Local Government Revenue and Performance: A Study of Selected Local Governments in Kwara State, Nigeria

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Grassroots development has always been a highly prioritized issue on the agenda of almost every nation of the world. In Nigeria, several efforts have been made by various administrations towards achieving this developmental goal. The 1976 Local Government Reforms was a great move in this direction. What actually distinguishes this reform effort from all other previous reforms in Nigeria was its formal and unequivocal recognition of local government as a distinct level of government. This was equally reinforced by several constitutional provisions in the 1979 and 1999 constitutions. Despite these great efforts which many believed would guarantee local government autonomy, there still exists a number of unresolved issues which hinders local government performance. In Nigeria, local governments get 20% statutory allocation, 10% from state"s internally generated revenue, value added tax (VAT), excess crude oil „windfall" couple with their locally generated revenue, yet, their level of project execution remain highly unsatisfactory to residents. It is therefore against this background, that this study investigates local government fiscal management and intergovernmental fiscal relations. It equally reviews statutory allocations and internally generated revenue of the selected local governments. The paper adopts the use of questionnaires to elicit data on the perceptions of local residents on the level of local government"s performance. Result shows that a strong approach to expand the scope of local autonomy will have to come through a corresponding expansion in IGR mobilization, which implies that when local government assumes a level of fiscal self- reliance, autonomy expands and performance level begins to appreciate.

Key words: Local Government, Revenue, Performance.

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1.0 Introduction

Over the years, meaningful local government developmental efforts in Nigeria, have suffered a lot of setbacks due to excessive control of this level of government by the state and federal governments. This development has restricted the fiscal jurisdiction of local governments as well as negatively rubbed on their autonomy. As such, the financial resources available to them as a level of government have continued to dwindle, hence, remain grossly inadequate to carry out the functions for which they have been created.

However, the first major attempt at comprehensively looking at the finance of Nigerian local governments took place in 1976, through the introduction of the 1976 guideline for local government reforms initiated by the Murtala/Obasanjo military regime. The reforms

and the 1979 constitution of the Federal Republic of Nigeria identified reasonably adequate sources of revenue for the local governments. These are the mandatory statutory allocations from the Federal and State governments, aside other internal revenue generation sources. The 1976 Nation-wide reforms of the local government system in Nigeria apparently provided a panacea for all the structural problems of this level of government.

But by 1989, most of the problems resurfaced. The catalogue of problems remained those of inadequate financial and other resources, frequent transfer of functions to and from local governments, lack of autonomy definable in terms of excessive control exercised by both central and state governments and inadequate involvement of the community in decision-making (BelloImam, 2007). All these, in one way or the other have seriously affected the financial autonomy of local governments in Nigeria, as well as their performances. The prevailing federal government revenue allocation formula stipulates that local government is entitled to twenty percent of the revenue accruable to the federation account and ten percent of the internally generated revenue of the state governments, in addition to their own internally generated revenue, which though, in most cases are usually small. The local governments are therefore in a situation where they depend almost entirely on the federal and state governments for funds for the performance of their statutory functions (Bello-Imam, 2010).

However, the problem of local government revenue management is traceable to the Nigerian federalism and this problem has been provoked by a number of factors. According to Akindele, (1995), these problems include overdependence on statutory allocations from both the state and the federal governments, deliberate tax evasion by local citizenry, creation of non-viable local government areas, differences in the status of local governments in terms of the rural- urban dimension, inadequate revenue and restricted fiscal jurisdiction.

Furthermore, the technical committee on the review of the structure of local governments in Nigeria in its report indicated that the third tier of government had failed in meeting the needs of the people going by the unaccounted huge amount of money allocated. The committee maintained that a wide gulf exists between allocated financial resources and their corresponding number of public works (The Punch, Nov.14, 2003: 1-2). In view of the above, this paper raises the following fundamental research questions:

i. To what extent is the development of these local government areas commensurate with their revenue?
ii. Are these local governments entirely dependent on external revenue from the state and federal governments?
iii. Are the poor performances of these local governments, a function of mismanagement of funds or a function of the state-local government fiscal relationship? and
iv. How can we raise the level of internally generated revenue component of the local governments?

Anchoring on the above, it is therefore the objective of this study to examine local government fiscal management and performance with specific focus on citizen's perception on local government service delivery; the pattern of inter-governmental fiscal relations, the existing fiscal structure and how they affect performances of these local governments. In an attempt to proffer solutions to the research questions raised above, and to assist the researcher in a feat to give direction to this work, the following propositions are hereby pinned down for consideration:

i. The low level of project execution at the local government level is a resultant of the mismanagement of statutory allocations.
ii. Tax compliance intent has a direct bearing on the impact of internally generated revenue (IGR) on the economy of the local government.
iii. The state-local government fiscal arrangement, specifically, the operation of the Joint State-Local Government Account has continued to hinder the performance of local governments.

