

Full Length Research Paper

Fiscal planning and local government administration in Nigeria: The quest for sustainable rural development

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Accepted 7 October, 2011

The *raison d'être* of a local government is to collect its revenue efficiently and to use that revenue to provide infrastructural development for its tax payers. Local government as the third tier of government cannot, therefore be ideal from the financial view lens if it collects its revenue in a slipshod manner and devotes a large percentage of it to the maintenance of a top-heavy administrative set-up, with a relatively small proportion of the revenue left for the provision of infrastructural development which are of direct benefits to the local inhabitants. The purpose of this paper is to critically examine local government accountability in respect of budget and budgeting system in order to improve sustainable development at the local level. The paper tries to study the main source of revenue of local governments in Nigeria, and determine how the resources are utilized to deliver infrastructural development to the people. Also, information on budget and budgeting of Irepo local government is analyzed in the study. There are 774 local governments in Nigeria. This research study covers 33 local governments in terms of disbursement of statutory allocation, and Irepo local government in terms of budget and budgeting analysis. As far back as 1999, the Nigerian local governments are being given enough by the Federal Government in order to provide infrastructural development to the citizens in the local area, but it seems the said public revenue are being mismanaged by political leaders and local governments' officials in Nigeria. The findings of this paper revealed that < 5% of the statutory allocation accrued to the local governments under consideration is being expended on infrastructural development, while > 10% is used for personnel expenditure as the cost of delivering infrastructural development by local governments in Nigeria. So, further researches can still be carried out on fiscal planning by local governments for sustainable development in the remaining local governments in Nigeria. This paper therefore recommended that the policy/decision-makers should make use of the findings of this study to help inform future decisions on fiscal planning in the local government administration in order to bring about sustainable development to the rural dwellers in the local governments. It is found that there is need for proactive measure for fiscal planning in order to sustain infrastructural development in the local government administration. Also found, is that local governments need to put in place a good fiscal planning that will sustain development at the local level.

Key words: Fiscal planning, sustainable development, local government.

INTRODUCTION

Local government as an institution of governance is created to provide and sustain infrastructural development in rural area. A local government is an institution whose operations address the needs and aspiration of the

citizenry and also extends the administrative and political control to the community (Wanjohi, 2003). Ola (1984) posited that local governments exist to provide essential services, and serve as a vehicle for rural development. Adamolekun (1983) posited that the goal of local government is to provide efficient service delivery vis-à-vis rural development. Researchers (such as Mass, 1959, Oladosun, 1981, Adamolekun, 1983, Ola, 1984; Aghayere,

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1987; Okeem, 1989; Lawal, 2000) in the recent past have discussed extensively about sustainable development in the rural areas. There exists a series of strategic planning for bringing sustainable development to the society. Few amongst these strategic planning are fiscal planning by institutions, participatory governance, policy and scenario analysis, monitoring and evaluation process in the organization. All these unprecedented strategies will lead to sustainable development.

According to OECD (2001), there is an unprecedented development in the past few years in developing countries. Life expectancy ratio has risen, infant mortality rate is increased, and primary school enrolment rate is doubled. Food production and consumption is said to be increased by 20% faster than population growth. Improvement in income levels, health and educational attainment are on the increase. There is equally an increase in the spread of democratic, participatory governance, and there have been forward leaps in technology and communications. Development is synonymous to freedom in any community. If a society is developed, the people in that particular society is always said to be free from diseases, hunger, poverty, illness, illiteracy, ignorance, joblessness, and insecurity. Sustainability could be the right word to describe development. In pursuit of development, access to resources ought to be made free for any community. According to Lawal (2000), the development of the rural dwellers has been the concern of every responsible and responsive government. He argued further that development remains insignificant, if development does not positively affect the lives of the people in any society in question.

