Serving as signatory to local government cheques, vouchers and all contractual agreements.

(d) Ensuring that there is strict compliance with the provision of the Financial memoranda (FM) and other rules governing management of finances and supplies by all officers and departments.

Head of Personnel Management

Under the (1997) dispensation, the Director of Personnel Management (DPM) is like any other Head of Department in the local government. He is concerned with employment, promotion, discipline and training of staff on GL. 01 – 06 through his involvement in the functions of the Junior Staff Management Committee. He is also concerned with the welfare of all members of staff and officials of the local government such as provision

3.3 Structural changes and the Functions of Local Governments in Nigeria

The structure of local governments in Nigeria has recorded a lot of changes right from 1900 till the present day. Some of these trends were based on trial and error and

more importantly on constitutional developments, for example, the creation of two ordinances in 1914 and in 1916 governing the administration on Native Courts (Orewa and Adewumi, 1983:4). It was at this point that a most significant step was taken to separate the local judiciary from the executive arm at local level. At the early part of 1950s, further steps were taken to inculcate the concept of viability into the local government through the notion of making it the engine for development. It was in 1952 that a three tier structure of local government was introduced such as the Divisional, District and Local Councils. However, in some unique areas, all purpose Town or District Councils were established. Orewa and Adewumi (1983) argue that in 1952 developmental functions were allocated to local governments like ambulance service, maternity centers, hospitals, and agriculture, veterinary and forestry services and primary and post-primary education. Because of inadequate staff and severe financial constraints, local governments then could perform only limited functions like sanitation, maintenance of dispensaries, maternity and rural health centers, primary and post-primary education, scholarship awards, local government prisons and police, public water undertakings, forestry and maintenance of customary courts and traditional office holders. Since the weakness of mankind is dated back to history, the problems of local government could be viewed along that generalization. Based on the three-tier structure system, local governments supposed to excel in their functions but unfortunately that aspiration has not been met adequately.

In the 1960s, several developments took place such as the national independence on October 1, 1960, the army took over of January 15, 1966, the outbreak of the civil war in May 1967, and the creation of states in 1967. In addition to these, there were the

national local government reforms of 1976, creation of 301 local government councils, additional creation of states in 1976, the return to civilian government on October 1, 1979. More so, the military coup d'etat of December 31, 1983, the 1988 Civil Service Reforms, the application of 1988 Civil Service Reforms on local government, upward increase in the number of local councils from 301 to 774 and the creation of three area development council in Abuja, the Federal Capital.

The examination of the trends in the structure of local government shows that the future of local council depends almost entirely on the stability of the national and state governments. Since the records in the Nigerian political context indicate a very serious political instability from the time of independence until the present, local governments have not been able to discharge their obligations effectively in ways they ought to be carrying them out. During the periods of reconstruction (1970 to 1979), several experiments were performed such as the council manager system and divisional administration. Throughout these periods, local governments suffered from the erosion of authority and whittling down of powers. The intervention of the federal and state governments killed local initiatives and put local governments in position of begging for survival (Abubakar, 1999). It is to be noted that the federal and state governments interference in staffing the local governments prevented them from having permanent and stable qualified skilled staff.

However, with the new structural changes in local government, chances are very high that they will gradually develop their manpower resources to meet the need and the aspirations of the masses.

3.4 Reforms of Local Government and Development Planning in Nigeria

The shortcomings of Nigeria's development plans have been identified partly as lack of participation by the masses. For instance, Aboyade (1968) criticized the first National Development Plan for the reluctance of officials to involve other professionals and for regarding the masses as too large, too illiterate and too complex for involvement in the process of social participation. Other members of this group – traders, transporters, workers and the growing band of the petty bourgeoisie were seen as media for plan implementation not essential ingredients in plan formulation. He objected to this situation on three grounds: the inefficiency of indirect economic controls (monetary and fiscal instruments) in a developing economy and lack of necessary information on the people's resources and the extent of the social costs of planning that they are ready to bear (Aboyade, 1968:99-100).

Similarly, A. Ayida a one time federal Minister of Economic Development and Reconstruction who rose to become one of the super permanent secretaries in the Gowon's regime, observed in commenting on the first National Plan that:

> Local authorities were not sufficiently brought into the planning process in spite of their importance as investment decision making cells and their activities as development agencies in many parts of the country. Second and partly because of lack of involvement of local authorities, the plan failed to fire the collective imagination of the average Nigerian (Ayida, 1987:27)

He was probably echoing the views of Humes (1970) who had earlier held that no institutions were potentially more capable of ascertaining local needs, considering local resources and arousing local interests and support as local government councils (Humes, 1961)[4]. On a similar note, professor Adedeji, a one time federal Commissioner for Economic Development submitted that even though it was widely recognized that

popular mass participation promotes development planning by involving the masses in its execution, no attempt had yet been made to involve the grassroots including the private sector, local government and the general populace (Adedeji, 1980:73). As a result, the third National Development Plan included local-level institutional reforms as one of its objectives (Nigeria, 1975:314).

The nation-wide reforms of local government were attempted to amend this anomaly in the development planning process, besides defining local government and making additional resources available to them from new federal and state sources and expanding traditional revenues and providing more qualified personnel. The Chief of Staff submitted in the launching the reforms that:

> The Federal Military Government believes that it is through an effective local government system that the human and material resources could be mobilized for local development…. These reforms would mean nothing if they did not include the certainty that as from now, every stratum of the Nigerian society would benefit from the continued prosperity of the country through the availability of amenities, indeed necessities, such as electricity, adequate water supply, improved transportation, health facilities and so on (Yar' Adua, 1976).