This paper therefore investigates the revenue and performances of the selected local governments- Ilorin West, Offa and Moro local governments for three years, (2009 – 2011); and appraises the same in order to weigh development against revenue. It also suggests workable solutions to the problem of revenue generation in local governments. The paper is divided into seven sections. The first section is the introduction. The second section explores relevant literatures with respect to the subject matter. The third section explains the key concepts as related to this study, while the fourth section deal with theoretical framework. The fifth section explains the methods of analysis, the types and sources of data. The sixth section presents the results of the research study, analysis and discussion of the findings, while the last section contains the conclusion and the recommendations.

2.0 Literature Review

For many years, the financial resources available to the local governments throughout Nigeria have not been related directly enough to the functions for which such bodies have been made responsible by the law. This unsatisfactory situation was commented upon by the Third National Conference on Local Government, which was held in December, 1970. In line with the conference resolution, the functions and responsibilities of local authorities must be clearly determined by the state government before firm decisions can be taken on the pattern and level of local taxation and local revenue. In other words, the financial resources made available to local authorities must be adequate to enable minimum acceptable standards of services to be provided (Aborisade, 1988).

It is worthy of note, at this juncture, to state that the 1976 reforms had as its building blocks, the recommendations of the Third National Conference on Local Government, which stated what type of relationship should exist between the state and local governments fiscally. Of equal note is the fact that the vital aspects of issues relating to local government

revenue are largely located within the concept of federalism, fiscal federalism and local government finances in Nigeria. According to Aiyede (2004), *the reason for the adoption of the federal formula is often times attributed to pressures for larger political units, capable of fostering economic development and improved security, while at the same time providing for smaller political units that hold the expression of local distinctions*. In other instance, the adoption of a federal state is informed by the need to strike a balance between unity and diversity. Note that the Nigerian purpose and style of federalism corresponds to the latter than the former assertion (Mikhelovba, 2011).

In support of this position, Fatile et.al (2009), describe federalism as a common feature of contemporary nation state. It is the division of powers so that the general and regional government is each within a sphere coordinate and independent as defined by K.C Wheare (1940). This suggests that federalism involves contractual non centralization, and structural dispersion of powers among centers whose authorities are constitutionally guaranteed. Invariably, federalism involves *cooperation, bargain and conflict*.

From these various definitions above, there exists an intersectional fact, which suggests an existence of interactions among governmental units of all types and levels within a system. These interactions are intergovernmental. It is therefore imperative to submit here that intergovernmental relation is the central idea of federalism. With respect to this type of constitutional arrangement, Olugbemi (1980), argues that the objective of intergovernmental relation is the achievement of the purpose of the state through the division of work relationship among levels of public. However, on the pattern of relationship, Aiyede (2004) submits that this intergovernmental relationship can assume varying permutation or patterns such as FederalState, Federal-Local, State-Local, Federal-State-Local, Inter-State, Inter-Local, depending on the existing tiers of government.

Nevertheless, the relationship between the federal and local government either in a federal or unitary state is always a subject of debate, negotiation and in most cases tension. This could have accounted for Pritchard (1972:141) observation that *intergovernmental relations are in fact intergovernmental negotiations in which the parties are negotiating in dead earnest for power, money, and problem solving responsibility*. Souza (2002) argued that a stronger commitment to local government performance can be attained with a meaningful fiscal decentralization of the higher tiers of government as well as stronger efforts from constitutional provisions can create the enabling fiscal environment for local government. It is important to state at this point, that performance of local governments as perceived by Nigerians, always has to do with *on what* and *how* the local government spends money, which thus means that revenue is very crucial to local government performance and as such, it is also important for the Nigerian constitution to give or expand the fiscal jurisdiction of local government. However, the issue as it concerns local government performance is not that of a restricted fiscal jurisdiction but also relating to problems of corruption among politicians and local government career officers (Mikhelovba, 2011; Salahu, 2012).

In relation to local government in the United States of America, Ostrom (1988:189), observed that, *financial resources from taxes, transfers from other governments, user*

charges, or borrowing are prerequisites for the functioning of any government. Local governments are no exception". According to him, the use of different revenue sources influences the ways in which local governments make decisions and provide services. In general, the more local governments rely on their own sources of revenue, the greater the incentives for elected officials to balance service benefits against the cost and to be more efficient in their operations. When outside revenues are relied upon, fewer incentives to be efficient are present. In the extreme, reliance on external sources seriously reduces local self-governance and turns local government into administrative sub-units of a state or the federal government.