King and Murray (2002), opined that development is emphasized to be freedom from fear, which include freedom from human want (human development), and may comprehensively cover all the menaces that threaten human survival, daily life and dignity. In order to deliver the required social services to the rural dwellers in Northern Ireland, Greer's (2001, 2002) work on partnership governance. Greer et al. documented the pervasiveness of partnerships among local authorities, and comprehensively explore range of case studies in relation to sectoral and spatial relationships. Each of the Greer's study established potential linkages and formulates a strategic framework for development among private sectors, and public, which is what is known as private public partnership (PPP). Improving service delivery is an important way of improving the economic and social values of humanity.

LOCAL GOVERNMENTS: A PANACEA FOR RURAL DEVELOPMENT

In order to bring sustainable development to the rural dwellers in Nigeria, there must be a good fiscal planning by local government administration. As a result of

different reforms in the public service, local government administration in Nigeria experienced fundamental changes in 1976 through a comprehensive local government reform during the reign of General Olusegun Obasanjo (Gboyega, 1983; NCEMA, 1990).

According to Awotokun (2005), the term local government administration in Nigeria attracted serious attention both nationally and internationally since 1976 reform. It is the reform that opened the rural area to meaningful development in terms of input that could be garnered from the federation account. The 1976 local government reform created for the first time, a single tier structure of local government administration in Nigeria. This single tier structure can be seen in form of the functions, the structure, the financial resources, the place of traditional institutions, relationships with state government; and law enforcement in the local governments.

Following the 1976 reform, a fixed proportion of statutory allocation of revenue from the central government to local governments is entrenched in the recommendations of the Abovade Revenue Commission of 1977 (Awotokun, 2005). This leads to the establishment of the Revenue Mobilization Allocation and Fiscal Commission (RMAFC), and the commission is charged with the responsibility of allocating revenue to the three tiers of government - federal, state and local. Other commissions that have worked on the disbursement of federal statutory allocation before the Abovade commission are Phillipson (1946), Hicks-Phillipson (1951), Chick (1953), Raisman (1958), Binns (1964), Dina (1968), and Okigbo (1980) worked on statutory allocation disbursement after the Abovade commission.

As agent of rural development, local governments are to use the funds made available to the local governments by both central and state governments and their internally generated revenue to improve on the lives of the people within local government's area of operation through the following: Initiating and attracting developmental projects to the local governments such as provision of access roads, water, and rural electricity; communal services such as the construction of roads, bridges, water ways; and personal welfare in such areas as education, housing, and healthcare service delivery system. Local governments can equally generate revenue to improve on the lives of the people within their areas of operation through initiating and attracting developmental projects to the local governments such as provision of access roads, water and rural electricity; sustaining livelihood through the provision of credit facilities for agriculture, arts, crafts and small scale business; and encouraging the formations of cooperative societies and other economic groupings (Ajayi, 2002). Local government as a public business consumes huge resources in providing vital services which are managed by elected and appointed officials.

In Nigeria, the responsibility of providing basic essential services and bringing about development has been

delegated to local government as the third tier of government. The types of social services that a local government may require to provide include housing, water, education, electricity, roads and transport, health facilities and other social services. As a consequence, local governments have to effectively identify and target essential infrastructure and social services at any particular point in time, neediest communities, have systems in place to track expenditure on projects and be able to determine if the allocation of resources has an impact. So, it is imperative that any work done within the social accountability arena should have a strong focus on service delivery within the local government's environment. The most immediate need is to improve the ability of citizens to engage with the local governments so that they may be empowered in gaining an understanding of where the priority areas are and what the local governments are planning to do. It will also give citizens an opportunity to hold local governments accountable for the delivery of social services.

Adedeji (1970) blamed the ineffectiveness of local administration on the following reasons: lack of mission or lack of comprehensive functional role; lack of proper structure (that is, the role of local governments in the development process was not known); low quality of staff; and low funding. According to him, these problems led the local governments into a vicious circle of poverty because inadequate functions and powers lead to inadequate funding which result in the employment of low skilled and poorly paid staff. In contradistinction to the position of Adedeji (1970), there has been tremendous improvement in the quality of staff, funding of local government, functions and responsibilities of local government in Nigeria. The area that seems to be lacking is the area of weak institution which leads to embezzlement (Lawal, 2002), and poor managerial accountability (Salihu, 2011).

