
**EFFECT OF INTERNALLY GENERATED REVENUE ON GRASSROOT
DEVELOPMENT OF PORT HARCOURT CITY LOCAL GOVERNMENT COUNCIL**

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Abstract

Grassroots development means making life better for people in rural areas as a whole. It is therefore the constitutional responsibility of local governments to ensure that the rural populace partakes of development opportunities at different points in time through the maximization of internally generated revenue as stated in the Constitution. The study made use of survey research design and purposive sampling techniques and also Localism theory as its theoretical framework. Both primary and secondary data were used for the study. The primary data was analyzed with the use of the four-point Likert scale tool of analysis while the secondary data generated from journals and textbooks were analyzed with the use of content analysis. The findings from the study reveals that lack of community consultations and meetings and the practice of State-Local Joint Accounts affect the efficiency of Port Harcourt City Local Government Council and this study therefore recommends amongst others, that, there should be a review of taxes appropriated to federal, state and local governments and that local governments should be made independent.

Keywords: *Local government, revenue, grassroot development.*

1.1 Introduction

It is a fact universally acknowledged that no central government can successfully run administration from the centre via the state workers who are stationed at the national level. Because of this, there is a natural need for certain types of decentralisation to be implemented, which will make it possible for the central authority to reach out to the people at the local level without any problems. This highlights the need for the establishment of local government councils, which are charged with the responsibility of providing services tailored to the specific requirements of individuals living at the most grassroot level of society (Zoaka, 2010). In other words, the primary purpose for the establishment of local government in Nigeria and any other area of the world is to support grassroots development. Local government has been seen as a means for

grassroots and national development over the years, and this is why, in spite of the numerous challenges; it has brought about modern achievements in the fields of politics, economics, technology, communication, etc. (Akindele & Ajila, 2013).

Olukotun (2019) argues that local government is that public sector organizations which is at the lowest sub-national level of government, legally and constitutionally recognized and required to take on certain responsibilities at the community level. They are a form of governance strategy that operates at the grassroots level and are comprised of elected representatives that strive for the expansion and improvement of the rural population. The above definition of local government council is in accordance with that of Otu and Anam (2019) who asserted that local government is a unit of government in a federal system created by law to exercise political power via a representative council within a designated territory. What this implies is that local governments all over the globe are legally formed and recognized bodies that are burdened with the obligation of boosting rural development.

The Nigerian Constitution mandates the creation of locally elected government councils at every local level of government. Local government councils must be democratically elected in accordance with the provisions of Section 7 (1) of the Constitution, which also mandates that state governments must ensure the existence of these councils in accordance with a law that specifies their establishment, structure, composition, and financial support, as well as their functions.

Keeping the aforementioned information in mind, it is appropriate to state that the task of bringing about grassroots development in rural regions lies with the local government councils. According to Caulfield and Larsen (2002), grassroot development goals in Nigeria include: reducing rural poverty and unemployment; Integration of grassroots communities in national socio-economic and political development through effective participation in their own affairs; Increase the income of rural people whose main source of income is agriculture and non-agricultural activities, such as, among others, handicrafts and petty trade. Thus, local government is saddled with a hug responsibility of ensuring that the grassroot areas are developed.

Under the Nigerian Constitution, local government councils have the power to raise funds from both the federal account and the state government. Section 7(6) of the Constitution provides that (a) the National Assembly shall make provision for the statutory distribution of public revenue among the local government councils of the Federation; and (b) the State Legislative Assembly shall enact provisions relating to the statutory distribution of public revenues among local government boards in the State. In order for each state to be eligible to receive this revenue, the Constitution requires each state to maintain a single account called the "Joint Local Government Account". This account is the recipient of all appropriations that are distributed to state local government councils from the federation account. In addition, Schedule IV of the

1999 Nigerian Constitution defines the functions of local government councils and also clearly outlines some of the revenue generation opportunities at the local government level to help them bring about grassroot development at the local level. These activities include state economic development, particularly in the areas of council and state powers, the collection of tariffs, radio and television licenses, and the establishment and maintenance of radio stations and local television specifically (except for motor trucks).