Unlike Nigeria, Brazil is a federal country with a presidential system in which the municipalities (local governments) are not a creation of the state, but part of the federation together with the state (Souza, 2002). The Nigerian constitution is a direct opposite of the Brazilian in this regards, in that it confers on the state, the power to create and control local governments which has over the years amounted to undue interference of the state on local government affairs especially in the areas of fiscal control and monitoring. This has accounted for the local government near universal failure in developing nations of the world.

Despite this ugly interference that has led to the arrested development of local governments in the developing worlds, it is quite interesting to note that in Nigeria, local governments have never had the kind of financial importance they now recently enjoy. If this is the case, it thus appears as if the argument by the like of Souza (2002), that fiscal decentralization of the higher tiers and expansion of local government fiscal jurisdiction is beginning to lose weight as the problem of local government may not really be that of insufficient funding but probably that of mismanagement of funds or revenue. In Brazil, according to Souza (2002), attempts to readdress the financial and managerial limitations of local governments have been made by the federal government by introducing new policy designs and financial schemes aimed at the localization of two areas of responsibilities, health care and primary education. The reason for this was to create a national standard guaranteeing local citizens access to health care and education. But unfortunately, in Nigeria, responsibilities are often times localized without equal and appropriate increase in the revenue allocation.

However, what the Brazilian experience demonstrates is that responsibility transfer is not only a question of having more resources or constitutional mandate. Instead, the most important variable to ensure responsibility transfer seems to lie with policy design. Such policies are designed as a complex system of intergovernmental relations and transfer combining incentives and sanctions. This made the implementation of these policies to work in Brazil. A fiscal responsibility law and a law imposing criminal and administrative charges on public sector financial managers were passed in 2000 in Brazil. This strengthens the existing limits on spending and adds some new ones, such as punishment varying from three months to four years imprisonments over public sector debts or financial misappropriation.

In Nigeria, statutory allocation to local government has enhanced their economic fortunes and improved efficiency and effectiveness in service delivery. On the other hand, the financial buoyancy of Nigeria local governments due to the incidence of statutory allocation has conditioned a systematic decline in their internally generated revenue (Bello-Imam,2010). Local governments are constantly faced with problems of restricted fiscal jurisdiction. In other words, the participation of state and federal components to often generate revenue from local environment encroaches on the fiscal jurisdiction of local government.

3.0 Conceptual Framework

3.1 ***Local Government:*** The idea of local government is intuitively self evident and simple. Hence most writers on local government pay little attention to the issue of its definition. This however does not guarantee mutual agreement on a definition of this concept. The absence of mutually agreed definition may not be explained as arising from the vagueness of the idea conveyed by the concept but more significantly because of the series of postulations regarding the reason for the existence and objectives of local government (Akhaine, 2009).

Local Government is a political sub-unit of a nation, established by law. This level of government is usually vested with power over local affairs which include the power to impose taxes for the purpose of revenue generation. Viewed in a similar manner, William Robson (1949:574) defines Local Government as involving *the conception of territorial, non-sovereign community possessing the legal right and the necessary organization to regulate its own affairs*.

In support of the above definitions, Barber (1975:4) defines the same as *"a system of geographical decentralization in which some functions and responsibilities of government are delegated to governmental units or bodies at the local level"*.

It should be emphasized at this point that local government is not absolutely local or independent as such. Although, individuals of a defined area are opportune to manage or have a say in their own affairs, but there exists a minimal, if not over riding control from the state and federal governments. Bello-Imam (2007:4) succinctly defines the concept as: *"a government at the local level"*. This according to him is different from local administration as operative at the local level. Nevertheless, it is important to note that while we admit the existence of different definitions as presented by various scholars from different perspectives, it is equally highly imperative to state categorically that none of these definitions is absolutely satisfactory. As such, scholars have virtually agreed in what should be the basic elements of local government. These elements put together portray local government as that unit of administration with defined territory, power, and administrative authority, which could be elected or appointed exclusively by the people.

