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APPROACHES FOR WEALTH CREATION IN NIGERIA LOCAL GOVERNMENT SYSTEM (A STUDY OF ENUGU STATE LOCAL GOVERNMENT SYSTEM, 2010-2022)

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ABSTRACT

This paper aims at exploring the various techniques for sustainable wealth creation in Nigeria local government system with special focus on Enugu State Local Government System from 2010 - 2022. The local government is the government below the state and the government closest to the grass root where most impoverished people are largely found The local government is equally called the third tier of government and therefore, it is in a better position to create wealth that will improve the lives of rural people. The local government can achieve its constitutional mandate of providing social amenities to the public through the following projects and programs: investment in agriculture, investment in mass transit transport, local economic development agenda (LED), mobilization of adequate human and financial resources, establishment of micro finance banks, sustainable tourism development whose examples include: local museums, lakes, caves and finally, the development of local artifacts of culture for marketable purposes, and so on. We equally identified constraints to wealth creation at the local government level; thus: diversion of internally generated revenue by the revenue agents of the local government. This study adopted content analysis as our methodology which includes oral information, newspaper and magazine reports and other official records which are relevant to the study. The paper emphasizes the need for wealth creation at the local government level in order to improve the lives of the rural people.

Keywords: Mobilization, Local Government System, Wealth Creation, Sustainable Development, Enugu State.

Introduction

Nigeria is a federal republic with three tiers of government namely: federal, state and local governments. Nigeria local government system can be traced to the native authority ordinance of 1861 which was passed by the British colonial administration.

Nigeria today has 774 local government areas, with each local government being administered by a local government council consisting of Chairman as Chief executive and Councilor representing each of the political wards that made upon the local government. In Enugu state there are 17 local government council areas. Local government system in Nigeria has passed through many reforms up till 2018. The 2018 reform strengthens transparency, accountability and integrity measures that apply to the system of local government in Nigeria. There have been structural reforms. It was the 1976 local government reform that was largely in cooperated in the 1979 constitution which

recommended direct funding of the local government by the federation account. There are other reforms such as 1988 reform which was passed in May 1991. It was the 1999 constitution section 7 (1) that provided for the state joint local government accounts which denied direct funding to the local government and crippled financial autonomy of the local government areas in Nigeria.

Mutabwire (2008) stated that many African Countries adopted decentralization as the main instrument for transforming the rural areas ranging from a high degree of central control to extensive devolution of powers to local government. Nigeria has a history of local government recognition of being a veritable tool of local delivery, mobilization of community based human and material resources and organization of local initiative in responding to a wide variety of local needs and aspirations. Abubabakar (1993) described the local government as the government nearest to the grass root people and that it is in a better position to create wealth for the rural poor. This can be done through the initiation of various programmes that will increase local incomes and expand local revenue base. For the local government to achieve its constitutional mandate of provision of social amenities, it must adopt techniques capable of sustainable wealth creation at the local level. This paper discusses various techniques to achieve wealth creation in the local government system.

Definition of Local Government

Local government has been defined differently by different authors on the topic.
Some authors defined local government as a unit of government below the central, regional or state government. Local government was established by law to exercise political authority through a representative council within a defined area.

Uno (1961), Awa (1980) and Olisa et al (1990) agreed with the above assertions.
The guidelines for a reform of local government in Nigeria (1976) defined local government as the government at the local level exercised through a representative council and established by law to exercise specific powers within a defined area. These powers should give the councils substantial control over local affairs as well as the staffs, institutional and financial powers to initiate and direct the provisions of services and to determine and implement projects so as to compliment the activities of the states and federal government in their areas and to ensure true active participations of the people and their traditional institutions that local initiatives and response to local needs are maximized.

This definition as enshrined in the guideline for a reform of the local government in 1976 is comprehensive and captures the essential features of the local government. The following salient features appeared in the above definition namely: Local government as a government at the local level, Local government has legal backings, emphasis on representation, operate within defined boundaries, as a distinct tier of government and finally that local government enjoys substantial autonomy. The above features where later enshrined in the 1979 and 1989 constitution and equally 1999 constitution apart from the section that denied financial autonomy to the local government in Nigeria.

Most of these provisions have been violated by the practitioners of local government in Nigeria especially during the military era such as in the area of Representations.

Sometimes the council members are appointed instead of being elected as democracy entails and not minding the constitutional provisions of all the reforms as afore mentioned : even the financial autonomy of the local government was violated with the constitutional provision of state joint local government account . Constitution of the federal republic of Nigeria, 1999 section 7 (1) which was managed by the state.

Mackenzie (1954) stated that local government exists to provide services and must be judged by its success in providing such services to the grass root.

Local government is in the best position to provide services more efficiently to the grass root than the federal and state government due to its proximity to the grass root level.

Ota (1984) pointed out that local government is a veritable tool for development at the local level.

The guidelines further stated that local government exists for the purposes of mobilization of human and material resources through the members of the public in their development.