COMPARISON OF FISCAL EXPENDITURES AMONG COUNTRIES

Some researchers have done a lot of studies on fiscal planning both in developing and developed countries in order to sustain development in the rural areas. Bahl and Linn (1992) conducted a survey on fiscal expenditures of twenty-one developing countries and found out that between 6 and 50% of total government spending, with an average of 23% are accounted for by local governments. For ten developed countries, OECD (1991) found out that the comparable range is from 12 to 53%, with an average of 26% being spent by local governments. Bird and Vaillancourt (1995) found out that an average of local expenditure share of 22% for eighteen developed countries and only 9% for sixteen developing countries are being used for sustainability. Due to inaccurate records keeping, it is hard to obtain data on the importance of local (and other sub national)

governments' spending on infrastructural development. It should be noted that the degree of fiscal decentralization in terms of spending tends to be greater in richer countries than in poorer countries (Wasylenko, 1987).

Bird and Vaillancourt (1995) in another study found out that local government in developed countries financed only 62% of their expenditure from their internally generated revenue (IGR), while local governments from developing countries financed 88% of their expenditures from the fiscal transfer from the central governments. Specifically, in Chile and Malaysia, local government financed more than 60% of their expenditures from their own revenues in 1990, while local governments in Argentina, India and Pakistan had lower levels of financial autonomy (say 38 to 50%), and local governments in Indonesia had a proportion of 21% in 1989 (UNDP, 1993). In Nigeria, fiscal transfer is not encouraging until 1999, and local governments depend largely on national fiscal transfers for their expenditures. In fact, the bulk of local governments' expenditures, descriptively 90% of their expenditures are financed by the statutory allocation disbursed by the central government. The national fiscal transfers have become a central aspect of decentralization process.

Bird and Slack (1991) identified two broad characteristics of decentralization. First, no matter what local governments spend, and whatever the money is spent on, the revenue resources under them are always less compared to their expenditure responsibilities. The second characteristic is that not all sub national governments are equal. Some are rich, while some are poor. Those local governments from rich countries (mostly in Scandinavia) do have access to large and elastic tax bases. So, they often have access to enough revenues to develop their localities. This may not be applicable to many local governments in the developing countries including Nigeria.

DECENTRALIZATION OF RESOURCES AND RESPONSIBILITIES AMONG TIERS OF GOVERNMENT

Sustainable rural development is the cornerstone of local government administration in Nigeria. This can only be possible if the system of co-responsibility between institutions of governance at the central, states and local government according to the principle of subsidiary could be effectively established. This eventually leads to the issue of decentralization among the three tiers of government. Decentralized governance, if carefully planned, effectively implemented, and appropriately managed is bound to lead to significant improvement in the welfare of people. According to Robertson (1999), decentralization aims at transferring decision-making authority, resources and responsibilities for the delivery of welfare services from the central government to other lower levels of government, agencies, and field offices of central

government line agencies. This transfer serves two basic purposes, namely accountability for resource management and effective service delivery. Nigeria is one of few countries in the developing world to have significantly decentralized both resources and responsibilities to local governments in order to bring about sustainable development to the people.

Decentralization therefore is seen as a process of government policy that transfers responsibilities, resources, and/or authority from higher to lower levels of government. Thus, lower levels of government are the recipients of the transferred responsibilities, resources and authority. There are various degrees of decentralization in which few amongst them are fiscal, administrative, institutional, economical, and political decentralization. The concern of this paper is on fiscal decentralization. Fiscal decentralization therefore refers to the set of policies designed to increase the revenues or fiscal autonomy of sub national governments. Unlike other definitions of fiscal decentralization that merge revenues and expenditures together, Wibbels (2004) saw revenues as fiscal decentralization, while expenditures as administrative decentralization. This analytical separation makes it easier to evaluate the consequences of decentralization processes where the transfer of revenues and expenditures do not go hand in hand.

