

**INTERNALLY GENERATED REVENUE AND DEVELOPMENT OF
RURAL INFRASTRUCTURE: A STUDY OF IFO LOCAL
GOVERNMENT IN OGUN STATE (2010-2019)**

BY

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BENIN CITY**

AUGUST, 2021

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**BEING A PROJECT SUBMITTED TO THE DEPARTMENT
OF PUBLIC ADMINISTRATION, FACULTY OF SOCIAL
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OF BACHELOR OF SCIENCE (BS.C) DEGREE IN PUBLIC
ADMINISTRATION**

AUGUST, 2021

CERTIFICATION

We the underlisted, certify that this project work was carried out by **NWOSU IFEOMA ESTHER** in partial fulfillment of the requirements for the Award of Bachelor of Science (BS.C) Degree in Public Administration.

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DATE

DATE

DEDICATION

This project work is dedicated to Almighty God.

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ABSTRACT

This study examines the effect of staff training on workers performance: a case study of Ifo local government secretariat. To carry out the study, five objectives and four research questions were derived from the statement of the problems. The simple random sampling method was used to select sample size of 300 (three hundred) respondents. To test the research questions, data were collected with the aid of questionnaires and other relevant documents and literature. The data generated through the instrument were analyzed using the chi-square. The study revealed that the study revealed that staff training and development in organisation leads to increase in workers' productivity and performance and also that staff development in an organisation enhances employee's effectiveness and efficiency.

The study also revealed that the acquisition of new skills by workers help in boosting their moral. Furthermore, the study also shows that staff training and development in organisation helps to motivate workers to put in their best at work. The study recommends that Ifo Local government should adopt modern practices to enhance their productivity. A permanent autonomous body should be established or contracted by the authority of the Ifo L. G. A. to induct and update knowledge of new and old staff on their job and to co-ordinate the activities of training and development on continuous basis.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

A local government is a semi-autonomous territorial unit created by the constitution or general laws of a state to undertake certain functions within specific or limited geographical area. A local government is a political and administrative unit that is enforced by law to administer a specific locality. It involves the philosophical commitment to the idea of community participation in government at grass root level. There is general assumption among scholars and practioners, that local government are not only established as representative organ but also as a channel through which goods and services are delivered to the people within the framework of the laws establishing them (Olisa, 1992). These services may includes social services and rural infrastructures like the construction and maintenance of rural roads, markets, schools, health centers and many others. In doing these the local finance is vital.

Local government finance is one of the aspects of public finance. It deals with the generation of revenue, expenditure and utilization of financial resources in order to bring the impact of government closer to the people at the

grassroots. Put differently, finance is essential at enabling local governments transform the lives of the rural dwellers through the provision of social services and rural infrastructures like the construction and maintenance of rural roads, markets, schools, health centers, etc. In Nigeria, local government leaves one with no iota of doubt that it is largely both theoretically sound and service oriented to the people. It talks of representative councils with substantial control over local affairs, for the provision of services and implementation of projects in their areas respectively, to compliment the activities of both the state and federal governments. In addition to the above, the Nigerian Federal Government is one of the few governments in the world perhaps in addition to Brazil that have elevated local governments to a third tier of government (Okoli, 1983).

Finance is the heart of the major activities of government. Government units at all levels-national, State and Local are daily engaged in the production and distribution of public goods and services in areas such as agricultural extension, education, healthcare, social welfare, security, all of which involve huge amounts 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. This

responsibility not only includes the generation of revenue but also its allocation among competing needs of the local governments. It is within this context that we can appreciate the task of revenue collection at local government level (Abubakar, 1999).

Finance accrue to any tier of government may be classified as recurrent or capital. While the former is generated on day-to-day basis throughout the year, the latter arises once in a while and in a larger proportion. They are also described as internal and external sources of revenue respectively. The principal sources of local government revenue are internally generated revenue (Barber, 1978), federal government grants and trading receipts. The term 'revenue' generally denotes all incomes from taxes, fees (charges), fines, loans which local authorities mobilize from within and outside their own jurisdictional arenas. Local government collection systems in Nigeria vary depending on the size of jurisdiction, the payment methods allowed and the nature of revenues received (Zhou Gideon et al: 2013).

In other words, the core sources of revenues in the local governments can be classified into internal and external sources; the former covering pay rates, user charges, development levies, income generating projects and local taxes while the later captures additional funds from outside the local

government which are provided in the form of government transfers, grants and loans, among others. However, over reliance on external revenue sources, increases the dominance of the central government on local authority, reducing them to mere “talking shops without finance to implement their decisions” (Oluwu, 2010).

Unfortunately, over the years the Ifo local government, Ogun state, Nigeria have not been able to experience a strong revenue base, a buoyant purse, hence the seemingly absent of good infrastructural development. The amount of money at local government purse affect rural infrastructural development base in the area. A number of factors contribute to the poor revenue situation that continues to threaten the stability and development of the rural infrastructure in Nigeria and demand of the people. This challenge has brought pressure upon the local governments in the attempt to meet the constitutionally assigned responsibilities to the people. Very often, there is general local demand for service delivery at the grassroots (Felix Onen Eteng and Uno Ijim Agbor, 2018). This study examine the internally generated revenue (IGR) and the development of rural infrastructure; a study of Iffo Local Government in Ogun state (2010-2019). The study will look into the meaning of revenue generation,

Iffo local government, revenue generation Iffo and how the revenue generated affect the infrastructure of Iffo local government area.

1.2. Statement of the Problem

The problems that confront most local governments on revenue generation cannot be overemphasized. Hence local government having numerous means of sourcing fund, are also, faced revenue generation and its challenges with a lot of problems and difficulties in generating its revenue. These problems affect mostly its internal sources of revenue. Tax avoidance and delinquencies are among the problems confronting most local governments on revenue generation, as most people of the society device some means source maximum reduction in the amount to be paid as tax obligation on the date it is due, thereby, escaping tax liabilities. Most people inability to pay up amount due for rent and rates on local governments properties. This hinders local governments as regards revenue generation, as most people lack finance and some others not willing to pay – up. Inadequate operational vehicles and other facilities confront local governments as a problem in generating revenue.

Revenue generation needs mobilization and most local government do not have enough, which would have enable them to move easily from one part of the area to another for the collection of various fees. Another problem

hindering local government revenue generation lies among the staff. Many staff lack job related in service training, and some have poor educational background, some are not dedicated, diligent and honest. Often they do collude with tax or ratepayers to defraud the government.

With the problem of revenue generation of local government in Nigeria, it has become increasingly difficult for local governments to take active step in rural infrastructural development and fulfill their statutory obligations because of the costs involved. In real talk, Inadequacy of funds for various developmental projects stands as the cause for these shortcoming couple with increasing revenue allocation from the federation account to the local governments and state government habitual hijacking of the local government allocation. The most problem facing most local government in Nigeria is rural infrastructural development like motorable roads, electricity, good health facilities and portable water are not being enjoyed by the people in the locality. While there is much literature that look or examine the role or impact of local government on the local people under on their watch little. This study is out to fill the gap in our knowledge, examine how the local government internally generated revenue is affected the infrastructural development of Iffo local government area, Ogun state, Nigeria.

1.3 Research Questions

The study seeks answer to the following research questions:

- i. What is the relationship between revenue generation and rural infrastructural development in Ifo Local Government Areas?
- ii. To what extent does local government revenue affect rural infrastructural development in Ifo Local Government Areas?
- iii. How effective is revenue generation management in Ifo Local Government Areas?
- iv. What are the challenges of revenue generation and service delivery in Ifo Local Government Areas?