Olowu (1988) asserted that among the many potential roles of local government in their development processes are the following:

i. Helping to inculcate in the people, positive citizenship attributes such as consideration, self control, community responsibility and identity.
ii. Providing basic community services which can improve the quality of people's lives and enable the community to generate and attract economic services.
iii. And helping people especially in the rural areas to organize themselves for the mobilization and effective management of community resources and control government programmes respectively.

Approaches for Wealth Creation

Wealth according to the Webster dictionary is a great amount, an abundance, plenty, welfare, prosperity, good, wellbeing, happiness , joy associated with a great deal of money. Smith (1976) defined wealth as the annual produce of land and labour of the society. That produce is that, which satisfies human needs and wants of utility.

Wealth can be described as an abundance of items of economic values. A wealthy person is marked by his accumulation of substantial wealth, relative to others in his or her reference group. The wealth of a nation consists of both private and public goods and services. Wealth is relative and varies according to society. For instance, a wealthy Igbo man in the pre-colonial days could be determined by the number of yams in his barn magnitude of his family and domestic servants and so on, but in today's society marked by science and technology such a rich man may be termed a poor man. Therefore, wealth creation by the local government is to make a new thing and better the lives of the rural poor using the apparatus of government. The government will mobilize many forces for a new and better future for the people at the rural level.

According to Enderle (2000), the aim of the local government includes organizing both material and spiritual (ideological) sides and goes beyond acquisition and accumulation of wealth. It is a qualitative transformation of wealth.

Mofoua (2005) and Ederle (2000) agreed that both ideological and material sides of wealth creation endeavors are essential and necessary ingredients for public wealth in any given situation. According to them, the productive and distributive dimensions of wealth creation are inter-related.

Wealth creation must be sustainable which means that it must be capable of meeting the demands of both the present and future generations.

Investment in Agriculture

The local dwellers depend on agriculture as their main source of livelihood so as to alleviate rural poverty: the local government should promote agriculture by Investing in it, in line with modern technology.

It can partner with private interested investors to establish agro-based industries that will generate income to the local government as well as provide employment to the rural dwellers. In other to increase yield by the farmers, the local government can send agricultural extension workers to the rural farmers to train them on modern agricultural techniques. The local government can equally hire farm equipments and subsidies it's prices and rates. They can partner again with private farmers to establish farm plantations that will employ rural people, make food surplus and available to the rural dwellers.

Finally, the local government can access co-operative societies and organize them for effective actions and political gains, in addition to food security.

Such farming areas like poetry, fishery, piggery, crops farming etc can be modernized to achieve food security and revenue income to the local dwellers.

Tourism Development

Development of Tourism attractions can be developed to sustain wealth at the local level. Stock (1999) stated that tourism is one of the largest and steadily growing economic sectors worldwide as well as being a sector in which developing nations has a considerable stake. To achieve wealth through tourism, local governments in Nigeria should conduct a feasibility study of tourism potentials within their territories.

They are many tourism features such as seaside, nature, cultural and scientific tourism. The local government can make such places holiday centers with restaurants and other attractions. According to Stock (1999) tourism has both direct and indirect benefits. In Nkanu West local government area, the Akpugo/Amodu cave is a tourist attraction yet to be developed. Such developments will create jobs and wealth to the rural populace.

The local government in conducting such feasibility study should identify other nature tourism attractions within its territory. There are other types of tourism such as:

a. Historical/archeological tourism: This includes historic mountains, traditional /indegenous communities and their folklore.
b. Ethnic tourisms: consisting of buildings, stones, hand crafts, shrines etc.
c. Rural tourism: consisting of rural estates, cultural landscapes, horse backs etc
d. Religious/esoteric tourism: consisting of traditional places of pilgrimage, monastery and other sacred places, traditional ceremonies, mediation centers etc.
e. Health tourism: consisting of thermal or mineral baths, cool mountain areas in tropical countries.
f. Educational tourism: consisting of courses and workshops, music, hand crafts, language, natural medicines and so on. Note that all the above can be based on local capabilities.

Mass Transit Transport Business

The local government can partner with investors in the transport sector to invest in local government mass transit business.

This will ease the suffering of the rural farmers and dwellers raise the revenue base of the local dwellers and create employment to the rural poor.

In our tour if local government areas in Enugu state ,we discovered that almost all the local government areas in Enugu state invested in mass transport business.

Development and Implementation of Local Economic Development (LED)

For the tax base of the local government to be achieved, the local government should embark on the implementation of local economic development (LED).

The LED policy should be developed and implemented by the local government. The policy is aimed at alleviating poverty at the grass root through wealth creation by local government. The policy focuses on the following:

a. Improving local government for sustainable economic growth.
b. Increase of income
c. Broadening the task base for local government, so as to deliver the mandated services.
d. Employment creations.
e. Increase productions and productivity of enterprises.

Mobilization of Human and Financial Resources

According to Adedeji (1972), the successful implementation of (LED) is not possible without adequate financial and material resources.

