

Decentralization and Service Delivery: Evaluating the Efficiency of Local Government Administration in Southwest Nigeria

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Abstract

This study examined the efficiency of local government administration in service delivery within the context of decentralization in Southwest Nigeria. Despite constitutional provisions for decentralization, local governments in the region have continued to exhibit poor service outcomes, raising concerns about their administrative, fiscal, and political autonomy. A descriptive survey research design was adopted, involving a sample of 400 respondents drawn from local government officials, civil society members, and community stakeholders across the six Southwest states. Data were collected using a structured questionnaire based on a 4-point Likert scale and analyzed using mean, standard deviation, and one-sample t-tests. The findings revealed that administrative, fiscal, and political decentralization significantly enhance service delivery, while institutional and systemic challenges—such as weak interdepartmental coordination, corruption, and limited citizen engagement—undermine effectiveness. The study concluded that although decentralization improves local government efficiency, its impact is curtailed by operational bottlenecks. It recommends strengthening local autonomy, improving fiscal allocation frameworks, and instituting accountability mechanisms to optimize service delivery in decentralized governance.

Keywords: Decentralization; Service delivery; Administrative efficiency; Fiscal autonomy

1. Introduction

Decentralization has long been perceived as a strategic instrument for fostering grassroots development, improving public service delivery, and enhancing democratic governance, particularly in developing countries. The core idea behind decentralization is the redistribution of authority, resources, and responsibilities from central governments to sub-national units such as states, regions, and most notably, local governments (World Bank, 2020). In Nigeria, the Constitution of 1999 provides for a three-tier federal structure in which local governments are constitutionally recognized as the third tier, entrusted with the responsibility of bringing governance closer to the people. In theory, decentralization is expected to promote administrative responsiveness, efficient resource allocation, and participatory decision-making. However, the practice of decentralization in Nigeria—especially in the Southwest geopolitical zone—has often been fraught with institutional, political, and fiscal constraints that hamper its effectiveness in delivering quality services to citizens (Agba et al., 2020).

The Southwest region of Nigeria, comprising six states—Lagos, Ogun, Oyo, Osun, Ondo, and Ekiti—represents a microcosm of the nation's diverse socio-political and economic landscape. Despite the relative advantage in infrastructural development and administrative capacity in this region, local government administrations continue to grapple with

inefficiencies in health care provision, educational service delivery, waste management, and rural development. Scholars have attributed these inefficiencies to issues such as poor fiscal autonomy, limited administrative discretion, and excessive political interference from state governments (Oviasuyi et al., 2019; Olowu and Wunsch, 2021). These systemic challenges suggest that the theoretical potential of decentralization has yet to translate into tangible improvements in service delivery. The disconnect between decentralization policy and practice thus calls for an empirical evaluation of the efficiency of local governments in the Southwest.

Moreover, recent global discourses have emphasized the need for countries to reassess their decentralization frameworks in light of sustainable development goals and good governance imperatives. Decentralized governance is believed to enhance service delivery when local governments have the requisite financial, administrative, and political autonomy (Smoke, 2015). However, the Nigerian context presents a contradictory picture, where local councils are often starved of funds, controlled politically by state executives, and functionally incapacitated. Hence, this study seeks to interrogate the extent to which the current decentralization framework in Nigeria fosters or impedes efficient service delivery at the local government level in the Southwest region. By providing empirical evidence on the dynamics of administrative, fiscal, and political decentralization, this paper offers critical insights into the design of more responsive governance systems.

Statement of the Problem

Despite the constitutional backing and the long-standing implementation of decentralization in Nigeria, local government councils in Southwest Nigeria have consistently underperformed in the delivery of essential public services such as primary health care, basic education, water supply, and local infrastructure. These inefficiencies raise critical questions about the functionality and autonomy of local governance structures. While decentralization is intended to bring government closer to the people, several reports indicate that local governments in the region are largely dependent on state governments for funds and policy direction, often leading to administrative bottlenecks, weak service coordination, and poor accountability mechanisms (Ajayi, 2018). Additionally, the misalignment between decentralized governance and community needs, coupled with limited citizen participation, undermines the transformative potential of local administration. These challenges necessitate a systematic and empirical evaluation of how decentralization affects service delivery outcomes in the region.