1.4 Objectives of the Study

1. To examine the relationship between revenue generation and rural infrastructural development in Ifo Local Government Areas.
2. To determine the extent to which revenue generation affects rural infrastructural development Ifo Local Government Areas.
3. To examine the effectiveness of revenue generation in rural infrastructural provision in Ifo Local Government.
4. To identify the challenges of revenue generation and rural infrastructural development in Ifo Local Government Area.

1.5 Hypotheses of the Study

Ho1: The amount of revenue generated by the local government has significant relationship with the level of rural infrastructural development in Ifo local government.

H02: The amount of revenue generated by the local government has no significant relationship with the level of rural infrastructural development in Ifo local government.

H3: There is relationship between effectiveness of revenue generation and rural infrastructural provision in Ifo Local Government.

H4: There is no relationship between effectiveness of revenue generation and rural infrastructural provision in Ifo Local Government.

H5: There is relationship between revenue generation management and rural infrastructural provision in Ifo Local Government.

H6: There is no relationship between revenue generation management and rural infrastructural provision in Ifo Local Government.

1.5 Scope of the Study

The research work is restricted to local government and internally generated revenue in Nigeria. The study examines the relationship between internally generated revenue of local government and how it affects rural infrastructural development in Nigeria. Since study cannot covers the whole Nigeria a scope, the study covers Ifo local government area of Ondo state of Nigeria. Hence the study focuses on how internally generated revenue affects the development of infrastructure in Ifo local government.

1.6 Significance of the Study

Previous studies like that of Jumare (2008) focused on statutory allocation to local government and service delivery and Youbi (2008) associated the failure of rural infrastructure by local government functionaries with bad local politics. This study focused on the one sources of local government revenue and rural infrastructural development. The study examines various ways of revenue generation in Ifo Local Governments Areas and in other local government areas in Nigeria.

This study will be of paramount significance to the society, mostly to those students in school of related studies (Banking and finance), policy makers in local government offices and the general public who are making or

intending to carry out research in the problems, make an input decision making to confront most local governments infrastructural challenges.

With an improved revenue generation, Ifo Local Governments will be able to meet the demands of the people and will be able to perform their primary functions of provision of essential services more efficiently. The study also revealed the extent to which an improved revenue generation will impact on development generally. The study is an added contribution to the existing knowledge on local government internally generated revenue and rural infrastructural development in Local Government. The research will also help other researchers who may wish to carry out research of similar nature.

1.7 Limitation of the Study

In every human endeavour, there are related limitations. This research study is no exception because a good number of constraints will arise. Apart from normal human and environmental constraints, other limitations that may be encountered are listed below:

1. There is very few detailed study that have been conducted in this area.
2. Poor response from respondents due to oath of office.
3. Geographical coverage since my research is limited to Ifo local government, Ogun State.

1.8 Definition of Terms

Local Government Local Government: is defined as Government at the local level exercised through representative council established by law to exercise specific powers within defined areas.

Revenue: any income or returns accruing to or derived by the government.

Internally Generated Revenue (IGR): This refers to the revenue or money collected by the local government from its internal sources (within the Local Government Area).

Taxation: This taxation is one of the ways local government generate revenue. this is a compulsory levy imposed by the local government, on most of the entire members of the society who are capable of paying tax or who expected to pay tax.

Personal income: this is a form of direct tax, which levied on the wages, salaries and other earnings of individuals.

Loans: loan described as a financial aid with interest payable.

Rent and royalty: these are payments made to local government properties or revenue, such as land, building, etc.

Grants: grant said to be financial aids without interest.

Charges, fines and fees: these are among the means of generating revenue by the local government.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The aim of this chapter is to examine the literature related to local government, rural development and internally generated revenue holistically. The chapter is discusses the concept of local government, functions of local government, problems militating against effective functioning of local government, local government and development, local government and rural development, the challenges of local government to infrastructural development in Nigeria, local government and internally generated revenue, Iffo local government and various forms of IGR, theoretical fiscal decentralization

2.1 Concept of Local Government

Effectiveness of local government is measured by the quality and quantity of rural development projects, which would be viewed as efficiency

and the social amenities it provides for the well-being of the local communities it services. Eghonmwan (1984) defined local government as a form of decentralization with its distinctive characteristics explained in the principle of locality, authority and viability. He went further to add that local level exercised through representative councils established by law to exercise specific powers within defined areas. The derivation is that local government is a form of devolution in public administration, which prescribes that a situation where all powers and functions are concentrated at the central either at the federal or state level, does not help the grassroots populace.

A local government is a geographical entity having a well-defined political bounding with district settlements such as towns, villages and hamlets is simply termed to be local government (Olawuwo et al., 2013). The United Nations Office for Public Administration defines local government as a political sub-division of national or (in a federal system), state which is constituted by law, and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purposes. The governing bodying of such an entity is elected or otherwise locally selected. The above definition has widely accepted as reasonably embracing both the Cambridge (UK) Conference on Local Government in Africa and the United Nations Conference at the

Hague in 1961 respectively. They considered and adopted the United Nations definitions.

Under the reforms of 1976, there were some new changes in the local government system. The first striking new element in the local government reform was the intervention of the Federal Government affairs. For a very long time, the Federal Government had been inactive or unconcerned about local government councils especially in the area of finance. Another innovation of the reforms was the emergence of local government as a meaningful third level of government in Nigeria. What this implies is that local government was by hierarchical structure recognized as the third tier or level of government. It was given adequate power, finances, and human resources to discharge their functions and those functions and powers were clearly though not exhaustively spelt out.

Again Akpan (1976) says local government implies the breaking down of a country into small units or localities for the purpose of administration in which the inhabitants of different units or localities concerned play a direct and full part through their elected representatives, who exercise power to undertake functions under the general authority of the national government. However, a definition which is generally referred to as comprehensive though not totally

exhaustive is that given by Whalen (1977: 19-93) as cited in Mawhood (1983) According to him, Each unity of local government in a given system is assured to possess the following characteristics, a given territory and population, an institutional structure for legislative, executive and administrative purposes a separate legal identify: With a delegation from the appropriate central or ambit of such delegation autonomy, subjects always at least in Anglo – America tradition to the limitations of common laws such as the test of reasonableness.

From the above definition it is clear that local government is seen as a sequence of a nation being divided into units for development, efficiency and convenience and whose primary intention is to bring development or efficient services to the local (grassroots) population. Its existence is also to ensure the execution of rural development projects in the communities and their traditional government in those areas.

2.2 Functions of Local Government

On what amounts to the functions of local governments, Aghayere (1996:47) pointed out that all local governments generally but specifically in Nigeria are established to revolve around the following;

- Those functions, which required detailed local knowledge for efficient performance.
- Functions in which success depends on communities' responsiveness and participation.
- Functions which are of personal nature requiring provision close to where the individual affected lives; and
- Functions in which significant use of discretion or understanding of individual is needed.

It is important to note however that Section 7(2)(b) of the 1999 Constitution of Nigeria (as amended) requires that in defining the geographical area of local government, regard is to be paid to:

- The common interest of the community in the area,
- Traditional association of the community, and
- Administrative convenience.