Even though the Federal Guidelines for Local Government reforms did not include specific references to the effect that local government should be involved in the development process, the wide range of services responsibilities marked out to them, implied that they will shoulder substantial development responsibilities at the local level. More over, the 1979 Constitution included more specific references to the role of local government in the development process. For instance, the Fourth Schedule to the

Constitution stipulates that:

The main functions of local government are as follows:

(a) 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 (Nigeria, 1979: III)

in other words, local government are not only to recommend to the state planning board their own priorities, they are also empowered to make comments on the boards plan proposals. Local governments are also expected to play a very active role in critical developmental activities like primary education, health services and agricultural development.

An attempt was made to effect this during the preparation of the Fourth National Development Plan. The Federal Government officials commissioned NISER to undertake a series of planning seminars to instruct local government officials on how to formulate plans and to make effective use of planning opportunities.

Unfortunately, this process was dominated by state officials who merely requested local governments to indicate their investment priorities on the basis of expected federal grants. Few state governments created planning commission and where they did, local governments were in no way able to relate to them as semi-autonomous third tier governments (Ademolekun, 1984)[7]. Moreover, services which would have brought local governments into the mainstream of development planning – basic education, health, agriculture and land management were removed from the reach

of local governments policy. They are mainly involved either to provide funds or to provide some form of executive assistance to the state and federal governments. Nevertheless, the point must be made that ever though it cannot be argued that local governments have become crucial institutions for bringing about mass participation in the development planning process (Olowu, 1990) [8]. More resources have been put at their disposal to enable them participate more in the process of local development. The major regret though is that local governments are not the popular institutions the authors of the 1976 Reforms hoped they would be. They are now dominated effectively by state governments and represent at present little more than appendages to state field administration units (Olowu, 1985, 1986) [9].

3.5 Control of Ikwerre Local Government

Ikwerre Local Government is a third tier government created by law. It was created to carry out certain functions. The Council is subject to control and regulations by the governments (state and federal). The Council enjoys certain level of autonomy as well as control by the parliament.

Among the various forms of control Ikwerre Local Government is subjected to:-

(a) Parliamentary Control: The Constitution of the Federal republic of Nigeria empowers the state Houses of Assemblies to see to the creation of new local government areas. Section 8(3) of the 1999 Constitution stated thus "A bill for a law of a House of Assembly for the purpose of creating a new local government area shall be passed if

(b) a request supported by at least two-third majority of members (representing the area demanding the new local government area) in each of the following, namely

(i) the House of Assembly in respect of the area, and

(ii) the local government councils of the area is received by the House of Assembly.

(c) a proposal for the creation of the local government area is thereafter approved in a referendum by at least two-third majority of the people of the local government area where the demand for the proposed local government originated…. The creation of local government through this method is prevalent during a democratic or civilian administration.

Judicial Control

There are situations where the matters of the local government council are subject to judicial review. For instance, a court can nullify the actions of the local council by declaring it illegal and unconstitutional. The 1999 Constitution sets out the functions of the local government, therefore, the court will not hesitate to declare any act of the council null and void if such act deviates from the provisions of the Constitution. All the powers of the local government must be in line with the Constitution.

Control by the Press

The press plays a vital role in any society. The press is the watchdog of any society. The press monitors the activities of the local government council. The press informs the public of the performance of the council. This will in turn curtail the activities of the council mostly when it is not in conformity with the Constitution. Infact, it attacks any local government that performs badly and also exposes corruption, abuse of office and misadministration. The same press is also used by the public to offer constructive criticisms to the board to improve its performance. The press being

the eyes of the society exposed the high level of corruption in the local government council throughout the federation. A popular magazine 'Analysis' of July 2002 made the public to know that the 774 local government areas in Nigeria have nothing to show for over ₦700 billion disbursed to them from the Federation Account since 1997. this development has attracted swift reaction from members of the public.

Control by Public Opinion

Local government is also controlled through the criticisms of members of the general public. The use of mass media, letters and discussions to express their views have proved an effective instrument. There was an instance where the state governor with the power conferred on him disciplined one of the local government chairmen in Ikwerre, when there was a case of financial mismanagement.

Financial control

Both the state government (executive) and the state House of Assembly exercise financial control over Ikwerre local government. Section 162(6) permits the local government and the state government to hold joint account. According to this Section, "Each State shall maintain a Special account to be called "State Joint Local Government Account" into which shall be paid all allocations to the local government councils of the State from the Federation Account and from the Government of the State". Sub-section (8) further states that "the amount standing to the credit of local government councils of a state shall be distributed among the local government councils of that State on such terms and in such manner as may be prescribed by the House of Assembly of the State".

In the light of the above constitutional provision, the state governor and the House of Assembly can also check how money is used in the local government council.

When there is a clear case of corruption, the state government can call the local government chairman to order.

3.6 Funding of Local Government

Finance plays a crucial role in the management of any organization, be it private or public. Governmental unit at all levels – national, state and local are daily engaged in the production and distribution of public goods and services in such areas as healthcare, education, agricultural extension, social welfare, security, all of which involve sums of money. The mobilization of the financial resources or revenue to meet the diverse welfare needs of the people has in effect become an important responsibility, which governmental authorities have to shoulder. These responsibilities not only include the generation of revenue but also its collection and administration. It is within this context that we can appreciate the task of revenue collection at local government level.

Local government units today are assigned a wide ranging number of functions and far reaching responsibilities for which they are statutorily empowered to raise revenue, from local sources to supplement their allocations from the federation account and other intra-governmental sources.

Going by Section 7(6) of the 1999 Constitution, provision has been made for the funding of local government as follows:

"Subject to the provision of this Constitution (a) the National Assembly shall make provision for statutory allocation of public revenue to local government councils in the federation, and (b) the House of Assembly of a state shall make provisions for statutory allocation of public revenue for local government council within the State".

We shall concern ourselves with the allocation from the federation account since other sources are insignificant.

According to the above figures in table 3.1 in the whole of 1997, all the local government councils in the country received a total of N53.06 billion. Throughout the whole of 1998, they received a total of N65.98 billion. But from June to December 1999, the civilian chairmen and councilors received N69.5 billion, more than the total received in the whole of 1998.