In one of his studies, Manor and Richard (1998) went further to state the fiscal data of what is being decentralized to the sub national governments by the central government. According to him, the sub national governments around the world collected an average of 15% of the revenues of the national governments, and spent 20% as expenditures. By the year 2000, the figure rose to 19 and 25%, respectively. In this context, the disbursement of revenue is viewed as fiscal decentralization, while the delivery of welfare services is viewed as administrative decentralization. Administrative decentralization may have positive or negative impact on the autonomy of local government executives. If administrative decentralization improves local bureaucracies, fosters training of local officials, and facilitate learning through the practice of delivering new responsibilities, it will surely increase the organizational capacities of local government administration.

Contrarily, if administrative decentralization takes place without adequate transfer of funds, it may decrease the autonomy of local government officials; because they are largely depend on national fiscal transfers for the delivery of social services. In Nigeria, the nucleus of funds being used by local governments is provided by the federal government. Previous researches have shown this fund to be 90%. Other 10% is derived from various state governments, and the third source of funding is through the internally generated revenue (IGR) by local governments. The federal government requires a measure or law to determine the distribution of the monthly statutory allocation to be disbursed to each local government in Nigeria. The measure used for the distribution of the

statutory allocation is provided in the 1999 constitution of the federal republic of Nigeria.

In the constitution, section 160, subsection 2 to 8 empower the revenue mobilization allocation and fiscal commission (RMAFC) with the responsibility of keeping the federation account and allocating the accrued revenue to the three tiers of government. The percentage allocated to local governments is 20% of the revenue in the federation account. This fund is shared among the seven hundred and seventy-four local governments in the following ratio: 40% on the basis of equality; 40% on the basis of population; 11.25% on the basis of direct primary school enrolment; 3.75% for inverse primary school enrolment; and 5% for internally generated revenue effort. Revenues being distributed under federal statutory allocation is gross statutory allocation, excess crude proceed, and value added tax (VAT). This allocation is disbursed on monthly basis.

FISCAL TRANSFERS BY THE CENTRAL GOVERNMENT TO LOCAL GOVERNMENTS IN OYO STATE

For the purpose of this study, local governments in Oyo State are classified into three categories, namely urban, semi-urban, and rural respectively. The research paper collects a secondary data on the detail distribution of federal statutory allocation to the thirty-three local governments in Oyo State in Nigeria for years 2007, 2008, and 2009. The detail distribution includes Gross Statutory Allocation, Excess Crude Proceed from Excess Crude Account (ECA) and Value Added Tax (VAT). Funds disbursed for the local governments under consideration are given in Table 1a. A sum total of #153.07 billion is disbursed to the thirty three local governments in three years by the central government in Nigeria.

From Table 1a urban local governments collect #31.77 billion in three years, while semi-urban local governments collect #77.61 billion in three years. And rural local governments collect #43.69 billion in three years. For the purpose of this study, the need arises to extract the statutory allocation of Irepo local government for the fiscal year 2008. The statutory allocation disbursed to Irepo local government for the fiscal year is given in the Table 1b. Table 1b shows the detail distribution of statutory allocation to Irepo local government for the fiscal year 2008. The purpose of the fund is to deliver infrastructural development to people in the local government area in Nigeria.

LOCAL GOVERNMENT BUDGET FOR SUSTAINABLE DEVELOPMENT

There must be projected estimates, and a form of fixed fiscal decentralization in the administration of local governments, if infrastructural development is to be

Table 1a. Detail distribution of statutory allocation to Oyo State local government councils according to rural, semi-urban, and urban (municipal) local government classification for 2007, 2008, and 2009.