Sequel to the above, local governments can participate in economic planning and development to the area referred to in section 7(2)(b) above. However, since the local government reforms of 1976, and particularly in accordance with the Fourth Schedule of the 1999 Constitution (as amended) which itself is made pursuant to section 7(5) of the said 1999 Constitution, the

functions of local governments are divided into two categories – those which are exclusive to it and others which they may perform concurrently with state governments. The functions exclusive to local governments include:

1. Markets and motor parks;
2. Sanitary inspection, refuse and night soil disposal.
3. Control of vermin, slaughter houses, slaughter slabs;
4. Public Conveniences;
5. Burial grounds, registration of births, deaths and marriages, provision of community and local recreation centres;
6. Parks, gardens and public open spaces, grazing grounds, fuel plantations, licensing, regulation and sale of liquor.
7. Licensing, supervision and regulation of bicycles, hand carts and of hoardings, advertisements, use of loud-speakers in or near public places, and drumming, use of roads and streets and numbering of plots/buildings, control and collection of revenue from the forest, collection of vehicle parking charges, collection of property and other rates, community tax and other designated revenue sources.

2.3 Problems Militating Against Effective Functioning of Local Government

To Oviasuyi (2010), the effects of local government and community participation in national development are to be found in a number of key attributes which are present in and characteristic of good governance in local governments. These include that:

- Participation by both men and women either directly or indirectly through legitimate intermediate institutions or representation and all of which give rise to good governance at the national level.
- Transparency in the handling of issues such as service delivery etc.
- Responsiveness in the manner in which policies are implemented to represent adequately popular needs and expectations and indeed all stakeholders.
- Rule of law especially with the entronement of democratic tenets and practices through the exercise of the right to vote and be voted for in elections which are free and fair.
- Effectiveness and efficiency in the management of resources committed to programmes and projects of government to produce results that meet the needs of the community and the nation at large.
- Accountability by those entrusted with the management of affairs of the local governments.

2.4 Local Government and Development

Coming into the issue of development, development generally is an area that has attracted the attention of many scholars especially in the areas of education, provisions of infrastructures, provision of health facilities etc. Nwabueze (1973) sees development as a type of social change in which new ideas are introduced into a social system in order to improve the levels of living through more modern production methods and improve social organization. Lawal and Oladunjoye (2010) say real development involves a structural transformation of the economy, society, polity and culture of the state that permits the self generating and self-perpetuating use and development of the people's potential.

To Frank (1971), it is the process of guiding an organization towards the achievement of progressive political, economic and social objectives that are authoritatively determined in one manner or another. Also, in his perspective Hunter (1962) called attention to the core issues of under-development; poverty, unemployment, and inequality. These three basic questions occupy the central stage in his definition.

From the above postulations about development, it will be realized that the concept is not an easy concept to understand. It is approached from the

perspectives of different writers. It therefore, can be said to have very many dimensions, including local, state, federal, economic, political, social and personal perspectives. This is why one may be right if not very correct to say that, the concept of development could be likened to the theory of life itself. This conception about development being likened to a theory of life is because the current conception of development looks at it aggregately. This means that a complex factor of man's life includes that wielded together in transforming the locality where the local populace lives in order to give a realistic of development.

It is in the above light that Harsh (1993) conceives of development on a holistic basis as encompassing all aspects of a nation's life. Development therefore can be conceived of as a multidimensional process involving major changes in social structures, popular attitudes and national institutions, as well as acceleration of economic growth, the reduction of inequality, and the eradication of absolute poverty. Development in its essence must represent the whole gamut of changes by which an entire social system, turns to the diverse basic needs and desires of individuals and social groups within that system, and 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.

It is worth mentioning at this stage that development should be seen as an advancement which makes life more meaningful in all its entirety or ramifications; economic, political, social, cultural and personal aspects. The generality of consensus therefore, among those who believe in this school of thought is that development should be the watchword of government administration or system. Local government exists to provide services, such as rural infrastructure and it must be judged by its success in providing services up to a standard measured by a national inspectorate. Of course, development is clearly difficult to define, thus we would concentrate or focus on local government and rural development.

2.5 Local Government and Rural Development

Rural development is important to the people in the communities and to the government. Rural development is a procedure intended to enhance the standard of lives of individuals staying in the rural areas. This incorporated procedure included social financial, political, and spiritual development of the rural areas in the society (Chambers, 2005). Rural development made it

possible for rural women, men, and children, to have access to life's standard requirements (Chambers, 2005).

According to Lulloff and Wilkinson (2014), a renewed interest in self-help methods as well as a renewed recognition of rural poverty led to more attention being devoted to rural development and planning, the core of which was the formation of rural development strategies. Planning is indispensable to rural development. Rural development planning is multifaceted as it consisted of spatial or physical development, financial or monetary development planning, farming land use or land use procedures, and natural deposit management such as water, ecological, national forests, and forestry planning. The development of rural areas needed a detailed and holistic method, requiring a multisectoral effort and a bigger pool of organizations (Cloke, 2013). It included social, financial, political, and ecological procedures, congruent to efficient rural planning (Cloke, 2013).

The government at all level owns the people public services, including rural infrastructural development. The infrastructure includes in the words of Joseph, (2014) include, water supply, sewerage collection and disposal, refuse removal, electricity and gas supply, municipal health services, municipal roads and storm water drainage, street lighting, municipal parks and recreation. In this

regard, the service to be provided by local government in Nigerian are stated in the fourth schedule of the Constitution of the Federal Republic of Nigeria.

The infrastructures development have a direct and immediate effect on the quality of the lives of the people in that community. For example, if the water facilities substandard and water that is provided is of a poor quality or refuse is not collected regularly, it will contribute to the creation of unhealthy and unsafe living environments. Poor infrastructures can also make it difficult to attract business or industry to an area and will limit job opportunities for residents. According to Kadiresan (2009), infrastructures service delivery refers to the goods and services which the government both federal, state and local government provide to the general public in which the consumption of which depends not on consumers' income, but only on the need of the public.

In the words of Lubega (2000), infrastructures service delivery is the primary responsibility of every government, whether military or civilian, in which adequate good and essential services are produced by the public authorities (either direct or through contracting) to the citizenry. In fact, it is the only bond between the government, on behalf of the state, and the people. Lubega (2000) has actually said much about infrastructures delivery and its importance to the survival and sustainability of the social contract.

Of course, Public services offered by government are numerous and may include the provision of public utilities, security, economic development projects, and the enforcement of the law and so on. The delivery of public goods and services at the local government level or the grass root is aimed at moving the standard of living of the populace to the next level (Angahar, 2013). Consequently, the efficient and effective provisions of basic amenities and social infrastructures for the people at the grass root are key factors to the existence of any government (Bolatito & Ibrahim, 2014). In sequel to the above, the Nigerian constitution assigns responsibilities to the three tiers of government with states and local government playing the most significant role in the delivery of basic infrastructures. Some of the infrastructure expected from local government authority include education, health, housing, water, rural electricity, waste disposal services, roads, transport, and so on (Adeyemi, 2013; Agba, Akwara, & Idu, 2013). Thus local government councils are required to serve the public interest in areas of constructing 22 roads, public markets, healthcare centres, drainages, transportation, motor parks, building primary schools, among others (Bolatito & Ibrahim, 2014).

In support of this position, Agba, Akwara, & Idu (2013) contends that as agents of rural development, local governments are to use funds made available

to them by both federal and state governments and their internally generated revenue to improve on the lives of the people within their areas of operations through initiating and attracting developmental projects to the local government such as provision of access roads, water and rural electricity. Apart from being available political and administrative organ for the transformation of rural communities, local governments also act as the training ground for the breeding of the grassroots democracy fundamental in national development (Adeyemo, 1995; Lawal and Oladunjoye, 2010).