In 2000, when they settled in office they received a total of N244.14 billion. In the nine months of the year 2001, that is January to September, they received a total of N248.63 billion. In the first two full years of civilian rule, 2001 and 2002, the local government councils in Nigeria receive well over N500 billion, compared to the just about N120 billion these councils received for the whole of the last two full years under military rule, that is, 1997 and 1998. This means that their allocations from the federation account has increased over four times. This is a rise of over 400%.

In the first quarter of 2002, that is, January to March 2002, their allocations came to N100 billion. The total allocation of these local governments for the period June 1999 to May 2002 came to over N700 billion. The table 3.1 shows that the 774 local governments in Nigeria received increased allocation from the federation account from 1997-2002.

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CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter is concerned with data presentation and discussion of findings.

The researcher used both primary and secondary data. The researcher used structured questionnaire to collect primary data, which was administered to the employees of Ikwerre local Government who are at senior and junior cadre.

Interviews were also conducted to obtain some information not provided for by the questionnaires, which corroborated the answers obtained from the questionnaire. The target group are the top members or the management and junior staff of this council.

To complement the information further through the primary sources the secondary data were collected from published materials, public address\speeches, seminars, newspapers, conference papers etc on the topic under research.

Administration of Questionnaires

The researcher administered two sets of questionnaires. The respondents in the council received 100 questionnaires. Another 100 questionnaires were administered to the second set of respondents who are the residents of the council (i.e. the people at the grassroot level).

A total number of 100 questionnaires were administered to the employees of the council, out of which 83 were returned. Seventeen questionnaires were not returned.

Table 4.1 Rate of return of questionnaires by the respondents (employees of the council)

Questionnaires	Number	Percentage of Return
Filled and Returned	83	83
Not Returned	17	17
Total	100	100

Source: Research survey, 2003.

Table 4.1 shows clearly, the percentage of questionnaires returned, which is 83%. It was received from the respondents who are the employees of the council. The table also shows that 17% of the questionnaires were not returned.

The researcher based his presentation and discussion of findings on the number of questionnaires filled and returned. The number is 83.

Table 4. 2

Rate of return of questionnaire, by the respondents from the local government (Residents)

Questionnaires	Number	Percentage of Return
Filled and Returned	92	92
Not Returned	8	8
Total	100	100

SOURCE: Survey Research, 2003

Owing to what has been indicated on table 4.2 above, 92% represent the percentage of questionnaire filled and returned by the residents or respondents from Ikwerre Local Government while 8% did not return the questionnaires. Our analysis

will be based on the 92% questionnaires returned.

In order to get a fair representation of the employees of the council, stratified sampling technique is used in administering the questionnaires. The local government is divided into departments, with each headed by a departmental head and supervisory councillors. The heads of departments and other principal officers of the council constitute the strata used to administer the questionnaire. Other levels, that is the junior workers who are also the employees of the council. The choice of this technique was informed by the hierarchical nature of Ikwerre Local Government, which is divided into departments.

Sequel to the nature of the data collected from the questionnaires, the researcher adopted the statistical technique in analyzing the data, this include calculations on percentages and frequencies. For the purpose of clarity the researcher employed the use of tables.

Test of Hypothesis I

In assessing the performance of Ikweme local council from 1997 to 2002, the first hypothesis states that non-payment of tax, user fees and other levies by the residents of Ikwerre Local Government Council are responsible for the poor performance of Ikwerre Local Government Council.

Table 4.3

Do the residents of Ikwerre local government pay tax to the local government?

Response	No of Respondents	Percentage
Yes	6	7.2
No	77	92.7

Total	83	100

Source: Research Survey; 2003

From the table above, it is obvious that out of 83 respondents representing 100% of the filled and returned questionnaires, 6 or 7.2% are of the opinion that Ikwerre Local Government pay taxes to the council, while 77 or 92.7% of the respondents indicated that residents of the local government does not pay tax to the local government council.

Beside the results of information gathered from the questionnaires, other information collected from the interviews also revealed that prompt payment of fees for radio license, tenement rates and other sources of revenue by the council is suffering a serious set back. The council according to a senior staff of the council depends solely on the federal allocation. An undisclosed amount of money is yet to be recovered from those who use the local government commercial ventures, the source said.

The Caretaker Committee Chairman disclosed that the allocation from the Federation Account mainly takes care of the workers' salaries.

To subject this hypothesis to further test, respondents who are staff members of the Council were asked to indicate whether the local government has any difficulty in collecting tax and other forms of revenue from the people using facilities provided by Ikwerre Local Government Council.

Table 4.4

Does Ikwerre Local Government Council have difficulty(tax evasion and avoidance) in collecting revenue from the Consumers (residents)?

Responses	Frequency	Percentage

Yes	80	96.4
No	3	3.6
Total	83	100

Source: Research Survey, 2003

Table 4.5 has shown that 80 0r 96.4% respondents are of the opinion that Ikwerre Local Government has difficulty in collecting revenue internally this is as a result of tax evasion and avoidance. This is a high proportion of respondents, but 3 or 3.6% respondents do not share that view. Below are the various sources of revenue open to Ikwerre local government

Table 4.5: IKWERRE LOCAL GOVERNMENT: SUMMARY OF RECURRENT REVENUE 1987

Head	Details of Revenue	Estimate (N)	Recurrent Revenue
1	Community Tax	-	-
2	Tenement rates	1,500,010	10.76
3	Local license, fees & rates	2,200,100	15.79
4	Investment on revenue	40	-
5	Revenue Relating to specific services	330,670	2.37
6	Government grants on specific services	-	-
7	Contribution from other local governments	-	-
8	Commercial undertaking	701,012	5.03
9	Grant-in-aid	9,200,828	66.03
Total Recurrent Revenue		13,932,660	100

Sources: Rivers State of Nigeria Local Government Estimates, 1996

From the above table, the relative significance of each revenue source to the total recurrent revenue of the local government in 1996 is shown.