S/No.	Local government councils	Rural local government councils	Semi-urban local government councils	Urban (Municipal) local government councils
		3.0 – 4.0 (#Billions)	4.1 – 5.0 (# Billions)	5.1 – 6.0 (# Billions)
1.	Afijio L.G	-	4.20	-
2.	Akinyele L.G	-	4.91	-
3.	Atiba L.G	-	4.89	-
4.	Atisbo L.G	-	4.85	-
5.	Egbeda L.G	-	-	5.24
6.	Ibadan North L.G	-	-	5.42
7.	Ibadan Northeast L.G	-	-	5.49
8.	Ibadan Northwest L.G	-	4.38	-
9.	Ibadan Southeast L.G	-	-	5.30
10.	Ibadan Southwest L.G	-	-	5.50
11.	Ibarapa East L.G	3.85	-	-
12.	Ibarapa North L.G	4.04	-	-
13.	Iddo L.G	4.00	-	-
14.	Saki West L.G	-	-	5.80
15.	Ibarapa Central L.G	4.07	-	-
16.	Irepo L.G	-	4.45	-
17.	Iseyin L.G	-	-	5.56
18.	Itesiwaju L.G	-	4.62	-
19.	Iwajowa L.G	-	4.37	-
20.	Olorunsogo L.G	4.06	-	-
21.	Kajola L.G	-	4.94	-
22.	Lagelu L.G	-	4.45	-
23.	Ogbomosho North L.G	-	4.68	-
24.	Ogbomosho South L.G	3.98	-	-
25.	Ogo Oluwa L.G	3.71	-	-
26.	Oluyole L.G	-	4.76	-
27.	Ona Ara L.G	-	-	5.38
28.	Orelope L.G	4.06	-	-
29.	Oriire L.G	-	4.94	-
30.	Oyo East L.G	-	4.16	-
31.	Oyo West L.G	-	4.13	-
32.	Saki East L.G	-	4.17	-
33.	Surulere L.G	-	4.71	-
	Total	31.77	77.61	43.69

#1000 = USD 6.67.

Source: Accountant - General office, Federal Ministry of Finance, Abuja, Nigeria (2010).

sustained. There is a pattern which local governments must follow in preparing their estimates of income and expenditures.

The scope of this paper is limited to one local government, which is Irepo local government of Oyo State. The 2008 approved estimates for Irepo local government is analyzed to determine the rate of sustainable development in the local government administration. Table 2a above shows the overall summary of approved estimates for income and expenditures of Irepo local

government of Oyo state for the fiscal year 2008. The budget analysis revealed that a sum of #318, 325,100.00k is voted for capital expenditure. This sum represents 56.35% of the total budget, and < 5% of the statutory allocation disbursed to the local government for the fiscal year 2008. Besides, the cumulative total for expenditure (capital and recurrent) is given as #246, 458, 900.00k, representing 43.65%. Lastly, provision is not made for 10% stabilization of the statutory allocation in the budget analysis for the fiscal year 2008.

Table 1b. Distribution details of statutory allocation of Irepo Local Government, Oyo State for the fiscal year 2008.

Month	Gross statutory allocation	Differential	Excess crude proceed	Value added tax (VAT)	Total allocation
January	52,238,114.04	-	-	10,295,678.49	62,533,792.53
February	53,842,157.64	-	45,827,354.45	10,018,648.35	109,688,160.44
March	87,047,888.09	-	-	11,642,800.67	98,690,688.76
April	72,169,163.06	(239,015.51)	79,638,240.20	9,121,459.66	160,689,847.42
May	68,016,509.37	-	18,452,255.80	10,957,771.53	97,426,536.70
June	89,761,496.03	-	344,083,680.49	11,441,557.16	445,286,733.68
July	70,284,599.66	-	16,527,892.70	11,389,667.22	98,202,159.57
August	80,285,486.22	-	6,601,110.95	12,975,986.23	99,862,583.40
September	71,493,225.62	-	15,075,995.43	9,810,749.40	96,379,970.46
October	68,777,397.98	-	17,993,558.98	11,434,185.77	98,205,142.68
November	64,509,695.37	-	22,412,546.48	12,219,499.42	99,141,741.27
December	67,158,106.09	-	19,245,349.04	10,647,684.18	97,051,139.30
Total	845,583,839.17	(239,015.51)	585,856,984.52	130,955,688.08	1,563,168,495.21

Table 2a. Extraction from Irepo Local Government approved estimates for 2008 budget analysis.