2.6 The Challenges of Local Government to Infrastructural Development in Nigeria

Challenges of Services Delivery at Local Government Level in Nigeria

Local government is the closet tier of government to the people in Nigeria, yet the resident population in it is denied the benefits of its existence. This is evident in the poor environmental state, deteriorating public school building, poor market facilities and lack of health centers (Olusola, 2011). It was put in place for reasonable purposes ranging from political, social, and economic reasons. These reasons are captured in section 7 (2) of the Nigeria constitution (Iguisi. 2010). It is quite disturbing over the years; that these purposes have not been fully realized. There has been a sustained argument that the 774 Local Government Areas, which form the third tier of government in Nigeria, are

contributing little to national development to justify their existence. Local government has not really facilitated rapid development at the grassroots, which is the essence of their creation (Amaechi. 2012). The concept of bringing governance closer to the people through a third-tier participatory form of government has not materialized in Nigeria. Lack of capacity of local government to fulfill the aspirations of their communities are caused by lack of adequate resources, including inappropriate fiscal base, the usurpation of its power to raise internal revenue and the manipulation of the state joint local government account (John, 2012). This development according to Mimiko in (Aborisade. 2012) has made people to see the councils as a place where top administrators' engage in corruption and an environment where supposed professional had little or no idea of what the councils should be doing. Thus, he directly related the challenges of service delivery to bad local government politics. While in real sense, the challenges of service delivery is a product not only bad local politics (through closely related to it) but also other things like poor revenue generation strategies, poor utilisation of the revenues generated and, among other things, poor project implementation mechanisms. Another reason for the failure of local government in area of services delivery is the role of the state governors in the affairs of local government.

The governors are found of taking over their financial allocation, taxes counterpart and refuse to conduct Local government elections, but instead ruling local government with appointed administrators, most of whom are party loyalists and their friends and relations turning the entire process of local governments into irrelevance schemes of things (Ukonga 2012). However, the implication of this according to Ajibulu (2012) is that local government is now considered as an extension of state's ministry. The inherent nature of this problem has caused subservience, a situation where local government waits for the next directives from states government before embarking on any developmental projects. This has made local government an object of control and directives.

Indeed, local government being a government has the responsibility of to provide economic political, social, culture and general welfare of its citizens. In order to meet up to these challenges, Government should provide infrastructural development and this will lead to efficient economic growth (Nkechi and Onuora, 2018). Oteh, (2010) asserts that infrastructure is the physical assets and services which are fundamental to growth and development of an economy. Furthermore, this is the reason why infrastructure is considered a facilitator of growth and development process.

Akpan & Nnanseh (2013) noted that infrastructure is referred to as the oil in the wheel of progress of a nation's economy. This means that no government can talk of growth and development without making a good impact on the provision of infrastructural projects. Infrastructural projects include the following: construction of bridges, road networks, hospitals facilities, building of schools projects, construction of markets, provision of electricity supply, pipe borne water supply etc. Therefore, revenue generation is said to be a corner stone for infrastructural development in today

2.7 Local Government and Internally Generated Revenue

There are basically two major sources of funds for the states and local governments. These are allocation from the Federalism Accounts (including VAT, Stabilization Receipts and General Ecology) and internal revenue generation (tax revenue and non-tax revenue) (Odoko and Nnanna [www.csae.ox.ac books/epon/fiscal/federalism](http://www.csae.ox.ac/books/epon/fiscal/federalism)). The term, revenue is discussed, described and defined in different ways by different researchers and scholars. For instance, Nightingale (2002) explains that the fund needed for governance in the public sector to finance government activities is referred to as revenue. Ipaye (2009) sees revenue as the cumulative income accruable to an organization (public or private) from one period to another. Bhatia (2006)

contends that revenue is receipt which includes —routine and —earned income; and revenue but does not include borrowings and recovery of loans and advances previously given to the third tier of government and other associated persons, rather, it is comprised of income taxes, vehicle, haulages, sales of government unserviceable properties, aids, royalties, fees among others.

Otunbala (2011) opines that government revenue includes the entire fund generated from oil and non-oil sources other than fund raised from issue of debt instrument such as government bonds, stocks, treasury certificates and treasury bills from capital and money market. Additionally, he states that the non-oil source includes income tax, receipts, changes, royalties, fees, utilities, miscellaneous revenues, among others. Stephen and Osagie (1985) noted that public revenue is concerned with the numerous ways in which government raises revenue.

Revenue is the sum of money generated from sources by an established organs or entity. However, revenue generation in local government according to Olawuwo et al (2013) is the sum of legislated or legitimate income usually in monetary term collected from citizenry for the purpose of rural development and for meeting other social needs of people. Revenue generated internally may be seen as income generated in the form of capital receipts and taxes, which

includes local rates, market taxes, and levies excluding any market where state finance is involved.

Bicycle, truck, canoe, wheel barrow and cart fees, other than a mechanically propelled truck, permits and fines charged by customary courts, local governments business investment, tenement rate, fees from schools, shops and kiosks rates, on and off liquor license fees, slaughter slab fees, marriage, birth and death registration fees; other sources of IGR include naming of street registration, fee excluding any street in the state capital, right of occupancy, fees on lands in the rural areas excluding those collectable by the federal and state governments, cattle tax payable by cattle farmers only, merriment and road closure levy, religious places establishment permit fees, sign board and advertisement fees, radio and television license fees (other than radio and television transmitter), wrong packing charges, hackney permit fees, earnings from commercial undertaking, e.g sales of farm products, sales of eggs and fowls, sales of fertilizer, income from piggery, fishery and snailery, rent on local government properties e.g rent on staff quarters, local government conference halls and ambulance(Onah, 1995). Revenue generation is the nucleus and the path to modern development (Onodugo, Onodugo, Asogwa Benjamin & Anyadike, 2015).

The viability of any local government depends on its internal revenue generation efforts; and the extent to which a local government can go in accomplishing its goals depend on its internally generated revenue (IGR) strength (Olusola and Siyanbola, 2014). Olusola and Siyanbola explained that —the capacity of local government to generate revenue internally is one very crucial consideration for the creation of a local council but what exists today is that local governments are just springing up without giving due consideration to how the local government to be established would be able to sustain itself. Olusola and Siyanbola (2014) posit that internally generated revenue (IGR) are revenue accruing to the local government from local initiatives of local government officials and backed up by the constitution as contained in the first schedule of the 1999 constitution of the Federal Republic of Nigeria.

Internally revenue generated refers to the money sourced by the local government within its area of operation or jurisdiction (Akindele, Olaopa & Obiyan, 2002). The internally generated revenue at the grass root level is the revenue local government generates internally within the area of its jurisdiction (Adebayo & Rowland, 1974). The revenue collectable by a local government

are varied and numerous and is guided by bye – laws that are applicable in each of the local government areas (Olusola & Siyanbola, 2014).

The Local Government level in Nigeria appears to be the worst affected tier in terms of sharp fall in IGR base. This occurrence no doubt has exacerbated the financial crisis they are currently going through. Adequate sound revenue base for local governments is an essential pre-condition for the success of fiscal decentralization (Bird, 2010). In addition to raising revenue power, local revenue mobilization has the potential to further political and administrative accountability by empowering communities (Slah, 2004). As noted by Uhunmwangho and Aibieyi (2013), the concept of local government is to bring governances closer to the people at the grassroots, with the aim of caring for the socio-economic and development needs of local populace.