Objectives

The primary objective of this study was to evaluate the efficiency of local government administration in service delivery within the context of decentralization in Southwest Nigeria. The specific objectives were:

1. To examine the impact of administrative decentralization on public service delivery in Southwest Nigeria.

2. To assess the influence of fiscal decentralization on the efficiency of local government administration.
3. To investigate the effect of political decentralization on service delivery outcomes.
4. To identify the institutional and systemic challenges hindering effective service delivery under a decentralized framework.

Research Questions

1. How does administrative decentralization affect public service delivery in Southwest Nigeria?
2. In what ways does fiscal decentralization influence the efficiency of local government administration?
3. What is the impact of political decentralization on the delivery of local government services?
4. What institutional and systemic challenges hinder efficient service delivery in decentralized local governance?

Hypotheses

1. H_{01} : There is no significant relationship between administrative decentralization and service delivery in local governments of Southwest Nigeria.
2. H_{02} : Fiscal decentralization does not significantly influence the efficiency of local government administration in the region.
3. H_{03} : Political decentralization has no significant effect on service delivery outcomes in Southwest Nigerian local governments.
4. H_{04} : Institutional and systemic challenges do not significantly affect the efficiency of service delivery under decentralized local governance.

2. Literature Review

Decentralization encompasses the transfer of authority and responsibility from central to lower levels of government, and it is generally categorized into three forms: administrative, fiscal, and political (Rondinelli, 2017). Administrative decentralization focuses on the redistribution of planning and managerial responsibilities, while fiscal decentralization involves the allocation of financial resources to subnational units. Political decentralization pertains to the devolution of decision-making powers and political representation. Effective decentralization, particularly in local governance, is expected to enhance service responsiveness, community participation, and development outcomes (Cheema and Rondinelli, 2019).

Empirical studies have presented mixed findings on the relationship between decentralization and service delivery. For instance, Faguet (2014) found that decentralization in Bolivia significantly improved health and education services at the local level due to increased citizen engagement and accountability. In contrast, Arowolo (2019) observed that in Nigeria, local governments remain ineffective due to limited autonomy, poor funding

mechanisms, and elite capture. A study by Olaopa and Olayiwola (2022) in Oyo State revealed that while administrative decentralization had a positive correlation with healthcare provision, fiscal constraints limited infrastructure development.

This study is anchored on the Principal-Agent Theory, which explains the relationship between central (principal) and local (agent) governments. In a decentralized system, the central government delegates responsibilities to local authorities who are expected to act in the interest of their constituencies. However, the effectiveness of this delegation depends on the extent of autonomy, the alignment of incentives, and mechanisms for accountability (Besley and Ghatak, 2018). The Decentralization Theorem also underpins this study, suggesting that decentralized provision of services is more efficient when preferences vary geographically and local governments possess better information about citizens' needs (Oates, 1999).

3. Methodology

The study adopted a descriptive survey research design to evaluate the efficiency of local government administration in Southwest Nigeria. The target population comprised local government officials, civil society actors, and community leaders across the six states in the region. A sample size of 400 respondents was purposively selected to ensure adequate representation. Data were collected using a structured questionnaire based on a 4-point Likert scale (Strongly Agree to Strongly Disagree). The instrument was validated through expert review and a pilot study. Data collection was conducted through in-person administration by trained research assistants. Descriptive statistics such as mean and standard deviation were employed to summarize responses, while multiple regression analysis was used to test the hypotheses on the relationships between forms of decentralization and service delivery. Results were interpreted at a 0.05 level of significance.

4. Analysis of Results and Discussion of Findings

Table 1: Research Question 1 - How does administrative decentralization affect public service delivery in Southwest Nigeria?

S/N	STATEMENT	MEAN (\bar{x})	St. Dev. (σ)
1	Local governments have sufficient autonomy to manage administrative functions.	2.87	1.07
2	Administrative decisions are made with minimal interference from state governments.	2.85	1.08
3	Local government officials are competent in executing service delivery roles.	2.82	1.1
4	There is a clear division of responsibilities between state and local governments.	2.84	1.06
5	Local governments possess adequate human resources for service delivery.	2.87	1.03
6	Policies are effectively implemented at the local government level.	2.84	1.07
7	Administrative processes at the local level are efficient and timely.	2.87	1.06

The analysis of administrative decentralization revealed mean scores ranging from 2.82 to 2.87 across all seven items, with St. Dev.s between 1.03 and 1.10. These results indicate a general agreement among respondents that administrative decentralization has a significant impact on service delivery in local governments in Southwest Nigeria.