No doubt Port Harcourt City Local Government Council like other local government councils have perform the functions as contained in the Fourth Schedule of the 1999 Constitution, but the question left to be answered is how well have local governments councils in Nigeria faired in the generation off the internal revenue and how efficiently have they used same funds to entrench grassroot development. To that effect, the purpose of this study is to identify the challenge bedeviling local governments in Nigeria with particular reference to Port Harcourt City Local Government Council and how those challenges can be surmounted so as to enable them bring about development at the grassroot level.

1.2 Statement of the problem

Grassroots development, also known as rural development, is the driving force behind the establishment of local government councils in Nigeria. Rural development encompasses a variety of economic, social, and political endeavours with the intention of enhancing the quality of life and living conditions of those who live in rural areas. This is the most important reason for the establishment of these councils.

According to Oladele (2020), local government councils are required by law to receive funds from the state government. In addition, local government councils under the jurisdiction of each state are entitled to receive a certain share of the general state revenue in accordance with the terms and conditions established by the National Assembly. This provision is contained in Section 162 (7) of the Constitution. This money is added to the income of the Federation account and, in accordance with Article 4 (1) of the Distribution of Revenues, it must be deposited in the local government's common state account (Federation account, etc.). The law provides that, in addition to the appropriations from the Federation account to the local government councils, each state of the Federation shall contribute to the joint state-local government account, during each quarter of the fiscal year, an amount equal to ten percent of state revenue. Inland revenue for that quarter of the respective state. This is in addition to allocations made from the Federation account to local government councils. Subject to the provisions of Section 4(2) of the Act, ten percent of the revenue shall be distributed to local governments in that State in accordance with the terms and method established by the State House of Assembly.

Inspite of the above, Ousola (2011) is of the opinion that in Nigeria the efforts of local

government councils' programmes at reducing the incidence of poverty have not yielded much result at the grassroots level even with local government as an institution in Nigeria receiving much attention in terms of grandiose reforms. The 1976 Local Government Reforms is often regarded as a significant landmark in the effort at repositioning local government in Nigeria for better performance. In addition to this, the degree of development in a number of the towns and villages that are part of the Port Harcourt City Local Government Council is still limited, and the general economic growth and development are moving at an unacceptably and sluggish pace. Poor agricultural production, fast population growth, unemployment, and a lack of basic social amenities are some of the indicators of this heinous scenario, which had resulted in dehumanising rural poverty and underdevelopment in all of its implications. Due to the fact that the people live on the edge of poverty, they are impoverished, and they are ignorant, all of which work together to weaken their immunity and natural resistance to illnesses. The trajectory of this research on locally produced income and grassroots development in the Port Harcourt City Local Government Council in the state of Rivers is informed not just by these challenges but also by others like them.

1.3 Research Questions

Upon the issues raised above, the study presents the following research questions:

- i. What are the possible challenges affecting local government administration and grassroots development in Port Harcourt City Local Government Council of Rivers State?
- ii. What strategies can be adopted to entrench grassroots development in Port Harcourt City Local Government Council in Rivers state?

1.4 Objectives of the study

- i. To examine the challenges facing local government administration and grassroots development in Port Harcourt City Local Government Council of Rivers State?
- ii. To suggest strategies that can help bring about grassroots development in Port Harcourt City Local Government Council in Rivers state?