Some prior researchers have contended that local governments are docile in terms of aggressive revenue collection to augment allocations from the federation account which they get on monthly basis; yet others hinged Local Governments' abysmal revenue generation on dishonesty on the part of council revenue collectors who in most cases, misappropriate collections made on behalf of the council (Nwoba, 2013). In the face of these challenges or allegations, it has become pertinent to investigate the fall in internally

generating revenue power of the local governments. Prior to the Revenue Act of 1981 and the availing of the Federation Account as a result of bulging oil proceeds of the 1980s, most local governments in the country had a greater share of their total revenue coming from internally generated revenue; the percentage of internal revenue generated to the total revenue was as high as .85% for some local governments, between 1962 and 1983 (Atakpa, Ocheni & Nwankwo, 2012).

With the present dwindling oil prices and its negative impacts on government revenue, many States and Local Governments are finding it difficult to cope with their financial Obligations. As a way forward, many researches are now being channeled out to assess various options for maximizing internal revenue generation, how to minimize the various bottle necks affecting the methods of collecting internally generated revenue from numerous sources. So governments can meaningfully discharge their primary responsibilities with little or no financial assistance from the international governments through grant donations and borrowings.

Udenta (2007) identified the types and sources of local government internal revenues to encompass fees; fees here connotes fees collectable from licensing of radio and television, bicycle and trucks, wheel barrows and carts,

canoes and pets, registration of birth, deaths and marriages. User charge is another type and source of local government internally generated revenue. This includes market stalls, and motor parks, public conveniences; rent is also a source of internally generated revenue to the local governments. Revenue from rents include shops and Kiosks, play grounds, restaurants and other eating places. Additionally, Udentia (2007) itemized sources of internally generated revenue to the government to be rates and tax of different types and forms.

Internally generated revenues from these sources are large enough to engender the optimal performance of local government given that every other factors are held constant. Despite this, Nwoba (2015) submits that one of the points of fundamental importance is the poor performance, if not the absolute non-performance of local government in Nigeria as regards roads, drains, health and other services required from them. He stresses further that the internally generated revenue sources of local government in South Eastern Nigeria is not viable.

The present financial problems in Nigeria cut across the three tiers of government despite their various revenue sources. Although, local governments have more revenue items listed in the Constitution than the state and federal government combined, these items offer little amount of revenue when

compared to the states and federal government; in addition, the 1999 Constitution created a loophole through the establishment and operation of State-Local Government Joint Account system which ensured that local government allocations from the federation account go through joint account with the state government (Yahaya et al., 2015). They note that given Nigeria's developing experience, where every opportunity is corruption driven, this has created serious problems for local governments as state governments use this as a vehicle to deprive local governments of their allocations through frivolous means. Furthermore, they opine that the situation is made worse since most of the leaders of the local government system are handpicked by state government it is difficult if not practically impossible for such local government officials to demand for accountability and transparency knowingly very well that they were not elected but rather selected by the state government.

Ifo Local Government and Various Forms of IGR

Ogun State is a state in southwestern Nigeria. Created in February 1976 from the former Western State, Ogun State borders Lagos State to the south, Oyo State and Osun State to the north, Ondo State, and the Republic of Benin to the west. Abeokuta is both Ogun State's capital and most populous city; other important cities in the state include Ijebu Ode, the former royal

capital of the Ijebu Kingdom, and Sagamu, Nigeria's leading kola nut grower. Ogun State had a total population of 3,751,140 residents as of 2006. The state is notable for having a high concentration of industrial estates and being a major manufacturing hub in Nigeria. Major factories in Ogun include the Dangote Cement factory in Ibese, Nestle, Lafarge Cement factory in Ewekoro, Memmcol in Orimerunmu, Coleman Cables in Sagamu and Arepo, Procter & Gamble in Agbara, amongst others.

Ogun state is divided into 3 (three) senatorial district: Ogun Central, Ogun East and Ogun west. Ogun Central is majorly comprises of the Egbas that occupied 6 local governments like: Abeokuta North (Akomoje), Abeokuta south (Ake), Ewekoro (Itori), Ifo (Iffo), Obafemi owode (Owode ẹgba) and Odeda (Odeda)

Poll Tax

The poll tax is a kind of levy imposed across the board by a governmental authority on every eligible citizen. It is a form of direct taxation paid at a flat rate irrespective of whether or not the taxpayer enjoys some kind of service provided by the government. Dlakwa (1990) in Jumare, (2008) observes that synonyms like community tax, head tax, and general tax are used as substitutes for poll tax. He also remarks that poll tax has a pejorative

connotation because, in its strict sense as propagated by Fredrick Lugard, it refers to a mode of taxation imposed on a "primitive community". Thus, its usage has become abundant with the advancements in economic activities in Nigeria. The basic feature of poll tax is its uniform application on members of a particular community having similar socio-economic characteristics.

The payment of poll tax is accordingly adjudged the most congenial means of fulfilling an individual obligation to the society. The economic reason hinges on the argument that "the first need of the modern government is revenue, which is indeed the breath of its nostrils".

Fees and Charges

Jumare (2008) observes that fees and charges are also known as user fees. They are usually paid directly by those who benefit from a given product or service towards meeting all or part of the cost. This contrasts with taxes, which are normally paid by eligible citizens of a political/economic system as a legal obligation without regard to the benefit that may accrue to the individual from how the tax is utilized. The basis for charging is cost recovery. Policy may permit charging less than the full cost, or may seek the recovery of more than the full cost, involving respectively a contribution to generate revenue. Bello-Imam and Eronin (1990) advance that "the extent to which services are financed

from fees and charges rather than taxation is an important element in politics for the overall distribution of income and welfare and for prices and income". They also note that fees and charges are not generally intended to raise revenue but to regulate the particular service on which they levied and the fees and charges sometimes lag behind the cost of providing the service for which they are charged.

Property/Tenement Rates

Orewa (1991) in Jumare, (2008) defines a rate as "a tax on the benefit derived from the occupation or use of any landed property". Such property includes underdeveloped land, or land on which a building or any physical structure is located. It is sometimes referred to as tenement rate because it is not imposed on plant, machinery and furniture. It could be regarded as a direct tax for the reason that it is collected from user/occupier of the property. But there is the possibility of shifting the burden from a tenant occupier to the owner; this possibility implies that property or tenement rates can also be regarded as indirect taxes. The basis of the assessment of a rate payable on a tenement can be capital, rental, and lavational or flat rate value of the property. The capital value is the estimated cost of constructing

a building, including the facilities it has, and in some cases taking account of the values of the land on which the property is situated. Professional or chartered valuers, who use technical parameters to arrive at the estimated cost of the property, undertake valuation of each tenement, a percentage, like five percent of the capital value, is regarded as the annual rateable value, which forms the basis or assessment of the rate payable each year.

Among the merits of the capital value assessment are the following. One, it could be an equitable tax on capital investments of the same value in an area. Two, the valuation is easy to be revised (upwards) as the property in an area appreciates in value over time. Three, it is either proportional or progressive and places lower burden on the less affluent. However, it has some demerits. Which include the following: First, the basis for assessment by professional values may be difficult for the average ratepayer to understand. Second-and related to the first, it could be overvalued or undervalued due to the sophisticated nature of the parameter. The rental value assessment involves the use of information on annual rents payable for different categories of buildings in an area devoted to various users.