This further proves the correlation between the variables.

In order to further test the hypothesis, the consumers (residents) were

asked how often or promptly do they meet their financial obligations to the Council.

Table 4.6

How often or promptly do the residents settle or meet their financial obligations to the Council?

Responses	Frequency	Percentage
Quarterly	51	55.4
Yearly	7	7.6
Weekly	4	4.3
Not at all	6	7
Monthly	24	26
Total	92	100

Source: Research Survey 2003

Table 4.7 shows that 51 or 55.4% respondents meet their financial obligation to the council. This development is abnormal. In the above Table, it is clear that 7 or 7.6 respondents believe in settling their fees yearly six (6) or 7% respondents believe in non-settlement (user fees). To the consumers what matters is the quality of the services rendered by the Council. The table also revealed that 24 or 26% believe in monthly payment of their dues. Four (4) or 4.3% hold the view that weekly payment is good for the council.

The resident were further asked whether their inability to settle their dues at the right time is due to high levy. Over 90% of the respondents are of the view that the fees or rates are not high but blamed it on lack of services that will bring about the desired change in the rural areas. The projects embarked upon by the council are sub-standard and does not call for the amount the council is charging, coupled with the activities of some dubious local government revenue collectors in Ikwerre local government, who exploit the consumers (residents).

These were the views of those interviewed. Based on the information from

the data above, it is clear that the revenue of Ikwerre Local Government does not come as at when due. There are cases of apathy shown by the people who are under obligation to remit money to Ikwerre local government. Hence the role of money in the management of public affairs is an important one.

The poor performance of Ikwerre local government is due to lack of support (interms of tax payment) from the people, one can rightly assert that there is a correlation between the two variables. The hypothesis is acceptable as proved by the data gathered in the course of this study. The support (in terms of payment of tax and other levies) from the people who are the direct beneficiaries of the programmes of Ikwerre local government is very important. There is a correlation between the two variable non payment of tax and poor performance. The table in 4.5 showing recurrent revenue confirms this. The residents are not up-to-date in tax payment.

Test of Hypothesis 2

Second hypothesis to be tested in this study says "the ineffectiveness (poor performance) of Ikwerre local government is as a result of poor funding". The researcher is concerned with the funding of Ikwerre local government. Having looked at the prospect of raising fund through the rural dwellers who are the direct beneficiaries of the local government services, in hypothesis I, emphasize will be on government funding of Ikwerre local government in hypothesis II.

In an attempt to test this hypothesis, the respondents were asked to indicate how adequate is the (allocation from Federation Account) funding to Ikwerre Local Government and the effects of funding on performance within the period under study.

TABLE 4.7

How adequate is government funding to the local government?

Responses	No of Respondents	Percentage of Respondents
Highly adequate	3	3.6
Adequate	4	4.8
Not adequate	59	71
No govt. funding	18	21.6
Total	83	100

Source: Research Survey, 2003

Table 4.7 above shows that out of 83 respondents representing the questionnaires administered, 3 or 3.6% believed that funding of Ikwerre Local Government was highly adequate, while 4 or 4.8% claimed that funding was adequate and 59 or 71% of the respondents representing those who were of the opinion that funding was not adequate. The last of the respondents representing 70% was of the view that there was no funding to the local council.

From the test of the hypothesis shown above, it is clear that 59 or 71% respondents were of the opinion that funding was not adequate. Having seen the views or opinions of the respondents, Table 4.9 does not agree with their views. The allocations from the Federation Account were massively increased from 1997 – 2001. This means that Ikwerre Local government is not under funded. However correlation cannot be established between effective performance and poor funding, the hypotheses is hereby rejected.

In order to further test the hypothesis, the researcher asked question on intergovernmental relationship and its impact on the performance of Ikwerre Local Government.

Table 4.9 Is the relationship between Ikwerre Local Government and other levels of governments (state and federal) cordial, in terms of administrative and financial

control?

Responses	No of Respondents	Percentage of Respondents
Yes	8	8.6
No	84	91.3
Total	92	100

Source: Research Survey, 2003

From the table above, it is clear that the relationship between Ikwerre local government and other levels of government is not cordial. This can be seen in 84 respondents whose opinion was that of lack of cordial relationship between Ikwerre local government and other levels of governments. While 8 believed that there was a cordial relationship between them.

The reasons given by some of the respondents were inadequate funding of the local government coupled with the zero allocation formula, which made it difficult for the local government to pay the staff salaries, ranging from 1 to 10 months. According to them (respondents), this impacts negatively on the performance of the Council.

The hypothesis proved that Ikwerre local government was financially handicapped and therefore could not carry out its statutory functions effectively.

Having known the effects of poor funding on the activities of Ikwerre local government, the researcher wants to know whether there was hope for improvement in the future.

TEST OF HYPOTHESIS 3

The third hypotheses states that the poor performance of Ikwerre local government council is caused by lack of skilled and technical staff.

Table 4.10

Are there cases of lack of technical and skilled staff in Ikwerre local government council??

Responses	No of Respondents	Percentage of Respondents
Yes	72	78.3
No	20	21.7
Total	92	100

Source: Research Survey, 2003

Table 4.10 above shows that Ikwerre local government lacks technical staff such as qualified medical personnel, engineers, etc. seventy-two (72) respondents, representing 78.3 were of the opinion that the local government did not have adequate skilled (technical) staff, while twenty respondents were of the view that the council did not have enough technical staff. In addition to the views expressed by the respondents, table 4.15 confirms the correlation between the two variables poor performance and lack of technical staff. The hypotheses is hereby accepted. Some of those interviewed held the view that the caliber of staff that worked in the council was so low. They (respondents) traced this anomaly to the constitutional provision, which states that primary six certificate holders are eligible to legislate for local government. According to them, primary six certificate holders do not have enough exposure to be able to make economic plan for local councils. Commenting on this, the Secretary of Ikwerre local government Council said the quality of people elected should be improved upon, that is the personnel. They should be people of high caliber, tested technocrats, men who are well versed and grounded in administrative acumen. If the quality of personnel is poor, the tendency is that the output will be poor too".