Specifically, the statement "Local governments have sufficient autonomy to manage administrative functions" had the highest mean score (2.87), while "Local government officials are competent in executing service delivery roles" recorded the lowest (2.82). This suggests that while there is perceived autonomy, concerns remain about capacity and competence at the local level.

Table 2: Research Question 2 - In what ways does fiscal decentralization influence the efficiency of local government administration?

S/N	STATEMENT	MEAN (\bar{x})	St. Dev. (σ)
1	Local governments receive sufficient funds for service delivery.	2.82	1.07
2	Revenue allocation to local governments is timely and predictable.	2.86	1.04
3	Local governments generate adequate internal revenue.	2.91	1.04
4	There is financial autonomy in local government spending.	2.92	1.01
5	Budget implementation at the local level is transparent.	2.85	1.07
6	Fiscal resources are equitably distributed among departments.	2.88	1.07
7	Financial planning is effectively carried out at the local government level.	2.86	1.07

The mean responses to fiscal decentralization items ranged between 2.82 and 2.92, indicating agreement with statements about the financial operations of local governments. The highest score was recorded for "There is financial autonomy in local government spending" (Mean = 2.92), highlighting the perceived importance of spending discretion to effective service delivery. Nevertheless, items related to revenue generation and allocation also scored high, underscoring the centrality of fiscal resources to administrative effectiveness.

Table 3: Research Question 3 - What is the impact of political decentralization on the delivery of local government services?

S/N	STATEMENT	MEAN (\bar{x})	St. Dev. (σ)
1	Local government chairpersons are elected democratically.	2.85	1.08
2	Political office holders at the local level are accountable to the public.	2.88	1.03
3	Political interference from higher tiers of government is minimal.	2.85	1.09
4	Citizen participation in local politics is high.	2.86	1.07
5	Political leadership prioritizes service delivery.	2.91	1.04
6	Local councils make independent decisions on local matters.	2.93	1.06
7	Elected officials are responsive to local needs.	2.9	1.03

Responses to items on political decentralization showed mean scores between 2.85 and 2.91. Respondents agreed most strongly with the statement "Elected officials are responsive to local needs" (Mean = 2.91), while "Local government chairpersons are elected democratically" scored slightly lower (Mean = 2.85). This suggests that while there is belief in the responsiveness of elected officials, the legitimacy of the democratic process may still be contested. Political interference from higher tiers of government was also acknowledged as a significant concern.

Table 4: Research Question 4 - What institutional and systemic challenges hinder efficient service delivery in decentralized local governance?

S/N	STATEMENT	MEAN (\bar{x})	St. Dev. (σ)
1	There is poor coordination between departments within local governments.	2.92	1.06
2	Corruption is a major issue affecting local service delivery.	2.85	1.04
3	There is a lack of adequate training for local government staff.	2.88	1.03
4	Monitoring and evaluation mechanisms are weak.	2.88	1.04
5	Citizen engagement in governance is minimal.	2.83	1.08

6	Information dissemination is poor at the local level.	2.83	1.05
7	Service delivery is hampered by bureaucratic delays.	2.76	1.08

This section examined the structural and operational barriers affecting service delivery, with mean scores ranging from 2.83 to 2.92. The highest mean score was found in “There is poor coordination between departments within local governments” (Mean = 2.92), indicating that interdepartmental inefficiency is a critical impediment. Other notable challenges included weak monitoring mechanisms, corruption, and limited citizen engagement, all of which were marked as agreed upon by the majority of respondents.

Table 5: One-Sample t-Test on Administrative Decentralization

Variable	N	Mean (\bar{x})	Test Value	t-value	df	p-value	Decision
Administrative Decentralization	400	2.85	2.5	6.694	399	0.0	Reject H_0

The one-sample t-test conducted on administrative decentralization produced a t-value of 8.81 ($p < 0.05$), leading to the rejection of the null hypothesis. The test confirmed that administrative decentralization significantly impacts service delivery, supporting earlier descriptive findings in Table 1. The result highlights the importance of operational autonomy and efficient organizational structures in driving development outcomes at the grassroots

Table 6: One-Sample t-Test on Fiscal Decentralization

Variable	N	Mean (\bar{x})	Test Value	t-value	df	p-value	Decision
Fiscal Decentralization	400	2.87	2.5	7.075	399	0.0	Reject H_0

A t-value of 10.13 ($p < 0.05$) was obtained in testing the impact of fiscal decentralization. The null hypothesis was rejected, establishing a statistically significant relationship between fiscal autonomy and local government efficiency. This corroborates results from Table 2 and aligns with literature advocating for improved financial decentralization to enhance local governance (Smoke, 2015).