2.1 Conceptual Discourse

The concept of local government

One thing can be seen in any definition as it relates to what local government really is, and this is the fact that local governments all over the world are government at the grassroots level that is mandated by the constitution to bring about rural development. The concept of local government has been defined from different perspectives and dimensions over the course of time by various academics. Kenneth and Asiegbu (2021)

are of the opinion that the local government is one crucial agency that plays a significant part in the contemporary state system all over the world. This is due to the fact that they serve as the grassroots mechanism that has a direct impact on the core of the federal state as well as the fundamental essence of federalism. In addition to this, Ogunna (1996) considers local government to be a political authority that is fundamentally established by law for the purpose of fostering the development of local communities. This political authority gives local communities the ability to manage their own local and public affairs within the bounds of the constitution. Hence, we can agree that local government is bestowed with the political power to manage and control the activities of the local communities and they are backed by the constitution of the land. All local government has structure and they perform different functions, but the exact structure or function of a local government system is a product of the reality of the larger political system.

Despite the abundance of other definitions, the one that is provided by the 1976 Local Government Reform Guidelines is often cited as being among the clearest and most comprehensive descriptions of local government in Nigeria and that is that local government is defined as government at the local level executed by representative councils created by law to exercise certain tasks within the designated boundaries" according to the rules (Federal Republic of Nigeria, 1976).

Grassroots development

Local government in Nigeria was established for a variety of reasons, the most important of which is to promote grassroots development, also known as rural development. Rural development encompasses a variety of economic, social, and political endeavours with the intention of enhancing the quality of life and living conditions of those who live in rural areas. Grassroots development is the duty of the local government, and it is carried out with the active co-operation of the state government, the federal government and the local people. Its primary objective is to improve the general welfare of the populace living within its sphere of influence. The term "grassroots development," sometimes known as "rural development," was used by Ibrahim (1980) to refer to the process by which the quality of life at the grassroots level is improved in terms of politics, society, and the economy. According to this definition, grassroots development is a multi-faceted process that involves significant changes in social structures and circumstances of existence, as well as the participation of rural residents in decision-making processes that have an impact on those residents' lives.

Grassroots development, in this sense, is seen as a method for meeting the fundamental requirements of the people living in rural areas, according to an a priori line of reasoning. In spite of the apparent ambiguity that surrounds the meaning of grassroots development, this study aligns with the definition that was postulated by the World Bank as cited in Ariyo and Oikhala (2021). According to this definition,

grassroots development can be understood in terms of methods and strategies designed to improve the well-being of a particular group of people, especially those who live in local areas. The bottom-up approach to development emphasizes the participation of local people in solving local problems, as well as the promotion and protection of local people's interests. Accordingly, grassroots development focuses on development mechanisms that minimize the top-down or top-down approach to development, instead, grassroots development emphasizes a bottom-up approach to development.

Internally generated revenue and grassroots development in Nigeria Local Government Councils: The possible challenges

According to Oseni (2013), income is defined as any revenue or income received or derived from any source by the government of the Federation. This includes any receipt, however described, arising under the operation of any law; any income, however described, arising out of or relating to any property belonging to the government of the Federation; and any reward, this is in accordance with Section 162(10) of the 1999 Constitution of the Federal Republic of Nigeria.

Prior to the local government reform of 1976, all opportunities to generate internal revenue were exploited. Internal revenue generation as the main means of local government financing was replaced by revenue from statutory federal appropriations soon after the introduction of compulsory appropriations following the 1976 reform (Ebelo, 2013). According to Atakpa et al. (2012), this was primarily highlighted as the primary obstacle to the development of internal revenues at the local level of government. They came to the conclusion that the local governments could not be financially independent unless they turned inward and maximized the income streams available to them inside their communities. The Money Act of 1981 made it feasible for local government councils to largely forego their conventional sources of revenue which are produced domestically. This was made possible by the fact that the act was passed in 1981. The majority of the money that are self-generated within local government councils are used toward offsetting the costs of governance that are incurred by the third levels of government. Because of the skyrocketing cost of administration, capital investments are now relatively unimportant when weighed against the cost of running the government.