The assumed annual rent becomes the basis of assessment. This approach has the benefit of being suitable for local areas with a combination of

rural and urban locations, or where there are divergent property values. It is better understood, relative to the capital method, given its relationship with the assumed market value of the property. There is the additional advantage of flexibility in dealing with booms and depressions. However, there are some problems that may confront the system of rental valuation.

2.8 Theoretical Framework: Fiscal Decentralization

Fiscal decentralization comprises the financial aspects of devolution to regional and local government. It is the fashionable term; the alternative description —central-local (or intergovernmental) fiscal relations¹¹ and —fiscal federalism¹² are often used. According to Davey (2003) fiscal decentralization theory covers two interrelated issues. The first is the division of spending responsibilities and revenue sources between levels of government (national, regional, local etc). The second issue is the amount of discretion given to regional and local governments to determine their expenditures and revenues (both in aggregate and detail). These combined dimensions have a significant impact on the reality of decentralization in its broader political and administrative sense. How much power and responsibility regional and local governments actually exercise depends substantially on;

- i) What range of public services they finance
- ii) Whether their revenues are commensurate with these responsibilities
- iii) How much real choice they have in allocating their budget to individual services
- iv) Whether they can determine the rates of their taxes and charges (both allowing them to vary their spending level and making them answerable to the taxpayers). The network of the theory posits that local finances involve the following variables/concepts
 - i) Spending responsibility
 - ii) Local taxes
 - iii) Intergovernmental transfer
 - iv) Capital finance
 - v) Local discretion
 - vi) Beneficiary of the government service (public)

The network of the theory posits that local finances involve the following variables/concepts

Spending Responsibility

Local Discretion

Capital Finance

Local Taxes

Service Delivery

Intergovernmental Transfer

The above theory is very important in this study for that it explains how internal and generated revenue helps local government in infrastructural development of Iffo local government. These services may range from primary health care, basic education and social welfare, development agriculture among other services that are within the constitutional functions of local government. The above discussed theory is relevant and applicable to this research. It tends to relate local taxes and intergovernmental transfer with infrastructural development with the former being a discretion of local government council. Thus, as stated by the theory the extent to which services are delivered depends on not only the local taxes collected and intergovernmental transfer but also the spending responsibility, capital finance and local discretion of the Iffo local government council.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter focuses on the methodology of the study. This consist of methods and approaches used, justification of the methods, instrument/tools used, population sampling and size, sampling procedure employed and method that will be use in the research analysis.

3.2 Research Design

The research will employ the use of both quantitative and qualitative analysis. Quantitatively, survey research method is used; on the other hand content analysis of the estimates of the internally generated revenue local governments will.

3.3 Population of the Study

Based on the 2006 population census figures, Iffo Local Government Area has a total population figure of 698,358. In terms of staff, Iffo Local Government has a total of 1400 staff.

3.4 Sampling Technique and Sampling Size

Purposive sampling technique will be used in selecting the staff respondents in the local government who are mainly from finance department and especially those that have direct bearing with the revenue generation in the Iffo Local Government Area. A simple random sampling will be employ. Hence, out of a total number of 1400 staff of Iffo Local Government, one hundred (100) staffs of the finance department will be taken as sampling size.

3.5 Instruments of Data Collection

Both primary and secondary data will be collected and analyzed to test the hypotheses already formulated in section one. The following are the methods and instrument of data collection.

Primary Data

These are the first hand data that will be use for this study which will be obtain through field work. One of the basic instruments will be used for collecting the primary data. That is the questionnaires. A carefully design but

wide-ranging questions aimed at eliciting right responses will construct and piloted in order to detect any abnormalities or inherent problems.

Secondary Data

The study made use of secondary sources. These are second hand or ready-made data collected, organized and presented by other researchers, agencies and government organizations in the form of reports. This type of data is critically important for examining the relationship between revenue and service delivery and also to test our hypotheses. These data are available in the library, Federal State and Local Government financial reports, project documents and accounting books among others.

3.6 Administration of Questionnaire

The questionnaire was designed to capture detailed profile of the respondents in addition to what they consider as the benefits and challenges facing the revenue generation. The questionnaire would be administered by researcher. The numbers of questionnaires that will be administer and return will be use for data analysis.

3.7 Method of Data Analysis

All the data collected will be organize and analyze using means and standard deviation.

CHAPTER FOUR

PRESENTATION OF DATA AND ANALYSIS

4.0 Introduction

This study is aimed at examining internally generated revenue (IGR) and development of rural infrastructure: a study of Ifo local government in Ogun state (2010-2019). This chapter is concerned with the presentation and analysis of information gathered through the use of questionnaire distributed to the respondents. During the survey, three hundred (300) questionnaires were administered and return completed.

The results of the analysis are tabulated below:

4.1 Analysis of Respondents Characteristics

Table 1: Sex Distribution

Sex	Responses	Percentage (%)
Male	56	18.7
Female	244	81.3
Total	300	100.0

Source: Field Survey, 2015

The table shows that 81.3% of the participants are female and 18.7% are male. This indicates that there are more female students respondents in the research work than male.

Table 2: Age Distribution

Age Interval	Responses	Percentage(%)
15-20	15	5.0
21-30	200	66.7
46 and above	85	28.3
Total	300	100.0

Source: Field Survey, 2015

Table 1 shows that 5.0% of the study population is below 20 years old, 66.7% are in the 21-25 age bracket, 28.3% in the 26-30 age bracket. The age distribution among the brackets show that about 87% of the population are adults.

Table 3: Marital Status

Options	Responses	Percentage (%)
Male	220	73.3
Female	80	26.7

Total	300	100.0
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Source: Field Survey, 2015

The table shows that 73.3% of the respondents are male while 26.7%, were female.

Table 3: Internally generated revenue has help in provision of a well-equipped health centre in Ifo local government council to reduce the death rate of the people

Qualification	Frequency	Percentage (%)
Strongly agreed	2	2.25
Agree	2	2.25
Undecided	28	31.46
Strongly Disagree	14	15.73
Disagree	43	48.32
Total	89	100

Source: Field Survey, 2021

From the table 3 above respondents represent 2.25% strongly agree that internally generated revenue has help in provision of a well-equipped health

centre in Ifo local government council to reduce the death rate, 2 respondent representing 2.25 agree, 28 respondent representing 31.46% were undecided, 14 respondent representing 15.73% strongly disagree, while 43 respondents representing 48.32% disagree.

Table 4: Internally generated revenue helps Ifo local government council to construct and maintain roads for easy movement of transportation

Options	Frequency	Percentage (%)
Strongly Agree	6	6.74
Agree	16	17.98
Undecided	22	24.74
Strongly Disagree	34	38.20
Disagree	11	12.36
Total	89	100

Source: Source: Field Survey, 2021

From the table 4 above respondents representing 6.74% strongly agree that Internally generated revenue helps Ifo local government council to construct

and maintain roads for easy movement of transportation, 16 respondents representing 17.98% agree, 22 respondents representing 24.74% were undecided, 34 respondents representing 38.20% strongly disagree, while 11 respondents representing 12.36% agree.

Table 5: Internally generated revenue helps Ifo local government council to provide and construction of school building

Qualification	Frequency	Percentage (%)
Strongly agree	20	22.47
Agree	9	10.11
Undecided	17	19.10
Strongly Disagree	43	48.32
Disagree	0	0%
Total	89	100

Source: Field Survey, 2021

The table 5 revealed that 20 of the respondents represent 22.47% internally generated revenue helps Ifo local government council to provide and construct free primary school building, 9 respondents represent 10% agree, 17

respondents representing 19.10% were undecided, 43 respondents representing 48.32% strongly disagree, 0 respondents representing 0% disagree.