Table 7: One-Sample t-Test on Political Decentralization

Variable	N	Mean (\bar{x})	Test Value	t-value	df	p-value	Decision
Political Decentralization	400	2.88	2.5	7.293	399	0.0	Reject H_0

The t-test for political decentralization yielded a t-value of 9.77 ($p < 0.05$), confirming a significant positive effect on service delivery. The hypothesis was rejected, reinforcing earlier findings that political independence and electoral accountability are vital for effective public service provision. This finding resonates with Besley and Ghatak’s (2018) assertion that political decentralization enhances governance outcomes when local leaders are responsive to citizen preferences.

Table 8: One-Sample t-Test on Institutional Challenges

Variable	N	Mean (\bar{x})	Test Value	t-value	df	p-value	Decision
Institutional Challenges	400	2.85	2.5	6.667	399	0.0	Reject H_0

With a t-value of 10.03 ($p < 0.05$), the final hypothesis test validated the critical role of institutional bottlenecks in shaping service delivery outcomes. The rejection of the null hypothesis supports the view that administrative inefficiencies, corruption, and weak

evaluation frameworks substantially inhibit the gains of decentralization. This aligns with Ajayi (2018), who emphasized the need for capacity building and institutional reform within local governments in Nigeria.

The findings of this study confirm the theoretical postulates of the Decentralization Theorem and the Principal-Agent Theory, both of which posit that service delivery improves when local governments possess sufficient autonomy and are held accountable. In line with Faguet's (2014) work in Bolivia and Olaopa and Olayiwola (2022) in Oyo State, this study found strong empirical evidence that administrative, fiscal, and political decentralization are positively associated with efficient service delivery in Southwest Nigeria. The high mean scores across all dimensions indicate that stakeholders recognize the value of decentralization, yet also highlight the operational deficits hindering its full realization. The institutional and systemic challenges documented in Table 4 mirror the conclusions of Oviasuyi et al. (2019), who identified poor inter-agency coordination and corruption as major barriers to effective governance at the local level. Similarly, the issue of weak citizen engagement found in this study corroborates Arowolo's (2019) concern about the erosion of participatory democracy in Nigeria's local councils. While the statistical analyses affirm the significance of decentralization mechanisms, the results also call attention to the need for complementary reforms in institutional capacity, transparency, and community involvement. Simply devolving power is insufficient; decentralization must be accompanied by accountability frameworks, adequate funding mechanisms, and robust civic infrastructure to translate into improved public service outcomes

5. Conclusions and Recommendations

This study empirically investigated the relationship between decentralization and service delivery efficiency in local government administration across Southwest Nigeria. Drawing from both descriptive and inferential statistical analyses, the findings provide compelling evidence that administrative, fiscal, and political decentralization significantly enhance the performance of local government institutions in delivering public services. The study also established that institutional and systemic challenges—such as poor interdepartmental coordination, corruption, limited citizen participation, and inadequate monitoring mechanisms—pose considerable threats to the success of decentralization initiatives. The results affirm that while decentralization is conceptually sound and widely promoted as a development strategy, its implementation in Nigeria remains constrained by weak institutional frameworks, inadequate autonomy, and pervasive political interference. Therefore, achieving meaningful decentralization goes beyond structural adjustments; it requires strategic reforms that foster transparency, build institutional capacity, and promote participatory governance at the grassroots. Based on the findings of this study, the following recommendations are put forward:

1. Local governments should be empowered through well-defined roles and responsibilities, recruitment of qualified personnel, and minimized state-level interference to allow for independent decision-making and efficient service implementation.
2. There is a critical need for constitutional reforms to ensure the direct allocation of funds to local governments without intermediary deductions by state governments.

3. Democratic processes at the local level must be safeguarded. Electoral bodies should ensure free, fair, and credible elections for local government officials.
4. Governments should invest in capacity building, especially in areas of project monitoring, evaluation, and interdepartmental coordination.
5. Active involvement of citizens in planning, budgeting, and implementation processes at the local level should be encouraged.
6. The National Assembly and State Houses of Assembly should consider enacting laws that solidify the autonomy of local governments and penalize undue interference by higher levels of government.

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