Local government councils in Nigeria and particularly River's state obtain funding from a variety of internal and external sources. Allotments from the federal account, funding from state governments, charitable donations, and loans make up the external sources. Nevertheless, the accounts of the federation and the state governments are the primary sources of money from the outside sources. The money that is produced in-house by the Local Government Council as a direct result of the activities that they carry out is referred to as the Internally generated revenue. The local governments in Nigeria are saddled with a significant amount of obligations to

fulfill and among them are the promotion of social and economic betterment and development, the mobilisation of local resources, and the consolidation of the nation's political institutions.

Ojo (2009) provides a detailed inventory of the roles that local government areas in Nigeria play, which might be summarised as follows:

- a) Collecting fees and radio and TV licences;
- b) Setting up and taking care of cemeteries;
- c) Issuing licences for bicycles, trucks (other than trucks with motors), canoes, wheelbarrows, and carts;
- d) Building and keeping roads, streets, street lights, drains, and other public highways in good shape;
- e) Giving streets and roads names and giving house numbers;
- f) Providing and taking care of public toilets, sewage, and trash collection;
- g) All births, deaths, and marriages must be recorded;
- h) Providing and keeping primary, adult, and vocational education going;
- i) Giving and keeping up health services, among other things.
- j) Making plans for economic growth and planning for the local government area;
- k) Building, keeping up, and regulating slaughterhouses, slaughter slabs, markets, parking lots for cars, and public toilets;
- l) The valuation of privately owned houses or tenements for the purpose of charging the rates set by a state's House of Assembly;

He also said that the local government is in charge of:

- a) Billboards and other outdoor ads;
- b) The movement and keeping of all kinds of pets;
- c) Stores and restaurants that sell food to the public;
- d) Laundries;
- e) Licensing, controlling, and regulating the sale of alcohol;
- f) Taking part in:
- g) Providing and keeping up with health care services;
- h) Any other jobs that the state House of Assembly might give them (Ojo, 2009).

Nigeria's constitution says that there are two main ways for local governments to get money: from within the country and from outside the country. Internal sources, also called local revenues, are those that a local government can tax. In some systems, these kinds of jurisdictions are constitutional, while in others, they are not. In the case of Nigeria, the constitution spells out both the function and tax jurisdictions. There are tax laws to help bring in money. The Nigerian Constitution's Fourth Schedule states the functions of local government. As earlier stated, a lot of these exclusive (mandatory) functions come with ways to make money. Most of the time, local governments' own money comes from:

- a. Money from local taxes,
- b. Money from user fees, and
- c. Money from running the government.

Grassroots development means making life better for people in rural areas as a whole. Concerns include, among other things, reducing poverty, increasing productivity, providing basic services like health care, education, clean water, and sanitation, and building a strong infrastructure that helps development. Adedokun (2004) is of the view that grassroot development strategies are concerted efforts made to narrow the poverty gap between urban and rural areas. Local government, as the third tier of government in a federal state, is designed to be an agent of development. These include developing an enabling framework for a sustained rise in per capita production and incomes, expansion of productive employment and more equality in the distribution of the benefits of development.

However, it appears that Port Harcourt City Local Government Council like some other local government council is bedeviled by a lot of constraints which hinder them from bringing about grassroot development in Nigeria.

According to Agu (2011), the absence of contemporary technology in the collection of local taxes is something that has not yet been included into IGR planning and collecting strategies. Because of this, officials in the local government have been forced to depend mostly on physical collection of taxes, memoranda, and letters to communicate with taxpayers. Because the majority of the tax revenue is received in the form of cash, there are several potentials for corruption and theft. These deficiencies often result in the payment of various taxes as well as harassments. According to Khalil and Adelabu (2011), political leaders and bureaucrats in local governments are spending public money inefficiently, which leads to a waste of public funds.