The shortage of qualified staff has its effect in the usurpation of the

functions of the Ikwerre local government and its agencies. For instance, some of the respondents observed that both state and federal governments had set up agencies that perform the statutory duties of local councils. The Directorate of Food, Roads and Rural Infrastructure (DFRRI) and the Better Life for Rural Women under Babangida's administration performed functions that should be the roles of local governments. For example, the provision of healthcare delivery, construction of feeder roads, provision of incentives for agricultural development, etc. Even today, the National Orientation Agency (NOA) and even the former Petroleum Trust Fund (PTF) performed some functions that belong to council's traditional responsibilities such as construction of roads , healthcare delivery, and others.

Table 4.11 shows that Ikwerre local government has four hundred and forty seven staff members. The Council has only one medical doctor and one accountant. The Council does not have statisticians, economists, and legal officers. The inadequate number of staff in these professional areas poses a problem in service delivery functions of Ikwerre Local Government. This corroborates the opinion expressed by the respondents.

TEST OF HYPOTHESIS 4

The fourth hypothesis seeks to test the validity of the statement which states that corruption is responsible for the poor performance of Ikwerre local government council.

TABLE 4.12

Are there cases of corruption in Ikwerre local government?

Response	No of Respondents	Percentage of Respondents
Yes	87	94.6
No	5	5.4
Total	92	100

Source: Research Survey, 2003

In the above table, it is clear that there were cases of corruption in Ikwerre Local Government. This is seen in the view expressed by 87 respondents representing 94.6 while five respondents held the view that there were no cases of corruption in Ikwerre Local Government.

In order to further test the validity of this hypothesis, the researcher sought to know whether corruption can affect the performance of Ikwerre Local Government.

Table 4.13 Is Corruption responsible for the poor performance of Ikwerre Local Government?

Response	**No. of Respondents**	**Percentage of Respondents**
Yes	85	92.4
No	7	7.6
Total	92	100

Source: Research Survey 2003

From the Table above, 85 respondents were of the opinion that corruption have adverse effects on the performance of Ikwerre Local Government while seven respondents

held the view that corruption cannot adversely affects the performance of Ikwerre Local Government.

Some people interviewed blamed the corruption in Ikwerre Local Government on the activities of the Council chairmen. There was no doubt that much of the funds allocated to Ikwerre Local Government ended up in the pockets of local government chiefs. When their salaries and allowances became public knowledge that a primary school leaver, who became a councilor earned as much as ₦180,000 in a month, there was serious outcry across the country.

Besides their earnings, the chairmen had to raise funds to keep their status in the society by putting a long list of ghost workers in the local government payrolls and by funding either white elephant or non-existent projects. At a point, it was a common complaint in the council that salaries took all the huge allocations to councils by the government. Indeed, a combination of corrupt practices and financial demands by state government incapacitated the council from performing its functions.

Going by the huge allocation from the federation as shown in table 4.9, 4.11 and the low level of socio-economic development coupled with the views expressed by the people there is correlation between corruption and poor performance the hypotheses is hereby accepted.

4.1 ACHIEVEMENTS OF IKWERRE LOCAL GOVERNMENT

It is necessary in a study of this nature to ascertain from the council's employees and residents the extent to which Ikwerre Local Government has performed its functions. In doing this, the researcher revisits the functions of local governments.

According to the Fourth Schedule (section 7) of the 1999 Constitution, the local governments are to perform the following functions:

a) the formulation of economic plans and development schemes for the local government area;
b) collection of rates, radio and television licences;
c) establishment and maintenance of cemeteries, burial grounds and houses for destitudes or infirm;
d) licensing of bicycles, trucks (other than mechanically propelled trucks) conoes, wheel barrows and carts;
e) establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences;
f) construction and maintenance of roads, streets, street lightings, drains, parks, gardens, open spaces or such public facilities as may be prescribed from time to time by the House of Assembly of a state;
g) naming of roads and streets and numbering of houses;
h) provision and maintenance o f public conveniences, sewage and refuse disposal;
i) registration of births, deaths and marriages;
j) assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly
k) control and regulation of outdoor advertising and boarding movement and keeping of pets of all descriptions; shops and kiosks; restaurants; bakeries and other places of sale of food to the public; and licensing; registration and control of the sale of liquor.

In an attempt to find out the level at which these projects have been executed within the period under study, the researcher asked the respondents to indicate the extent to which these projects have been executed. The respondents were of the view that some of these functions have been performed. An interview with the Secretary to the Council revealed that Ikwerre local government has built three motor parks in Elele, Isiokpo and Igwuruta Ali. The Secretary pointed out that the road linking Ubima and Omerelu has been completed. According to him and some highly placed members of the Council, the performance of Ikwerre local government was satisfactory going by the amount of fund made available to the Council.

Some employees whose status in the Council were not known blamed their financial constraints on the constitutional ambiguities. The constitution stipulates that the local government is under the control of state government, but the National Assembly could render the decision of the states on the affairs of local government null and void when it is contrary to that made while the constitution gives power to the states to legislate on affairs of the council; the Federal government is further empowered to determine local government funds from the center.

The lopsided sharing ratio of revenue from the Federation Account among the three levels of government was blamed for the financial constraints experienced by the council. Allocations to local government went through the state government, which operated joint account with the council. They disburses fund to the council and helps her to spend it. The state on monthly basis demanded ₦5million from the council out of its share of the money from the federation account.