3.2 ***Revenue:*** Since it is one of the main objectives of this paper to establish a nexus between local government revenue and its level of performance, it is therefore incumbent upon us to take the pain in going through the conceptual explorations of ―Revenue‘ and ―Performance‖. Since local government falls within the confines of the public sector, it

will be more rewarding at the level of this study to also limit ourselves to what revenue means within the public sector domain. Revenue could be defined as the funds generated by the government to finance its activities. In other words revenue is the total fund generated by government (Federal, state, local government) to meet their expenditure for a fiscal year. This refers also to the grand total of money of income received from the source of which expenses are incurred. Revenue could be internal or external revenue (Adejoh and Sule, 2013).

Aborisade (1988), describes revenue as the total income generated from federal, state and local government. He states further that what makes local government a constitutional matter is the revenue sharing perspectives. Hepworth (1976) describes revenue as an income or funds raised to meet the expenditure. He states further that revenue is a raising resources needed to provide government services. He also states that there are two aspect of finance – Income and Expenditure. In other words, finance encompasses both the sources of fund and its utilization. Specifically, Fayemi (1991) defines revenue as all tools of income to government such as taxes, rates, fees, fines, duties, penalties, rents, dues, proceeds and other receipt of government to which the legislature has the power of appropriation. He further classifies government revenue into two kinds – recurrent revenue and capital revenue.

In Nigeria, it has been largely established that local government depends very heavily on external source of funding especially from the federation account. This must have informed submission by Mbanefo and Bello-Imam (2010:180) submission that, ―if the instability in federal government revenue as a result of the changing fortunes of oil price in the international market is not to be allowed to introduce greater instability in the budgetary process of the local governments, then, there is an urgent need for the local governments to explore and exploit their own independent revenue sources‖.

3.3 ***Performance:*** The term performance has really suffered from the problem of acceptability of suitable criteria for measurement because it is a non observable construct which can be quantified if the nature of performance being measured is clearly defined. Nevertheless, its meaning tends to depend on individual scholar or author‘s perception of performance. In theory and also in practice, it is almost impossible for us to measure performance, without recourse to efficiency and effectiveness (Mikhelovba, 2011). These two concepts are very germane in understanding or measuring performance of any organization or individual. According to Balogun (1972:21), Efficiency can be categorized into three typologies, these are: technical, economic and operational efficiency. However, his position on performance appears to be capitalistic as it attempts to measure performance per input-output ratio.

It is worthy of note to state that local government in a socialist-oriented state and even to a large extent, in a mixed economy state like Nigeria, may be performing without necessarily making profit margin, since the goals of such states in most cases are to provide welfare services for their citizens. In such states, effectiveness rather than efficiency comes into play. In most developing worlds, local government can only be assumed to be performing if and only if projects and services delivered meets the local demands of its

citizens (Salahu, 2012). In essence, performance at the local government level could be measured in terms of specific developmental projects such as kilometers of rural roads constructed or rehabilitated, number of boreholes and deep well sunk. It could also be expressed in terms of improved quality of life the citizenry enjoy as epitomized in the primary health care programmes provided, procurement and distribution of fertilizers to farmers at subsidized rate; effective management of primary education as well as quality of public enlightenment programmes provided and enjoyed by the citizens.

4.0 Theoretical Frameworks

This study relies on a number of relevant theories, developed by different schools of thought in examining the functional responsibilities local governments perform. It is quite imperative to state that these theories remain very central to the understanding of this work. These are discussed as follows:

4.1. The *Efficiency School*: The main thrust of this school of thought is that it believed that the existence of local government as a tier of government can only be justified when and if it provides services to the public. It also strongly emphasizes that the mere provision of such services notwithstanding, is not the issue but the effectiveness and efficiency in the provision. As viewed by Mill (1975), local governments are in position to efficiently provide close services that are essentially local in nature. He further observed that ―if local government did not exist, it would have had to be created‖. Local government's role as an efficient provider of services is gradually emerging as the most important justification for its present day existence (Bello-Imam, 2010). According to Sharpe (1976), _of all the services which local government provides for its citizens, there are some for which they are the most efficient providers compare to other level of government'. Consequently, it becomes easy to uphold the argument of the efficiency services thoughts, as a reliable framework for the analysis of local government performances, despite the fact that it has its own lapses, which can be located within the issue of autonomy and fiscal jurisdiction.

4.2 *The Functional School:* The ideals of this school of thought happen to be the most central in the understanding of the subject of this study. This is chiefly due to the fact that this functional school's ideals evolve from the integration of the efficiency and the developmental schools. This school splits the functional approach into two categories; these are: The General category and the Developmental categories. According to Ola (2010), _embedded in the general category are those ideals of democratic participatory and efficient service school, whose major functional items are:

Democratic ideals, Political participation, Protective services, and Infrastructural services'. He went further to explain that the developmental category entails the following: National integration, Social and economic development, Manpower resources development. However it is important to state that these theoretical frameworks as discussed above are not mutually exclusive in any system, rather they are mutually reinforcing in most local government system.