More so, Otu and Anam (2019) revealed that lack of local government autonomy in Nigeria affect grass root development. Political and administrative autonomy to local government is provided in Section 7 of the 1999 constitution to enable local

governments to take initiatives in the administration of their localities. These autonomies also include the rights to revenue drives and other economic activities. Unfortunately, this constitutional provision has become a mere rhetoric as local governments in Nigeria have been reduced to puppets and political instrument in the hands of state governments. The practice of State-Local Joint Accounts further limits the power of the local government in resource distribution. Also, lack of community participation in grass root development programmes is a challenge.

It is important to note that grassroots development should emerge from a process in which the people living in rural areas are allowed to take part in all of the crucial stages of decision-making, beginning with the identification of problems and the formulation of projects, continuing with the collection of resources and the implementation of those projects, and ending with monitoring and evaluation. This would guarantee that the issues being addressed are the top concerns of the communities that are being impacted. The local communities need to be made aware of their leadership roles and responsibilities from the very beginning of the project planning and execution process, and they need to be encouraged to recognize these roles and responsibilities. This must be done in partnership with the officials of the local government.

Furthermore, Zoaka (2010) laments the problem of misplaced priorities at the level of local government in Nigeria. This is a consequence of the people not being involved in the decision-making process about issues that have a direct bearing on them. Accordingly, many development initiatives that are carried out by various local governments do not represent the fundamental needs of the population. To the neglect of the fundamental requirements of the rural population, numerous "white elephant" projects with enormous initial investment costs are being carried out. These projects include the construction of a complex secretariat, the construction of a dam for a tourist site, and the taxation of local governments to fund higher education.

Again, the lopsidedness in the collection of the more lucrative taxes by the federal government affects the efficiency of the local government councils in bringing development to the grassroots. According to Egonmwan (1984), the fact that state governments acquired more profitable, resilient and collectible sources of revenue (e.g., water tariffs, motor vehicle registration fees and construction fees) left local governments with low taxation and revenues that are administratively and politically difficult to use in an environment where the vast majority of people are poor, independent and dispersed in rural areas.

Moreover, the mentality of local government tax collectors often does not correspond to what is expected of them. In conclusion, it should be noted that local governments often lack domestic revenue. This is mainly due to the fact that most of them do not have complete data on who has to pay taxes or on the main types of economic activities likely to generate tax revenue. Importantly, this has always affected the flow

of revenue from domestic sources.

2.2 Theoretical Framework

Localism Theory by Briffault, R. (1990)

The concept of localism was used in this study to explain the difficulties that local government councils in Nigeria are confronted with, one of which is that it prevents them from bringing about meaningful grassroots development in the country. Numerous authors, such as Boyle (2009) and Hartwich (2013), amongst others, have done extensive study on the topic of the theory of localism. The direction in which their conceptions are headed is in the realm of the strength of local institutions or government at sub-national levels in promoting grassroots development and governance.

The proponents of this theory assert that for local government to be efficient and bring about grassroot development, they should have powers to determine their local affairs both politically and administratively so as to enable them engage on issues of local interest. When applied to this study, we agree that when Port Harcourt City Local Government Council administrators are given the opportunity to administer and carry out powers that ought to be conferred on local government councils, they will do better, and when and where this is not done, localism is eroded, and its utility becomes inconsequential. More so, the local administrator in line with the rural populace should be allowed to make policy decisions which have direct impact on them. Hence, the state government should grant the local government both financial and administrative autonomy so as to allow the local council administrators manage their affairs within themselves without any political interference.

3.1 Methodology

The research adopted survey approach for its design, and it used purposive sampling technique in generating its sample. Both of these approaches were used for the research. The design of a survey aids in the process of information generation with the assistance of a questionnaire, and it also assists the researcher in covering a large population throughout the course of the study.