TABLE 4.14 Was the123performance of Ikwerre Local Government

from 1997 – 2002 satisfactory?

Response	No of Respondents	Percentage of Respondents
Yes	78	84.8
No	5	5.4
Total	83	100

Source: Research Survey, 2003

Table 4.14 shows that a high proportion of the respondents, 78 or 84.8% believed that the performance of the council from 1997 – 2002 was satisfactory while five or 5.4% of the respondents were of the opinion that the performance of the council was not satisfactory.

With the response from the respondents, it is clear that the performance of Ikwerre Local Government between 1997 – 2002 was near average considering the amount of money made available to the council.

To further prove the claim of respondents, who were the employees of the council, the researcher asked the residents to give a general assessment of Ikwerre Local Government from 1997 – 2002.

TABLE 4.15 General Assessment of Ikwerre Local Government by respondents (residents) 1997 – 2002.

Response	No of respondents	Percentage of respondents
Excellent	2	2.1
Average	30	32.6
Poor	50	54.3

Total	82	100

Source: Research survey, 2003

Sequel to Table 4.15, 2 or 2.1% of the respondents were of the view that the performance of the Council was excellent, while 30 or 32.6% of the respondents were of the opinion that the performance of Ikwerre Local Government was within average. 50 or 54.3%, a high proportion of the respondents were of the opinion that the performance of the Council was poor.

The general assessment of Ikwerre Local Government from 1997 – 2002 has shown that the performance of the council was below average against the claim of the employees of the council.

4.2 FINDINGS

From the result of the research conducted, it is clear that the relationship between Ikwerre Local Council and the residents is not cordial. The residents are not up-to-date in terms of paying for the services they enjoy from the Council. Though table 4.5 has shown evidence of payment of tax and other levies but that is insignificant.

There is excessive government influence on Ikwerre local government such that the huge allocations of resources from the federation account are shared between the Rivers State government and the authority of Ikwerre Local Government.

The research also revealed the constitutional ambiguity, which is embedded in the 1999 constitution. This Constitution gives the State Government and the Federal Government through the National Assembly the power to create and control local governments in Nigeria. This has generated problems when it comes to the creation of new councils.

The research revealed that Ikwerre Local Government depends more on funding from federation account, hence, without federal allocations, the workers salaries could not be paid. The research also revealed that there is increase in revenue allocation from the Federation Account.

The study also shows that the huge salaries paid to the Council workers, especially the politicians, have adversely affected increased allocation. It was also found that there is corruption in Ikwerre Local Government and this has affected adversely its statutory functions of service delivery.

Table 3.2 shows that in 2002, Ikwerre Local Government received a sum of 89 million naira (89,067,354.42) in three months (January – March). There is not enough project carried out by the council within this period to improve the socio-economic lives of the people.

Table 4.9 shows that Ikwerre Local Government together with other local governments in Nigeria received from the Federation Accounts a sum of over seven billion naira (N7, 541,510,000.00). The data shows massive increase in the gross allocation to local governments from 1997 – 2002. There is no justification for this huge allocation as there are not enough projects to show for it. (See the achievements recorded by Ikwerre Local Government in Chapter 4).

The study revealed that Ikwerre local government Council lacks adequate skilled and technical manpower. This is because of the poor remunerations and lack of incentives to the staff, which makes medical doctors, engineers, public health practitioners among others to prefer taking up appointments with the state and federal governments.

4.3 THE ROLE OF IKWERRE LOCAL GOVERNMENT IN SOCIO-ECONOMIC DEVELOPMENT

The Local Government (Ikwerre) has recorded some remarkable achievements in socio-economic development since its inception. We shall discuss this under various sub-heading.

Employment

The council has provided employment for over 1,000 unemployed youth through its poverty alleviation program between 1999-2002.

Agriculture

The council has been promoting economic development through the provision of fertilizer at subsidized rate for farmers. The council has between 1985-1990 provided some of the farmers with tractors on hiring basis. This has greatly improved agricultural practice in the local government.

Health

In 1999 the council procured drugs worth one million naira (#1,000,000.00) for the control of cholera epidemics which was reported in Omademe, Ipo and Ozoaha. Besides that some maternity homes in the local government received drugs worth five hundred and fifty thousand naira each (₦550,000.00) in the year 2000 to enhance its service delivery function in the health sector.

Education

The council encourages education through the award of scholarship to some indigent students in 1997. This kind gesture was repeated in 2000, when over 200 students of Ikwerre origin were awarded scholarship to read up to university level.

The local government rehabilitated some dilapidated buildings in some primary schools at the cost of over one million naira (₦1,000,000.00) in the year 2000. the school that benefited from it were L.E.A Primary School Omopi Omerelu, L.E.A Primary School Ipo and L.E.A Primary School Apani.

Rural Electrification

In the area of rural electrification, Ikwerre local government restored the vandalized NEPA line that links Elele and Omerelu at the cost of ten million naira (₦10,000,000.00) in 1992.

Road Construction

The council; has recorded some remarkable achievements in the area of road construction. In 1993 and 1997, a number of roads were constructed, to make it easy for farm produce to move from the rural areas to urban areas. These roads include Omuanwa\Ozoaha and Road, Apani\Omerelu at the cost of twelve million naira (₦12,000,000.00).

Transportation

The council built three motor parks between 1986 and 1990 in the following areas: Elele, Igwuruta and Elele Alimini. This is to boast economic activities.

Construction of Market

As part of its commitment to the economic development of Ikwerre people, the council constructed a modern market at Elele with lock up shops at the cost of one million naira

(N1,000,000.00).

Table 4.19 shows that there are some social activities in Ikwerre Local

Government Area. The rate of social development is slow. This has affected the rate of development in the area.

CHAPTER FIVE

5.1 Summary, Conclusion and Recommentions

This work is an assessment of the performance of Ikwerre local government in improving the socio-economic lives of the people. This study was informed by the clamour for improvement in the service delivery functions of Ikwerre local government.