He identified finance as the elixir that can break the vicious circle of poverty of local people and make local government relevant in the country's development process.

The financial position of local government in Nigeria has improved due to enhanced allocation from the federal account. It is regrettable to note that the assurance of getting federal allocation has made the local government lazy in pursing the internally generated revenue.

The statutory allocation constitute 80% of the total revenue of most local government areas in Nigeria yet the internally generated revenue (IGR) remains critical for sustainable implementation of wealth creation at the local government. The local government should improve their financial standing by diversifying their internal sources or revenue.

Local government should recruit qualified and competent manpower or professionals for this work.

Ezeani (1974) stated that the ability of any organization to achieve its goal depends to a large extent on the caliber of its human resources.

Likert (1974) and Hobison (1974) observed that human resources constitute the ultimate bases for the wealth of nations; however the problem of local government in Nigeria is lack of experts or professionals for successful implementation of rural development projects.

Investment in Micro Finance Banks:
Local government or groups of local government can partner with private investors to establish micro finance banks.

The primary objective of such investment is to facilitate access to financial resources by the rural poor.

Micro finance banks owned by the local government can facilitate access to micro finance by reducing some of the stringent measures and bank conditions and at the same time making sure that loans are repaid.

By so doing, the rural poor can access loans , invest in small scale industries, agriculture and other ventures capable of improving standard of living at the grass root.

Factors Contributing to Poor Performance of Local Government in Wealth Creation in Nigeria
So many factors constitute constraints to the efforts of local government to create wealth at the local level.

Such factors include: corruption, financial problems, personal problem, political problems etc

- Lack of finance constitutes the major impediment to wealth creation at the local level. Akpan (1965) stated that the bottom line in judging the effectiveness of local bodies is the amount of funds at their disposal. He noted that the success of a local government is measured in terms of its ability to provide services to the public. The poor revenue generation made local governments in Nigeria more dependent on federal revenue allocation.

Another problem of finance is the interference of some stated governors on the finances of local government. The local government is denied financial autonomy by the 1999 constitution of the federal republic of Nigeria section 7 (6) which states as follows:

i. The national assembly shall make provisions for statutory allocation of public revenue to local government councils in the federation.

ii. The house of assembly of a state shall make provisions for statutory allocation of public revenue to the local government councils within the states.

Also section 162 (5-8) states:

i. That the amount standing to the credit of local government council to federation account shall also be allocated to the state for the benefit of their local government councils on such terms and in such manner as nay be prescribed by the National assembly.
ii. Each state shall maintain a special account to be called state joint local government account to which shall be paid all allocation to the local government councils of the states from federation account and from the government of the state
iii. Each state shall pay to the local government councils in it's area of jurisdictions. Such proportion of its total revenue on such terms as may be prescribed by the National assembly. The account standing to the credit of local government councils of the states shall be distributed among the local government councils of the state on such terms and in such manner as may be prescribed by the house of assembly of the state.

The above constitutional provisions have clearly made the local government subordinate of the state.

Many state governors leverage on this provisions to divert local government funds to other projects.

Onu (2004) states "Regrettably state government do not stop at not remitting the 10% statutory allocation but they also tamper with the 20% federal allocation made to the local government.

The joint account has denied local governments, direct allocation and impoverishes them in the midst of plenty. This is because despite the enhanced statutory allocation to local governments in Nigeria, most of the local governments are left with little or nothing to execute capital projects that will impact on the lives of the poor rural dwellers.

We therefore recommend that, for the essence of establishing local government as the nearest government to the grass root to be meaningful; that state joint local government account should be sponged from the constitution to enable the local government stand on its feet to face its challenges at the local level.

Political Problems

This can militate against effective and efficient performance in wealth creation at the local levels. Such political problems may include;

Creating of development centers from the existing local councils. These are incapable of initiating, implementing and sustaining development programs due to lack of finance and adequate manpower.

Finally, another problem is the demise of qualified professionals such as Engineers, Doctors, Agricultural workers, Nurse, Accountants who are capable of using their professional knowledge to create wealth to the local government and the grassroots.

The deaths of such professionals are serious constraints to the success of the local government in Nigeria especially in wealth creation.

Conclusion

Finally, we have succeeded to identify some approaches necessary for wealth creation and sustenance by local government areas in Nigeria especially Enugu state as our focus of study.

We noted that the local government as a government closest to the grass root level is in a better position to create and sustain wealth capable of improving the lives of the impoverished rural dwellers.

This paper equally identified the problems or factors that act as constraint to wealth creation by the local government areas in Nigeria. We recommended, that for the local government to be efficient and effective in its constitutional role of providing the necessary social amenities to the public and sustainable wealth it must be financial solvent and we noted that the only way to achieve that is by esponging section 7 (6) of the Constitution of the federal republic of Nigeria which allows state joint local government account and which denies financial autonomy to local government areas in Nigeria.

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