5.0 Research Methodology and Design

The study was conducted within Kwara state, using three local government areas as case study. These are Ilorin West, Moro and Offa local government areas, each representing the three senatorial districts in the state. The study employed the use of both the quantitative and qualitative data. Questionnaires were used to elicit quantitative data on residents' perceptions on evaluation of the revenue and performances of these three local councils. Data were also gathered through secondary sources such as newspapers, textbooks, internet and journals. The research population covers the twelve wards in Ilorin West, the twelve wards in Offa and the 17 wards in Moro local government areas. According to the 2006 census, the three local government areas under study, Ilorin west, Offa and Moro have population figures of 364,666; 89,674 and 108,792 respectively. Samples were drawn from these population figures. Stratified sampling technique was adopted. This was used in this study to obtain greater degree of representativeness.

The purposive sampling method was used to select the three local government areas on the merit of the fact that their headquarters serves as convergent points for all other sections in each senatorial districts in the state. A simple random sampling technique was adapted to select the five wards each from the three local government areas. The fifteen wards were clustered based on the 2006 census enumeration areas (EA). Samples were drawn from these EAs, based on the Probability Proportionate to Population (PPP) sampling technique. A total number of 300 questionnaires were administered. There was a 100% response elicited and the response rate was considered adequate and satisfactory for analysis. The data collected were analyzed using descriptive statistics (simple percentage).

6.0 Data, Results, Analysis and Discussion of Findings

Since the central focus of this section has to do with the presentation of elicited data, analysis of results and the discussion of findings of the study, data collected from the three local governments are hereby presented below for further analysis. Table .1-3 below show the three years statutory allocations, VAT, IGR and Excess crude windfall for the three local governments.

Table.1: Statutory Allocations, VAT, IGR and Excess Crude for Ilorin West, Moro and Offa (2009-2011)

YEAR 2009 (JAN.-DEC)

L.G	Statutory Allocation (Fed)	VAT	Statutory Allocation.(State)	IGR (Local)	Excess Crude Windfall	TOTAL
Ilorin W	1,587,023,908	225,112,536	31,812,572	36,922,980	316,344,454	2,197,216,452
Moro	951,305,394	161,347,473	18,896,161	17,099,401	191,519,057	1,321,290,223
Offa	752,163,640	152,473,221	15,226,732	16,141,642	149,930,190	1,085,935,426

Sources: Ilorin West, Moro and Offa local government secretariats.

Table.2. **YEAR 2010 (JAN.-DEC)**

L.G	Statutory Allocation(Fed)	VAT	Statutory Allocation.(State)	IGR (Local)	Excess Crude Windfall	TOTAL

Ilorin W	629,428,519	296,312,685	44,130,135	14,627,737	296,937,281	1,281,436,360
Moro	381,263,222	191,887,327	26,730,910	18,500,260	142,003,142	760,384,863
Offa	298,315,131	150,141,087	20,915,301	13,786,332	105,114,519	588,272,371

Sources: Ilorin West, Moro and Offa local government secretariats.

Table.3. **YEAR 2011 (JAN.-DEC)**

L.G	Statutory Allocation (Fed)	VAT	Statutory Allocation (State)	IGR (Local)	Excess Crude Windfall	TOTAL
Ilorin. W	970,971,292	363,883,452	51,042,126	15,116,964	81,150,810	1,482,164,644,
Moro	590,150,621	203,877,327	33,083,838	5,500,260	54,554,314	887,166,361
Offa	461,762,773	172,460,634	25,900,162	11,178,446	48,124,312	719,426,327

Sources: Ilorin West, Moro and Offa local government secretariats.

From table.1, 2 and 3, as presented above, the various sources of revenue open to these local governments under study can easily be analyzed, using simple percentage. Table.4 below shows the result of the various sources of revenue available to the three local governments with respect to the total revenue, that is the percentage of each item on the sources of revenue on the total revenue.