Following the above development, four hypotheses were postulated and tested. There are all valid while one is invalid. The target groups are council workers and the residents of the local government.

The researcher established that there is poverty in Nigeria by looking at the socioeconomic indicators of poverty. According to Duddly Seer, the first step towards bringing socioeconomic development is to look at poverty i.e. indicators of poverty such as unemployment, inflation, education, income etc.

The work also looked at Nigeria's socio-economic performance 1993-1997. The indicators considered include the Gross Domestic product (GDP) growth rates, the investment and price development situation. An attempt is also made to gain more insight into the country's economic conditions by a brief comparison with the socio-economic indicators of selected countries in comparable stages of development. It was gathered that Nigeria's performance is poor economically.

Having established the fact that there is poverty in Nigeria, the researcher through his study confirmed the peoples claim that local governments in Nigeria have not done enough to eradicate poverty and ensure improvement in socio-economic lives of the people.

In order to achieve the objective of this study, the researcher adopted a

theoretical framework system theory). This theory recognizes development as a collected effort of both the government and the governed.

The theory empowered the researcher to interview both the residents of the council and the council workers. This is to assess the role played by the both parties to ensure socio-economic development.

The results obtained from the research showed that the council has not performed up to expectation. This development informed the conclusion and recommendations made by the researcher.

5.2 Conclusion

The study is basically conducted to assess the performance of Ikwerre local government from 1997-2002. However, in conducting this research, various functions of Ikwerre local government were identified and assessed for the purpose of clarity and easy understanding of the subject matter.

From the information gathered in the questionnaire and interviews of management and senior staff, it is obvious that the performance of Ikwerre local government has not met the desired expectation by the people (residents). It was also observed that the local government is facing a lot of constraints responsible for its poor performance as observed by the residents (consumers).

The problems discovered include corruption fund, poor salary structure for some categories of the council workers, bad intergovernmental relationship among the three levels of government, corruption among others.

These problems are to a greater extent responsible for the ineffectiveness of Ikwerre local government. This is because all the hypotheses postulated in the

study were tested and three found to be true.

In conclusion, the findings of this study has demonstrated that Ikwerre local government has not provided positive efficient and effective services as expected, though in some areas the people are feeling its impact (but very insignificant). The researcher showed the council lack technical and skilled staff.

The council has room for improvement if it can apply the recommendations or suggested solutions to these problems as put forward by the researcher.

5.3 Recommendations

At this point, having assessed the performance of Ikwerre Local Government and identified some constraints, the following recommendations are hereby proposed for better performance. Ikwerre local government must be community-based. It must be under the control of community people instead of being under politicians. This will check corruption in the council. From all indications, the idea of setting up local governments and having them headed by elected officials is wrong. The politicians spend a lot of money in securing offices in the council. They embark on white elephant projects to recover whatever amount expended in electioneering campaign. This leads to corrupt practices by elected council officials.

In order to make the local people feel the positive impact of the Council, the huge allocations made to Ikwerre Local Government should be channeled to the provision of infrastructural facilities to the communities instead of using them to pay huge salaries and allowances to the politicians. A situation where a primary school leaver who becomes a councilor earns as much as ₦ 180,000 in a month is unfair. This does not make room for even distribution of wealth at the grassroots level.

The local government political appointments should cease to be a full-time job, hence, it would be unwieldy to have such funds paid to council men for part-time jobs. It is the huge but cheap funds that compel people to spend lots of funds to contest for seats in the councils.

The mode of revenue collection adopted by Ikwerre Local Government should be improved upon to make room for accountability. Revenue collected on daily basis, which are subjected to abuses by revenue collecteors, should be checked. To reduce the incidence of this occurrence, Ikwerre Local ggovernment authority should tighten the control of the production and issue of official revenue receipts. It is also advisable to statistically determine the minimum revenue that can be collected from a particular source in order to impose minimum rates of returns on the revenue collectors. Thus, if it is determined that on a normal day of business al least 100 hawkers come to trade their wares in the market, the revenue collector or collectors for that market may be charged with the responsibility of making daily returns from 100 traders. There should be supervision by way of surprise checks on both collectors and their records. This will reduce the incidence of poor collection and reporting efforts. Ikwerre Local Government should improve its services to the residents, this is because the amount of revenue collected will depend on the co-operation of the people which will in turn depend on how happy the people are with the services rendered by the local government. Where the people are unsatisfied with the efforts of the local government in the area of provision and delivery of essential services, they are likely to attempt to evade payment of tax and certain basic fees and rates. In essence therefore, just as the individual has a duty to pay fees and rates for services used, so does Ikwerre local government has the

responsibility to ensure that such services are properly and efficiently rendered. It is important to note that which ever machinery is set up, and mode employed in revenue collection, one of the important principles to ensure is that of equity, efficiency and effectiveness.

The ambiguities in the 1999 Constitution should be taken care of. A situation where the constitution stipulates that the local government is under the control of the state government, but the National Assembly could render the decision of the state on the affairs of the local government null and void when it is contrary to that made, is not the best. While the constitution gives power to the state to legislate on affairs of the councils, the Federal Government is further empowered to determine local government funds from the center. Ordinarily, the states that legislate for them should determine what share of funds they should be given. In addition, if the councils are under the control of states, states' Houses of Assembly should be empowered to create local government based on needs, instead of the Federal Government attempting to void such creations. Indeed most of the questions over the poor funding of local councils are associated with the size of the local government.

In order to solve the acute shortage of skilled staff in Ikwerre local council, the salaries and other working conditions of the staff of the council should be improved upon to avoid the exodus of staff to the Federal and state services. When this is done, the right caliber of administrative and technical staff, particularly accountants, medical doctors, statisticians, among others will be attracted. The efficiency of the machinery will ultimately be determined by the quality and size of its personnel and other supporting facilities like vehicles, office equipment, etc.