Table 6: Ifo local government uses Internally generated revenue in construction and development of markets

Options	Frequency	Percentage (%)
Strongly disagree	3	3.37
Disagree	14	15.73
Undecided	6	6.74
Agree	29	32.58
Strongly disagree	37	41.56
Total	89	100

Source: Field Survey, 2021

The table above shows that 3 respondents representing 3.37% strongly agreed that Ifo local government uses Internally generated revenue in construction and development of markets. While 14 respondent representing

15.73% agreed, 6 respondent representing 6.74% were undecided, 29 respondents representing 32.58% strongly disagreed, while 37 respondents representing 41.56% disagreed.

Table 7: Ifo local government revenue generated is used in provision of clean water infrastructure.

Options	Frequency	Percentage (%)
Strongly agree	0	-
agree	9	10.11
Undecided	35	39.33
disagree	24	26.97
Strongly disagree	21	23.60
Total	89	100

Source: Field Survey, 2021

The table reveals that 0 respondents strongly agreed that Ifo local government revenue generated is used in provision of clean water for the people, 9 respondents representing 10.11% agreed, 35 respondents representing 39.33%

were undecided, 24 respondents representing 26.97% agreed, while 21 respondents representing 23.60%, strongly agreed.

Table 8: There is a significant relationship between the used of grass root revenue collection centres by Ifo L. G. A and internally generated revenue base

Options	Frequency	Percentage (%)
Strongly agree	14	15.73
Disagree	9	10.11
Undecided	6	6.74
Disagree	37	41.57
Strongly disagree	23	25.84
Total	89	100

Source: Field Survey, 2021

From the above table, 14 respondents representing 15.73% strongly agree that, there is a significant relationship between the used of grass root revenue collection centres by Ifo L. G. A and internally generated revenue base while 9 respondents representing 10.11% agree, 6 respondent representing

6.74% were undecided, 37 respondents representing 41.57% disagreed, while 23 respondents representing 25.84% strongly disagree.

Table 9: There the use of private consultants to collect IGR is a good strategy to increase revenue base in Ifo L. G. A.

Options	Frequency	Percentage (%)
Strongly agree	12	13.48
Agree	11	12.36
Undecided	4	4.49
Disagree	30	33.71
Strongly disagree	32	35.96
Total	89	100

Source: Field Survey, 2021

From the above table, 12 respondents representing 13.48% strongly agree that the use of private consultants to collect IGR is a good strategy to increase revenue base in Ifo L. G. A. 11 respondents representing 12.36% disagree, 4 respondent representing 4.49% were undecided, 30 respondents

representing 33.71% disagreed, while 32 respondents representing 35.96% strongly agree.

Table 10: There is a better level of utilization of the revenue generated in your Local Government Area

Options	Frequency	Percentage (%)
Strongly Agree	14	15.73
Agree	9	10.11
Undecided	6	6.74
Strongly Disagree	37	41.57
Disagree	23	25.84
Total	89	100

Source: Field Survey, 2021

From the above table, 14 respondents representing 15.73% strongly agree, that there is a better level of utilization of the revenue generated in your Local Government Area. 9 respondents representing 10.11% disagree, 6

respondent representing 6.74% were undecided, 37 respondents representing 41.57% agreed, while 23 respondents representing 25.84% strongly agree.

Table 11: Mismanagement of revenue funds is the major challenges in Ifo Local government area

Options	Frequency	Percentage (%)
Strongly agree	34	38.20
agree	7	7.87
Undecided	26	29.21
Disagree	17	19.10
Strongly Disagree	5	5.62
Total	89	100

Source: Field Survey, 2021

The table above shows that 34 respondents representing 38.20% strongly agree, that mismanagement of revenue funds is the major challenges in Ifo Local government area. While 7 respondents represent 7.87% agree, 26

respondents representing 29.21% were undecided, 17 respondents representing 19.10% disagreed, while 5 respondents representing 5.62% strongly disagree.

Table 12: Bribing and corruption are major challenges in Ifo Local government area

Options	Frequency	Percentage (%)
Strongly agree	34	38.20
agree	7	7.87
Undecided	26	29.21
disagree	17	19.10
Strongly disagree	5	5.62
Total	89	100

Source: Field Survey, 2021

The table above shows that 34 respondents representing 38.20% strongly agree that bribing and corruption are major challenges in Ifo Local government area, 7 respondents represent 7.87% agree, 26 respondents representing 29.21%

were undecided, 17 respondents representing 19.10% strongly disagreed, while 5 respondents representing 5.62% disagree.

4.2 Testing of Hypothesis

Testing Hypothesis One

Ho: The amount of revenue generated by the local government has significant relationship with the level of rural infrastructural development in Iffo local government.

H01: The amount of revenue generated by the local government has no significant relationship with the level of rural infrastructural development in Iffo local government.

Computation of Chi-Square Value

O _i	E _i	(O _i -e _i)	(O _i -e _i) ²	$\frac{(O_i - e_i)^2}{E_i}$
227	150	127	16129	107.5
227	150	-127	16129	107.5
300	300			$x^2 = 215.0$

$$\text{Where } e_i = \frac{n}{k} = \frac{300}{2} = 150$$

Degree of freedom = $K - 1 = 2 - 1 = 1$, and

5% level of significance which

$$x^2 \text{ tab } (005.1) = 3.841.$$

Decision Rule:

If $x^2 \text{ cal} < x^2 \text{ tab}$ accepted Ho, otherwise do not accept Ho.

Decision:

Since the computed value of 215.0 is greater than the table value of 3.841 at 5% level of significant, therefore rejects, the null hypothesis which stated amount of revenue generated by the local government has significant relationship with the level of rural infrastructural development in Ifo local government and accept the alternative hypothesis which stated that the amount of revenue generated by the local government has no significant relationship with the level of rural infrastructural development in Ifo local government

Testing Hypothesis Two

H0: There is relationship between effectiveness of revenue generation and rural infrastructural provision in Ifo Local Government.

H4: There is no relationship between effectiveness of revenue generation and rural infrastructural provision in Ifo Local Government.

Computation of Chi-Square Value

O _i	E _i	(O _i -e _i)	(O _i -e _i) ²	$\frac{(O_i - e_i)^2}{e_i}$
31	75	-44	1936	25.81
71	75	-4	16	0.21
159	75	84	7056	94.08
39	75	-36	1296	17.20
300	300			$x^2 = 137.3$

$$\text{Where } e_i = \frac{n}{k} = \frac{300}{2} = 150$$

Degree of freedom = K - 1 = 2 - 1 = 1, and

5% level of significance which $x^2 \text{ tab } (0.051) = 7.815$.

Decision Rule:

If $x^2 \text{ cal} < x^2 \text{ tab}$ accept Ho, otherwise do not accept Ho.

Decision:

Since the computed value of 173.3 is greater than the table value of 7.815 at 5% level of significance, therefore the amount of revenue generated by the local government has no significant relationship with the level of rural infrastructural development in Ifo local government and accepted the alternative hypothesis which stated that there is no relationship between effectiveness of revenue generation and rural infrastructural provision in Ifo Local Government

Testing Hypothesis Three

H0: There is relationship between revenue generation management and rural infrastructural provision in Ifo Local Government.