Table.4: Analysis of 2009, 2010 & 2011 Revenue to the Three Local Governments, Using Simple Percentage

Sources of Revenue	Percentage on Total Revenue								
	2009			2010			2011		
	Ilorin W	Moro	Offa	Ilorin W	Moro	Offa	Ilorin W	Moro	Offa
Statutory Allocation (Fed)	**72.2**	**71**	**69.3**	**49.1**	**50.2**	**50.7**	**65.5**	**66.5**	**64.2**
VAT	**10.2**	**12**	**14**	**23.1**	**25.2**	**25.5**	**24.5**	**23**	**24**
Statutory Allocation (State)	**1.4**	**1.3**	**1.4**	**3.4**	**3.5**	**3.6**	**3.4**	**3.7**	**3.6**
IGR (Local)	**1.7**	**1.2**	**1.5**	**1.1**	**2.4**	**2.3**	**1.1**	**0.6**	**1.6**
Excess Crude windfall	**14.5**	**14.5**	**13.8**	**23.3**	**18.7**	**17.9**	**5.5**	**6.2**	**6.6**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Generated by the Researcher from Table.1.

From Table.4 above, it is evidently clear that the three local governments under study depend heavily on statutory allocation for the day to day running of their local areas. For the year 2009, Table.4 shows that 72.2%, 71% and 69.3% of revenue of Ilorin West, Moro and Offa respectively comes from statutory allocation (Federal). As for the year 2010, the percentage of their total income that were sourced via statutory allocation stood at 49.1%, 50.2% and 50.7% for Ilorin West, Moro and Offa local government areas respectively. It is also noticeable that the same trend appears with respect to the same revenue item for the

year 2011, which shows 65.5%, 66.5% and 64.2% for Ilorin West, Moro and Offa local governments respectively.

With respect to IGR, locally or internally sourced revenue remain highly insignificant for the three years, and across the three local governments, ranging between 0.6% and 2.4% of the total revenue for the three local governments. This clearly shows that these three local government areas heavily rely on the statutory allocations, especially federal allocation for running their local communities. It is however clear that because of the heavy reliance on statutory allocations; these local governments have refused to engage in vigorous drive towards sourcing revenue via the internally generated revenue, IGR. The implication is such that if there is a sharp drop in the statutory allocation, given the present distribution, an auto-trigger direct and negative impact on the level and rate of performance on the part of these local governments is expected.

6.1 Analysis of the Data Elicited Via Questionnaires (Section A)

Data elicited via questionnaires were collated. Analyses concerning respondents' demographic data are presented in Table.5, while data bothering on the residents' perceptions on issues pertaining to performance and revenue are presented and analyzed in Table.6, using simple percentage.

Table.5: Demographic Data, Presented in Simple Percentage

S/N	Characteristics	Frequency (f)	Percentage (%)
1	**Gender Distribution of Respondents**		
	Male	187	62.3%
	Female	113	37.7%
	Total	300	100%
2	**Age Distribution of Respondents (Age bracket)**		
	Below 20	54	18%
	20-30	193	64.33%
	31-40	46	15.33%
	41-50	6	2%
	51-60	1	0.34%
	Total	300	100%
3	**Academic Qualification Distribution of Respon dents**		
	Primary	28	9.33%
	Secondary	19	6.33%
	College / Polytechnics	75	25%
	University Degree	175	59.34%
	Total	300	100%

4	**Occupation Distribution of Respondents**		
	Unemployed	22	7.33%
	Professional	52	17.33%
	Politician	33	11%
	Student	138	46%
	Civil/ Public Servant	49	16.34%
	Artisan, Trader & Technician	6	2%
	Total	300	100%

Source: Researcher's Survey, 2013.

From Table.5 above, it can be observed that 187 of the respondents which represent 62.33% are male, while 113 which represent 37.67% are female. This simply means that the difference in the political consciousness of male and female folks in the three local government areas is a bit wide, a difference of 24.66%. This suggests that, there is the need for government of these various local governments to raise the political consciousness of their women, through political orientation programmes. Also from this table, it is evident that majority of the respondents fall within the mature segment of the society, that is an age bracket that most often constitute the work force of any society. These age brackets are 20-30 years and 30-40years, which have frequencies of 193 and 46, a total of 239 out of 300 respondents, representing about 79.66% of respondents. This is indicative of the fact that the assessment of performance of these three local governments were mostly carried out by socially acceptable and responsible members of the society where judgment can be relied upon.

With respect to academic qualification, it can be observed from the above table that most of the respondents are university graduates, 178 representing 59.34% of a total of 300 respondents. The high number of graduates among respondents could be attributed to the fact that these three local government areas house the three top institutions of higher learning in the state. University of Ilorin, in Ilorin West, Kwara State University in Moro while Offa has the Federal Polytechnics Offa. It is believed that since these institutions churn out in large numbers, graduates every year into these communities, and by extension, influencing the level of literacy and political consciousness among the residents of these communities.