S/No	Details	Amount (₦)	Percent
1.	Capital expenditure	318,325,100.00	56.35
2.	Overhead cost	79,086,980.00	14.00
3.	Personnel cost	152,194,920.00	26.94
4.	Stabilization (10%) of statutory allocation	-	-
5.	Traditional Council (5%) of statutory allocation	15,300,000.00	2.71
	Total	564,907,000.00	100

The approved estimates of Irepo local government for the fiscal year 2008 shows the recurrent revenue aside the statutory allocation disbursed by the central government (Table 2b). The theme of generating revenue on recurrent basis is largely depended on provision of infrastructural development. And these infrastructures ought to be sustained from the recurrent revenue being generated as internally generated revenue. Table 2c shows the summary of capital expenditure of Irepo local government for the fiscal year 2008. This table shows the trend of infrastructural development in the local government under consideration.

Table 2d shows the estimates for personnel emoluments. It becomes inevitable to include this recurrent expenditure because it is being used as cost of delivering infrastructures in the local governments. From the budget analysis of Irepo local government for the fiscal year 2008, the following findings could be deduced from the study, and it is shown in Table 3. Table 3 shows that fund budgeted for capital expenditure is given as 20.36% of the total allocation for the fiscal year 2008. The calculation for three consecutive fiscal years 2007, 2008 and 2009 is given as < 5%. But the approved estimates for overhead costs and other recurrent expenditure are given as 79.64% (that is the sum of 15.77 and 63.87%).

The expenditure for overhead and other expenditures for consecutive three years under review is said to be > 10%.

As can be seen from the budget analysis, 56.35% is earmarked for capital expenditures, while the remaining 43.65% is voted for recurrent expenditure in form of overhead cost, personnel emolument, and other expenditures that could be seen as cost of delivering welfare, social services and other infrastructural development. In line with the position of Lawal (2002) that enough fund is not being voted for infrastructural development, this study shows that < 5% is being voted for capital expenditure because 56.35% is < 5% of the total fund disbursed to Irepo local government for the fiscal year under review. Also, Salihu (2011) found out that > 10% is being spent as cost of delivering infrastructural development by local governments in Oyo State. The finding in this study affirmed the position of Salihu (2011), because 43.65% of the statutory allocation is already > 10% of the fund disbursed by central government for the fiscal years under review, which is the concern of this study.

Then, if development must be sustained at the local governments' level, there must be good fiscal planning in order to meet the needs and aspiration of people, especially the rural dwellers.

Table 2b. Summary of recurrent revenue.

Head	Details of revenue	Approved estimates for 2008 (₦)	Actual estimates for 2008 (₦)	Estimates for 2009 (₦)
1001	Taxes	310,000.00	195,000.00	310,000.00
1002	Rates	700,000.00	60,000.00	700,000.00
1003	Local licenses fees and fines	197,717,00.00	3,625,546.00	19,967,000.00
1004	Earnings from commercial undertaking	3,122,000.00	1,021,670.00	4,353,000.00
1005	Rent of Local Govt. property	35,000.00	30,000.00	35,000.00
1006	Interest payment and dividends	520,000.00	527,726.00	520,000.00
1007	Re-imbursement grant	2,000,000.00	952,375.13	2,000,000.00
1008	Miscellaneous (1% of contract tax)	2,022,000.00	527,332.29	2,022,000.00
	Sub total	28,426,000.00	6,939,649.42	29,907,000.00
	Statutory allocation	300,000,000.00	254,525,485.00	306,000,000.00
	Value Added Tax	100,000,000.00	102,015,684.00	123,000,000.00
1009	Special fund from Fed. account (Excess Crude oil)	450,000,000.00	70,000,000.00	84,000,000.00
	10% State IGR	25,000,000.00	18,117,919.13	22,000,000.00
	Total recurrent revenue	903,426,000.00	451,598,737.42	564,907,000.00

Table 2c. Summary of capital expenditure heads of the estimates for 2008.