H5: There is no relationship between revenue generation management and rural infrastructural provision in Ifo Local Government.

Computation of Chi-Square Value

O _i	E _i	(O _i -e _i)	(O _i -e _i) ²	$\frac{(O_i - e_i)^2}{e_i}$
254	150	104	10816	72.11
46	150	-104	10816	72.11
300	300			$x^2 = 144.22$

$$\text{Where } e_i = \frac{n}{k} = \frac{300}{2} = 150$$

Degree of freedom = $K - 1 = 2 - 1 = 1$, and

5% level of significance which $x^2 \text{ tab } (0.051) = 3.841$.

Decision Rule:

If $x^2 \text{ cal} < x^2 \text{ tab}$ accept Ho, otherwise do not accept Ho.

Decision:

Since the computed value of 144.22 is greater than the table value of 3.841 at 5% level of significance, therefore accept the null hypothesis, which stated that there is relationship between revenue generation management and rural infrastructural provision in Ifo Local Government and reject the alternative hypothesis.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This research examined the impact of revenue generation on community development. The research is divided into five main chapters. Chapter one is apparently introductory in nature which provides the basis upon which the whole research was carried out. Chapter one is apparently introductory in nature which provides the basis upon which the whole research is carried out.

The chapter identified the problem of poor infrastructural development in Ifo local government area. It showed that with the problem of revenue generation, it has become increasingly difficult for Ifo local governments to take active step in rural infrastructural development and fulfill their statutory obligations because of the costs involved. To find answers to the problem, some research questions were raised: what is the relationship between revenue

generation and rural infrastructural development in Iffo Local Government Areas? To what extent does local government revenue affect rural infrastructural development in Iffo Local Government Areas? How effective is revenue generation management in Iffo Local Government Areas? What are the challenges of revenue generation and service delivery in Iffo Local Government Areas? These guide us in realizing the objectives such as to examine the relationship between revenue generation and rural infrastructural development in Ifo Local Government Areas, the extent to which revenue generation affects rural infrastructural development Ifo Local Government Areas, to examine the effectiveness of revenue generation in rural infrastructural provision in Ifo Local Government and to identify the challenges of revenue generation and rural infrastructural development in Ifo Local Government Area.

Chapter two reviews the various literature relevant to the study in terms of conceptual issues, development of local government in Nigeria, sources of revenue generation in Nigeria local governments, external and internal sources of revenue generation, role of internally generated revenue in Ifo local government, ways of improving Ifo local government revenue generations.

The chapter three deals on the methodology of the study, the research design and methods of data collection were discussed. The hypothesis were

tested method was specified to be chi-square. A sample size of one hundred respondents was chosen. Questionnaire was structured using the research question raised in chapter one and literatures used in chapter two.

Chapter four was the data presentation and analysis whereby all the data collected from the survey were summarised, organised, presented and analysed using simple percentage and the hypothesis were tested using chi-square.

Chapter five concluded the study. The chapter dealt with summary, conclusion and recommendations. The chapter summarised the whole work and conclusions were drawn while recommendations were made on how to improve local government revenue generation in order to provide more services.

5.2 Conclusion

Based on the data collected, presented and analysed and the result of data analysis, the following conclusions are discernable: That development provisions by local government is the product of the ability to generate revenue internally. Therefore, based on this, the higher the revenue the higher the number/quantity of development projects provided and vice versa. That commercial/economic activities are great determinants of local government revenue and subsequently development provision. This is based on the data analysis where results have shown that Ifo local government revenue generation

capacity has more effects on basic amenities provisions. It is therefore concluded that, this is as a result of the growing level of economic/commercial activities in the local government area.

5.3 Recommendations

The following recommendations among others would serve as ways through which Ifo local government revenue generation should be boosted in order to improve the level of community development to the local citizenry.

Having established that the more the revenue generated the more developments are provided to the citizenry, more revenue sources should be identified, adopted and develop in order to increase and improve the revenue base of the local governments. The present revenue sources should also be fully tapped to improve the revenue base of the local government. Here, it is strongly recommended that the local government should adequately be involved in commercial transportation. By this, it means that commercial vehicles (cars, buses and trailers) should be purchased and operate, not on a subsidised bases but purely on commercial bases that is profit maximisation. However, this commercial vehicles should not be managed by any official or any department of the local government council, but a management consult be given to manage.

Diversification of income sources should be made in the local government under study. However, findings revealed that Ifo local government has more revenue sources perhaps due to the fact that the it is having more commercial and economic activities. This diversification could be done even in terms of agriculture in addition to the commercial undertaking.

In order to ensure that taxpayers pay their taxes as at when due, a public enlightenment campaign should regularly be organised explaining the importance of paying tax not only for revenue generation but also for community development. There has always been reciprocity between tax payers and the government (Local Government). Tax payers refusal to pay local taxes was as a result of poor developments or lack of developments rendered by local governments.

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**DEPARTMENT OF PUBLIC ADMINISTRATION
FACULTY OF SOCIAL SCIENCE
UNIVERSITY OF BENIN
BENIN CITY**

QUESTIONNAIRE

Dear respondents,

The purpose for this questionnaire is to investigate **internally generated revenue (IGR) and development of rural infrastructure: a Study of Ifo Local Government in Ogun State (2010-2019)**.

This research work is purely for academic purposes and will be treated as confidential. You are hereby required to kindly respond by providing answers to the questions below to help the researcher carry out the research adequately.

SECTION A

Instruction: Please tick as appropriate

Gender: Male(), Female ()

Age: 15 - 20 (), 21 - 30 (), 31 - 45 (), 46 and above ()

Marital Status: Single (), Married ()

Occupational: artisan (), civil servants (), farmers ()

SECTION B

S/N	ITEMS	SA	A	D	SD
Research Question One	What is the relationship between revenue generation and rural infrastructural development in Ifo Local Government Areas				
1.	Internally generated revenue has help in provision of a well-equipped health centre in Ifo local government council to reduce the death rate of the people				
2.	Internally generated revenue helps Ifo local government council to construct and maintain roads for easy movement of transportation				
3	Internally generated revenue helps Ifo local government council to provide and construct free primary school building				
Research Question	To what extent does local government revenue affect rural infrastructural development in Ifo Local Government Areas				

Two					
4	Ifo local government uses Internally generated revenue in construction and development of markets				
5	Ifo local government area revenue generated is used in provision of good refuse collection system				
6	Ifo local government revenue generated is used in provision of clean water infrastructures for the people				
Research Question Three	How effective is revenue generation management in Ifo Local Government Areas?				
7	There is a significant relationship between the used of grass root revenue collection centres by Ifo L. G. A and Internally generated revenue base				
8	there the use of private consultants to collect IGR is a good strategy to increase revenue base in Ifo L. G. A.				
9	There establishment of grass root revenue collection centres has been more efficient on Internally generated revenue because prospective tax payers in the informal sector category in the L. G. A. do not have banks / tax station very close to them				
10	Ifo L. G. A. used of professionals to carry out assessment of taxes, levies and charges boost Internally generated revenue based				
Research Question Four	What are the challenges of revenue generation and service delivery in Ifo Local Government Areas?				
11	There is a better level of utilization of the revenue generated in your Local Government Area.				
12	Mismanagement of revenue funds is the major challenges in Ifo Local government area				
13	Bribing and corruption are major challenges in Ifo Local government area				
14	Poor manpower training are the major challenges that affecting the smooth generation of revenue in Ifo local Government				