The table equally shows that majority of respondents are students, representing 46% of the total number of respondents. This may be attributed to the fact that most people who volunteer as respondents are students who are residents of these local government areas. This goes a long way to establish that young men and women from these areas are more politically conscious than the other segments of this distribution, even than the political segment, which has only 33 respondents, representing just 11% of the sampled population.

6.2 Analysis of Data Elicited Via Questionnaires (Section B)

Data elicited via questionnaires concerning the residents‘ perceptions on issues pertaining to performance and revenue is presented and analyzed using simple percentage. Responses to the ten questions under Section B are presented in Table.6 below.

Table.6: Data on Residents' Perceptions on Performance and Revenue.

Questions	Response	Frequency	Percentage
Q1: What is the level of government presence in your ward in terms of project execution and service delivery?	High	79	26.3%
	Low	175	58.3%
	Very Low	46	15.4%
Q2: Was any project embarked upon by your local government in your ward in the past three years, (2009-2011)?	Yes	194	64.7%
	No	41	13.7%
	I don‘t know	65	21.6%
Q3: Were these projects completed successfully?	Yes	164	54.7%
	No	73	24.3%
	I don‘t know	63	21%
Q4: Are these projects significant to the development of your ward?	Yes	174	58%
	No	56	18.7%
	I don‘t know	70	23.3%
Q 5: How will you rate your local government ‘s performance in terms of completed projects and Service delivery in your ward?	Poor	61	20.3%
	Fair	165	55%
	Good	74	24.7%
Q6: Will you comply if your local government introduces a compulsory system of Taxation?	Yes	113	37.7%
	No	141	47%
	I don‘t know	46	15.3%
Q7: Do you subscribe to the fact that allocations to local governments are sufficient but mismanaged?	Yes	207	69%
	No	49	16.3%
	I don‘t know	44	14.7%
Q8: Do you think that mismanagement of statutory allocation has negative impact on local government's Performance?	Yes	231	77%
	No	42	14%
	I don‘t know	27	9%
Q 9: Do you think internally generated revenue has any	Yes	227	75.7%

impact on local government performances?	No	38	12.7%
	I don‘t know	35	11.6%
Q10: Do you think that the operation of the state-local government joint accounts affect local governments performance?	Yes	207	69%
	No	51	17%
	I don‘t know	52	14%
Source: Researcher’s Survey, 2012			

The above table, Table.6, shows that it is the opinion of 175 respondents, representing 58.3% of the sample population, (300), that the presence of local government in terms of performance is low while 79 respondents, representing 26.3% of respondents are saying that performance level is high, whereas 46 respondents, representing 15.4% opined that the presence of local government in terms of performance is very low. Comparing the combination of those who perceived that performance is low and very low (addition of 58.3% and 15.4%, which gives a total of 73.7%) and those that believe that performance is high, which is just about 26.3%, we come to realize that generally, respondents, and by extension local residents are not satisfied with the level of performances of these local governments.

From the same table, 194 people, representing 64.7% of respondents are of the opinion that projects were executed in their wards, 41respondents; representing 13.7% said there was no project embarked upon while 65 respondents, representing 21.6% have no idea whether or not projects were executed within their wards. This statistics suggests that on the average, projects were carried out in these communities, since 64.7% opined in the affirmative. The table equally shows that 164 respondents, representing 54.7%, claimed that projects were successfully completed, 24.3% claimed that projects were not successfully completed, while 21% of respondents do not know whether project were completed or not. Put on a scale, it thus means that local governments in Kwara state perform above average in terms of completion of projects. Furthermore, 174 respondents, about 58% opined that projects completed in their wards are of developmental significance, while 18.7% of the population sample disagrees with that position, as 23.3% of respondents are not sure whether these projects have any developmental significance to their local government areas. Invariably, what this suggests is that most projects embarked upon by these local governments are of significance to the development of these areas.

In terms of rating, with respect to completed projects, 61, respondents representing 20.3% of the total number of respondents graded their local government‘s performance in terms of completed projects as _poor‘, whereas 165 respondents, representing 55% of the same population believe that their performance is fair, while 24.7% graded their performances as good. If we weigh the combined responses of those who grade performance as _good‘ and _fair‘ with those who grade theirs as _poor‘, which is 79.7% (55%+24.7) as against 20.3%, we cannot but agree that these local governments have performed a little above average, in terms of completion of projects and service delivery.