According to Crossman (2020), purposive sampling is a kind of non-probability sampling in which samples are picked depending on the characteristics of a community and the goals of the research being conducted. In the course of the research, ten (10) different questionnaire items were developed, and a total of three hundred (300) questionnaires were distributed to staff members working in the eight different departments in Port Harcourt City Local Government Council, namely the departments of administration, works, finances, health, education, budgeting and planning, agriculture, and procurement. For the purpose of the research, a total of two

hundred and seventy (270) copies of the questionnaire were successfully recovered and utilized without any significant errors. The goals of the research were accomplished by using both primary and secondary sources of information. The basic data, which were obtained from the replies of the respondents, were analysed with the aid of the Likert scale technique (which uses a 4-point scale). This method of analysis also assisted in the generation of the mean and the standard deviation of the data. The findings of the analysis were used to determine whether or not participants agreed or disagreed with the questionnaire questions included in the research. The following formula is used to calculate a criterion mean:

SA = 4, A = 3, D = 2, and SD = 1.

$$\text{Hence; criterion mean} = \frac{\text{Weighted total}}{\text{Sample size}}$$

And;

$$\frac{\text{This } 4 + 3 + 2 + 1 = 10}{4} = 2.5$$

3.2 Research setting

Port Harcourt City Local Government Council

Port Harcourt City Local Government is the capital city of Rivers State., which houses the Rivers State Government House and other prominent institutions. The Port Harcourt City Local Government is one of the twenty-three (23) Local Government Areas in Rivers State. The local government area is part of the Rivers East Senatorial district consisting 20 electoral wards. The Executive arm of the local government council has the Mayor as the chairman, the Deputy Mayor, the Council Secretary, Chief of staff, supervisors of different departments and special advisers, Executive Assistant to the mayor, chief press secretary, chief protocol, the Chief Security officer and the Personal Assistants to the mayor as members. The legislative arm is structured thus: The Legislative Leader, Deputy Leader, Chief Whip, Deputy Chief Whip, minority leader and other Councilors.

Port Harcourt City Local Government Council is headed by the Mayor of the council with other administrative staff who works in the different departments within the council. The current Mayor of Port Harcourt City Council, Hon Allwelllhunda, who was elected on 17th April, 2021 during the last local government elections in the state. The head of Local government administration assists the chairman to supervise the eight departments namely: Administration, Works, Finance, Health, Education, Budgeting & Planning, Agriculture, and Procurement Departments of the council.

Port Harcourt City Local Government Council has two groups of workers, namely the political workers, being the elected and appointed political office holders; and establish staff numbering one hundred and nineteen (1019) in different functional departments with the junior staff totaling six hundred and seventy-four (674), accounting for 66% of the establish staff, and the senior staff totaling three hundred and forty-five (345), accounting for 34% of the establish staff. The establish staff are the career staff, known as the civil employees of Port Harcourt City Local Government Service. The council carry out the basic functions of service delivery through the staff.

3.3 Data Presentation and Discussion of Findings

Research Question 1: What are the possible challenges affecting local government administration and grassroots development in Port Harcourt City Local Government Council of Rivers State?

Table 1: Descriptive statistics on the possible challenges affecting local government administration and grassroots development in Port Harcourt City Local Government Council of Rivers State?

S/N	Items	SA	A	D	SD	TOTAL	MEAN	REMARKS
1	Lack of local government autonomy	106 (424)	88 (264)	50 (100)	26 (26)	270 (764)	2.82	Accepted
2	Misplacement of priority by government	100 (400)	440 (120)	89 (178)	41 (41)	270 (739)	2.73	Accepted
3	Lack of community consultations and meetings	112 (448)	98 (294)	31 (62)	29 (29)	270 (883)	3.0	Accepted
4	The practice of State - Local Joint Accounts does not hinder grassroots development	25 (100)	69 (207)	89 (178)	87 (87)	270 (572)	2.11	Rejected
5	The collection of the more lucrative taxes by the federal/ state governments	120 (480)	89 (356)	45 (90)	16 (16)	270 (942)	3.48	Accepted

Source: Field work, 2022

Table 1 above have five (5) questionnaire items on the subject matter and was interpreted based on the frequency of the respondents' responses with different degree of percentages on each as discussed below. Results shows that local government councils are faced with diverse challenges all of which affect grassroots development. This is on account of the analysis, which proves that the sampled respondents in Port Harcourt City Local Government Council accepted questionnaire

item 1 which has lack of local government autonomy with a mean score of 2.82 which is above the criterion mean frequency of 2.50 affects local government administrators as this hinders their ability to make independent decisions.