Ikwerre local government must maintain statistics of their revenue collection on daily, weekly, monthly and annual basis; they must compile statistical data as to the number of units, which constitute the sources of these revenues. Ikwerre local government can also compile statistics on the changing character of its revenue profile.

The time is ripe for a fresh look at the service delivery responsibility of Ikwerre local government in line with changing realities. This is to ensure a clear delimitation of the contemporary functions of local government respecting the parallel activities of federal and state government agencies. In this regard, there should also be clear definition of lines of cooperation in the service functions of such federal bodies as the DFRRI, NDE, etc.

Ikwerre local government must on its part accommodate the inevitability of intergovernmental intervention supervision and sometimes control. The processes, however, must follow stipulated rules and be self-critical, recognizing, above all, that each of the three levels of government in Nigeria has its assigned functions with possible sources of revenue for achieving same which should be respected.

That in view of the gravity of the financial predicament of Ikwerre local government, it is still recommended that the level of financial transfer from both federal and state sources to it should be increased especially the 10 per cent element from the mutually generated revenue of the state to local governments. This should bring federal and states statutory allocations to local government to 20 per cent of the federation account and 20 per cent of the mutually generated revenue of state governments respectively. It is anticipated that when this is coupled with improved local internal revenue generation, financial transfer in the Nigeria political system in general and

local government in particular would become less controversial, less politicized and very unlikely to fluctuate with regime changes.

There is the need for central control, which needs not to be expressed in terms of curbing and restricting local government domain and competence. A management control model relating to monitoring and evaluation as a process of standard setting is hence suggested. This is within the context of the framework of reciprocity in intergovernmental relations. This way, local government can actually be stronger with central government support.

That since the fortunes of Nigeria financial transfer is determined by the price of oil in the international market, whose falling price is catastrophic, there is need for renewed emphasis on internal revenue generation at all levels of government which Ikwerre local government should be more meticulous in collecting and managing.

That since the heavy dependence of local government on external sources of funding introduces instability in the budgetary process, the local government should increase its revenue sources, especially those areas that have hitherto not been fully exploited.

That since there is a strong desire on the part of people for the provision of more services and a parallel degree of willingness to pay local government (Ikwere) should move in the direction of providing more of these user-financial services particularly in urban areas if they must necessarily and urgently boost their financial position. In addition to providing more services, the local government should improve on the efficiency of administration of existing services. It should also explore commercial ventures as a veritable source of revenue. However, this suggestion does not

stop the distributive and welfare services function of Ikwerre local government.

That while, therefore, it is imperative that adequate resources be available to the local government council to discharge its constitutional responsibilities, the local government needs to wake up from its slumber to improve its revenue base. The cost of administration which is staggering and cannot be defended on reasonable plausible grounds should be reduced.

That particularly, if user fees and charges must continue to be efficient and equitable, they must be updated and reassessed at reasonable intervals both to make economic sense and to avoid a situation whereas much as 100 percent and above of their collection are not accounted for. Relatedly, Ikwerre local government should be more calculative in its annual estimates of user fees and charges to avoid a situation where proceeds far outstrip the estimates as much as three folds. Also, those charged with the collection of user fees and charges should be more honest and dedicated so that greater accountability can be guaranteed. That in order to improve on the real income accruing from user fees and charges, Ikwerre local government should limit the amount they expend on generation of revenue to not more than 30 percent of the proceeds. Finally, user fees and charges can yield more to Ikwerre local government if a number of instrumental steps are taken. For instance, more rural communities should be opened up which will increase the vehicular traffic from rural to urban centers with attendant increased economic activities; more motor parks and functional markets should also be established. This way, the yield from user fees and charges will climb to the enviable level they represent in developed countries.

That since the ultimate of Ikwerre local government is to uplift the

quality of life of the people within its area of jurisdiction, some basic measures should be pursued to fulfill this obligation. Firstly, since the concept of social services is a contextual one, there should be a set of selected basic priority functions to be uniformly enforced throughout the federation. Beyond this, each local government should have the right (with regard to the less basic services) to determine which social services should be emphasized because of their relevance to the needs of its population and in view of the resources available to it.

Secondly, Ikwerre local government should make conscious efforts to sufficiently enlighten their residents on their mission and roles. Such enlightenment should emphasize functional education of residents through (a) formal adult education, (b) the adoption of an open door policy where residents can easily get in touch with the local government, (c) the use of council produced newspapers or bulletins and (d) deliberate encouragement of a two-way flow of information between the local government and residents involving what a local government is doing or might do and getting relevant feedback on same from the residents.

Thirdly, Ikwerre local government should not impose fresh changes on the residents to the extent that the elasticity limit of the letters' willingness to pay is exceeded. Rather, ways should be devised, as earlier suggested, to ensure effective and efficient collection of the existing user fees and charges which are presently not being optimally harnessed. Even with respect to this, two possible approaches to correcting the regressive distribution of the tax burden on local residents can be adopted, namely:

(a) the benefit principle which sees the relationship between the tax payer and the government in quid pro quo terms as an exchange relationship where the residents'

duty to pay tax is matched by the duty of government to provide general public services, and

(b) the ability principle which requires equal treatment for those who possess the same tax-paying ability as defined by income.

Fourthly, Ikwerre local government should devise in-built mechanisms of eradicating official corruption and maladministration and enhancing accountability. This is because such vices profoundly devalue their public image and detract public support. It also undermines the relative autonomy of local government as it implies that they are unable to properly manage their resources.

Fifthly, it is imperative for Ikwerre local government to ensure sectoral balance between urban and rural areas in the execution of their service-delivery responsibilities. Given the erstwhile bias against the rural areas, it is recommended that officials of Ikwerre local government should place emphasis on the development of the rural areas. This will not only endear the rural dwellers to the phenomenon of local government, but will vindicate the "local" purpose of local government.

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