Classification	Classification of expenditure	Estimates for 2009 (₦)	Approved estimates for 2008 (₦)	Actual estimates for 2008 (₦)
	Economics			
4001	Agriculture and rural development	12,010,000.00	24,510,000.00	-
4002	Livestock	3,500,000.00	9,500,000.00	-
4003	Forestry	1,500,000.00	2,500,000.00	-
4004	Fishery	2,750,000.00	3,500,000.00	-
4005	Manufacturing and craft	50,000.00	50,000.00	-
4006	Rural electrification	11,500,000.00	39,000,000.00	-
4007	Commerce, finance, cooperative and supply	6,000,000.00	16,000,000.00	3,343,436.00
4008	Transportation (road and bridges)	160,476,450.00	323,200,000.00	38,268,637.58
	Total economics	197,786,450.00	415,760,000.00	46,051,075.00
	Social sector			
5001	Education	22,550,000.00	68,900,000.00	2,103,398.00
5002	Health	25,978,100.00	45,478,100.00	4,691,500.00
5003	Information	4,800,000.00	12,300,000.00	10,351,100.00
5004	Social development, sport and culture	5,750,000.00	16,850,000.00	4,934,000.00
5005	Fire services	500,000.00	500,000.00	70,000.00
	Total social sector	59,578,100.00	144,028,100.00	22,149,996.25

Source: Irepo Local Government Council, Kisi: Draft estimates for 2009.

CONCLUSION

Using fiscal planning as an essential ingredient of improving the life of the poor in the local government will bring about rapid development to the rural dwellers. A number of developing countries have been using inter-

governmental transfers to guide and shape local investments in the areas of infrastructures and welfare services. In Nigeria, special grants are often provided by the central government to construct primary healthcare centers, classroom buildings, water projects, construction of roads, etc. This is in line with what is obtainable in

Table 2d. Estimates for personal emoluments.

Head/Sub-head	Details of expenditure	Approved estimates for 2008 (₦)	Actual estimates for 2008 (₦)	Estimates for 2009 (₦)
2001	Office of the Chairman	18,039,350.26	19,865,886.35	26,048,619.96
2002	Office of the Secretary	3,189,153.92	1,666,044.51	2,230,076.00
2003	Office of the Councilors	16,004,802.72	21,656,433.20	24,140,379.60
2004	Personnel management	29,255,823.00	27,580,042.00	26,960,988.00
2005	Finance and supplies	19,971,400.00	18,080,431.00	18,173,800.00
2006	Education and social services	5,685,962.00	5,833,832.00	8,960,731.00
2007	Health	31,614,708.00	29,364,935.22	31,200,082.00
2008	Agriculture and natural resources	6,392,352.00	6,518,646.00	7,172,256.00
2009	Works	25,570,116.00	23,388,560.00	23,656,080.00
2011	Traditional office	1,183,332.00	1,187,702.00	790,320.00
	Total	156,907,000.00	155,142,512.28	172,324,060.56

Table 3. Deduction from secondary data from Irepo Local Government for 2008.

Statutory allocation for fiscal year 2008	Capital expenditure	Overhead costs	Others
1,563,168,495.21k (100%)	318,325,100.00k (56.35%)	246,581,900.00k (43.65%)	-
Derivations	318,325,100.00k divides by 1,563,168,595.21k multiply by 100 equals 20.36%	246,581,900.00k divides by 1,563,168,595.21k multiply by 100 equals 15.77%.	The differential is given as 63.87%

Indonesia, where specific grants are provided for provincial and district road improvement (Shah and Qureshi, 1994; Shah, 2004). Opinion surveys suggest that fiscal decentralization and planning of revenue resources is consistent with community preferences, with most respondents indicating that they trust local governments more than the national government to deliver goods and services, and this will eventually sustain reasonable development in the local governments, anywhere in the world.

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