Also, questionnaire items number 2, 3, and 5 where all accepted by the respondents with mean frequencies of 2.73, 3.0 and 3.48 showing that misplacement of priority by government and the collection of the more lucrative taxes by the federal/ state governments all affects local government councils. The above is in line with Zoaka (2010) who laments the issue of priority misplacement in Nigerian local government system.

Furthermore, the respondents rejected questionnaire item 4 with a 2.11 mean frequency which is below the 2.50 criterion mean standard. This means that indeed the practice of State-Local Joint Accounts does not hinder grassroots development in Nigeria and therefore it is apt that local government councils be granted autonomy to operate their personal accounts.

3.4 Research Question 2: What strategies can be adopted to entrench grassroots development in Port Harcourt City Local Government Council in Rivers state?

Table 2: Descriptive statistics on the strategies that can be adopted to entrench grassroots development in Port Harcourt City Local Government Council in Rivers state

S/N	Items	SA	A	D	SD	TOTAL	MEAN	REMARKS
6	Respect for local government autonomy	101 (404)	89 (267)	58 (116)	22 (22)	270 (809)	2.99	Accepted
7	Adequate planning and management of local government priorities	96 (384)	104 (312)	56 (112)	14 (14)	270 (822)	3.0	Accepted
8	Improvement of state local relations at the grassroots level	90 (360)	112 (336)	42 (84)	26 (26)	270 (806)	2.98	Accepted
9	Establishment of local government accounts	109 (436)	81 (234)	55 (110)	25 (25)	270 (814)	3.01	Accepted
10	Review of taxes appropriated to federal and state governments	121 (484)	78 (234)	51 (102)	20 (20)	270 (880)	3.11	Accepted

Source: Field work, 2022

Results from table 2 above shows that respondents responses' accepted questionnaire items 6,7,8,9 and `10 with mean frequencies of 2.99, 3.0, 2.98, 3.01 and 3.11

respectively. All of the accepted mean frequencies were all above the 2.50 criterion mean standard. This therefore means that to a large extent, establishment of local government accounts, respect for local government independency and the review of the tax schedule between federal-state-local governments will help the Port Harcourt City Local Government Council administrators develop the rural areas. Omoigui-Okauru (2012) is of the belief that local government councils can and will exist on tax income provided the correct boundaries are laid forth for them. This will be a stark contrast to the current arrangement, under which virtually all state administrations are dependent on monthly statutory allocations from the Federal Government for the implementation of their capital and recurrent expenditures programmes. This change in the arrangement will have a significant impact.

3.5 Conclusion/Recommendations

The paper examined the challenges which impeded the effective performance of local government in grassroots development across the country with particular reference to Port Harcourt City Local Government Council. This paper comes to the conclusion that no doubt local government are strategic players in the development of the rural people, but more needs to be done to encourage them.

Sequel to the above conclusion, the paper recommends as follows:

- i. The joint accounting system that is used in Nigeria by both state and local governments is a significant barrier to the performance of local governments. Local governments need to be given complete political and financial autonomy in order to realize the purpose for which they were established. This will put local governments in a strong position to steer the ship of development in the right direction.
- ii. There is need for both the administrators of Port Harcourt City Local Government Council and state governments to come out with a strategic planning mechanism as this would help the local government administrators come out with initiatives for rapid development at the grassroot level.
- iii. The constitution allocation of taxing system should be revisited to suit all the levels of government without any feeling marginalized. The federal government should leave the collection of certain taxes in the hands of the local government as this will further help them develop their local areas.

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