On the table, 113 respondents, representing 37.7% of our sample population are willing to comply with a compulsory tax regime if introduced by their local governments. 141 respondents representing 47% are not willing to comply, while15.3% is undecided whether to comply or not. It is clear from the above data that the difference between those who are willing and those who are not willing to comply is very slim, just 9.3% (47% -37.7%). It surely implies that if the local government can improve on their current level of performance, more people will be willing to comply. That is if the local residents see evidence on ground that the little money that comes into the local government is judiciously utilized for the development of the community.

Evidently it is clear from the table that most of the respondents believe that allocation to local government is sufficient but mismanaged which is indicated by the 69% of respondents confirming that statutory allocation are sufficient but that it is the mismanagement of this fund that brings about poor performance in local government. In the same direction, 231 respondents, representing 77%, believe that mismanagement of statutory allocation to local government have negative impact on local government performance. Going by this figure, it is clear that most local residents believe that mismanagement of statutory allocation has a great negative impact on local government performance. With respect to internally generated revenue-IGR, the data presented in the above table, suggests that internally generated revenue has serious impact on local government performance, as 227 respondents representing about 75.7% of the total number of our respondents confirm the same.

And finally, the table shows that 207 respondents, which is about 69% of our sample population, agree that the state-local government joint account is a barrier to effective local government performance. While 17% of the same population think otherwise, 14% of the total number of respondents do not know whether the joint account is a barrier or not to local government performance. This therefore shows that generally, residents within these local government areas are not in support of the operation of a state-local government joint account.

7.0 Conclusion and Recommendations

7.1 Conclusion

Based on our various findings as explained above, this paper concludes and establishes the fact that there is a lack of autonomy for local governments in Kwara state, particularly as it relates to the intergovernmental fiscal relations between the state and the local governments. An exception to this was discovered in the case of Offa local government which partially resisted the operation of the state-local government joint account and execution of joint projects. In addition to this, the paper affirms and confirms our preliminary propositions, and concludes that the level of execution of projects in the local governments under study is relatively low; and that the low level of project execution at the local government level is a resultant of the mismanagement of statutory allocations. It further concludes that local residents are ready to comply with an introduction of a new tax regime, if performance at the local government level improves; and that tax compliance intent has a direct bearing on the impact of internally generated revenue (IGR) on the

economy of the local government. The paper finally concludes that the state-local government fiscal arrangement, specifically, the operation of the State-Local Government Joint Account has continued to hinder the performance of local governments in the state.

7.2 Recommendations

For local governments to be able to function well as the third tier of government efficiently and effectively, adequate autonomy is required. This can only be achieved by local government if and only if necessary steps are taken to initiate moves to raise the level of internally generated revenue. This is one of many steps that local governments in Kwara state can take in initiating a major change in their level of performance. It should be noted that autonomy itself does not imply a complete absence of state or federal government supervision; but it largely implies a higher level of liberty given to local governments to initiate policies having local peculiarities which can effectively elevate and expand their fiscal jurisdictions in order to enhance their internally generated revenue.

It is also recommended that states should intensify efforts on their supervisory roles by creating mechanism for monitoring and doing periodic evaluation of local government administration performance so as to check mismanagement of revenue arising from the corrupt practices of both the carrier officials and political office holders in local governments in Kwara state.

The local government should embark on some meaningful commercial undertakings which could generate revenue as well as create employment opportunities for citizens, for example, poultry, farming, animal husbandry, small and medium scale industries. This is expected to grow the internally generated revenue. This is because deliberate effort is needed and must be made by local government councils in the state to improve on their IGR, if they intend to gain higher level of autonomy. Note that dependency on state and federal governments for revenue will always lead to a restricted fiscal jurisdiction and lack of autonomy for initiating meaningful projects. Since location largely determines the internally generated revenue of a local government because of the varying opportunities each location presents, it is therefore advisable, for the enhancement of IGR, that local governments in urban and semi -urban areas generate revenue largely from tax and rates from industries, while local governments in rural areas should exploit agricultural based strategies.

Because most of our respondents are against the operation of the state-local government joint account, as such, we recommend that the operation of such account be discouraged. Accountability and Transparency are very essential, and therefore needed by local government, if performance is to be largely determined by the level of revenue at the disposal of local governments.

On a final note, we must realize that although the clamour for local government autonomy is considerably high, we should equally appreciate that autonomy for local government is not a guarantee for performance. Good performance is attainable with or without complete fiscal autonomy. What local governments in Kwara need is not entire autonomy, but performance, efficiency and effectiveness that bring about good governance. However, this does not mean that autonomy is to be repudiated, but it is also important to know that a

holistic autonomy does not exist for local government anywhere in the world, what is obtainable and needed is relative autonomy lubricated with rewards and sanctions, just as it is obtainable in Brazil.

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