

**ASSESSMENT OF THE DEPLOYMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY IN THE REVENUE GENERATION OF
LOCAL GOVERNMENTS IN OSUN STATE.**

OLAYINKA ABIODUN FAGBEMIRO

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LOCAL GOVERNMENTS IN OSUN STATE.**

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B.Sc (COMPUTER SCIENCE), UNILORIN, ILORIN.

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2012

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Signature and Date

DEDICATION

This project is dedicated first to the Almighty God, the Infinitely Able God for His immense grace, mercies and blessings. Second, to my husband, Emmanuel, my strong support and pillar for his help, sacrifice, moral and financial supports. Third, to my beautiful daughters, Oluwajomiloju and Oluwalogbon and my lovely son, Pipeloluwa for their support and understanding throughout the duration of this course.

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ABSTRACT

The study determined the level of Information and Communications Technology (ICT) deployment for revenue generation in some selected local governments of Osun State. It also investigated the factors influencing the deployment of the technology and developed a framework for its effective use for enhancing revenue generation in the state. This is with a view to improving the internally generated revenue in the local government councils. of the state.

The study involved the use of both primary and secondary data. The primary source of data was obtained through the administration of 3 sets of questionnaire. The first set of questionnaire were administered to career officers in charge of revenue generation in the local government councils, the second to the political office holders in charge of revenue generation in the local government councils and the last set to the members of the general public who are tax payers. The respondents were purposively selected from a random sample of 12 local government councils from the three senatorial districts of the state in equal proportion. The secondary data were got from publications and records. A total of 204 questionnaires out of the 300 administered were found useful and were analyzed using descriptive and inferential statistics.

Results showed that 68% of the respondents reported having computers in their respective local governments which spread across the different departments and units and that at 0.05 level of significance, telephone/Fax lines and Internet services had no significant ($p > 0.05$) effect on the deployment of the technology. Results also showed that availability of computers ($\chi^2 = 46.986$, $p < 0.05$), materials for financial recordings ($\chi^2 = 32.398$, $p < 0.05$), ability to operate the computer ($\chi^2 = 41.222$, $p < 0.05$), being internet compliant ($\chi^2 = 21.307$, $p < 0.05$) and getting

updated through refresher courses on ICT ($\chi^2 = 23.612$, $p < 0.05$) were all found to have significant effect on ICT deployment. Furthermore, the results showed that the major factors influencing the deployment of the technology are attitude towards the adoption of ICT ($F = 4.042$, $p < 0.05$) and the reluctance of tax payers to comply ($F = 6.961$, $p < 0.05$). In addition the study developed a framework for effective deployment of ICT for revenue generation in the local governments. This involves a viable Revenue Generation Information Unit (RGIU) in each local government to gather information on all revenue generating activities as well as potential sources of income for the LG and a very robust Revenue Generation Database (RGDB) linked to the Local Government Service Commission (LGSC) to oversee the revenue generation activities of all the local governments in the state.

This study concluded that revenue generation in the local government could be improved with robust Revenue Generation Information Unit (RGIU), Revenue Generation Database and proper networking of the Local Government Service Commission (LGSC).

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Local governments are the closest authority to the people at the grassroots and therefore, their actions are capable of influencing the life of the population in so many ways. Local government (LG) has been defined in various ways, depending on the orientation and experience of its users. A local government is a political authority set up by a nation or a state as a subordinate authority for the purpose of decentralizing and dispersing political power (Ekpo,1990). Emezi (1972) describes local government as a system of administration under which local communities are organized to maintain law and order, provide some limited range of social amenities, and encourage cooperation and participation of inhabitants towards the improvement of their conditions of living. According to him, it also provides the communities with a formal organization framework, which enables them to conduct their affairs effectively.

This same institution has been considered as a system of breaking a country into smaller units or localities for the purpose of administration, in which the inhabitants of the different units or localities play a direct and full part through their elected representatives. The representatives exercise powers under the general authority or the national government (Ekpo and Ndebbio, 1991).

The primary purposes of establishing local governments in Nigeria according to the Local Government Reforms (1976) are to provide a two-way channel of communication between local communities and federal or State government, facilitate the exercise of democratic self-government close to the local level, and to encourage initiative and leadership potentials in the society, make appropriate services and development activities responsive to local wishes and initiatives by delegating

them to local representative bodies and mobilize human and material resources through the involvement of members of the public in local development.

However, a major constraint to local government effectively performing their functions is lack of funds (Olayiwola, 2007). One of the recurrent problems of the three-tier system in Nigeria is dwindling revenue generation as characterized by annual budget deficits and insufficient funds for meaningful growth and viable projects development (Adedokun, 2005). Local governments are the nearest government to the people at the grassroots in Nigeria and they are strategically located to play a pivotal role in national development. Since they are responsible for the governance of about 70 percent of the population of Nigeria, they are in vantage position to articulate the needs of the majority of Nigerians and formulate strategies for their realization (Adedokun, 2005).

Local administration in Nigeria can be traced to the colonial period. Available record shows that the first local administration ordinance was the Native Administration Ordinance No. 4 of 1916 which was designed to evolve from Nigeria's old institutions the best suited form of rule based on the people's habits of thought, prestige and custom (Bello, 1990). These local administrations were used in the North eastern and Western parts of the country while the indirect rule was introduced in the rest of the north. In 1926, a centralized budget system was introduced following the creation of Northern, Western and Eastern regions in 1946, a decentralized public revenue structure began to emerge. The first revenue commission was set up in 1946. During the colonial period, four revenue commissioners were created. The principles, criteria and allocation formulas recommended by the commissions are well documented (Ekpo, 1994).

Macpherson constitution of 1948 initiated some remarkable changes, the regions introduced some reforms in their local administrations in the 1950s which aimed at enhancing performance. Though, the reforms gave local administrations to collect rates and levy pools and income taxes to

finance their activities, the regions had overall control of the taxes. Local administration lacked self-determination, hence their resource were inadequate. Though, the local authorities were run partially successfully in the North but unsuccessfully in the Eastern and Western regions (Adedokun, 2005).

The ineffectiveness of local administration was as a result of lack of mission or lack of comprehensive functional role and lack of proper structure (i.e. the role of local governments in the development process was not known) as well as low quality of staff and low funding (Adedeji, 1970) According to him, these problems led the local governments into a vicious circle of poverty because inadequate functions and powers lead to inadequate funding which result in the employment of low skilled and poorly paid staff.

Local government administration in the country experienced fundamental changes in 1976. The 1976 local government reform created for the first time, a single-tier structure of local government in place of the different structure in the various states which brought about the restructuring of the financial system. The reforms instituted statutory allocation of revenue from the federation account with the intention of giving local government fixed proportions of both the federation account and each states' revenue. This allocation to local government became mandatory and was entrenched in the recommendations of the Aboyade Revenue Commissions of 1977.

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