

Decentralization and Local Government Performance: A Comparative Analysis of Administrative Capacity and Service Delivery in Nigeria

Chujor Fortune Okwah (Ph.D.)^{1*}

¹Dept of Public Administration, Faculty of Social Sciences, University of Port Harcourt, Choba, Port Harcourt, Rivers State

DOI: <https://doi.org/10.36347/sjahss.2026.v14i04.005>

| Received: 27.02.2026 | Accepted: 20.04.2026 | Published: 27.04.2026

*Corresponding author: Chujor Fortune Okwah

Dept of Public Administration, Faculty of Social Sciences, University of Port Harcourt, Choba, Port Harcourt, Rivers State

Abstract

Original Research Article

This study on decentralization and local government performance: a comparative analysis of administrative capacity and service delivery was carried out to examine the effect of fiscal and administrative decentralization on the efficiency and administrative capacity of local governments. The central governance reform strategy has remained decentralization which aims at improving local government performance, enhancing administrative capacity, and promoting efficient service delivery. It is hoped that due to the transfer of fiscal, political, and administrative responsibilities from central to subnational governments, decentralization is expected to increase responsiveness, accountability, and development outcomes. Consequently, evidences available in the literature state that effectiveness of decentralization in the local government have remained mixed across countries and regions in the country. This study examines how decentralization influences local government performance, with specific focus on administrative capacity and service delivery outcomes in comparative contexts. The Fiscal Federalism Theory was employed for the study. The method of research for the study was a comparative analytical approach drawing on secondary data from international governance indicators and selected country experiences from Africa, Latin America, and Asia. Two core objectives guide the study: to assess the effect of fiscal and administrative decentralization on local government efficiency, and to examine the role of political decentralization in enhancing responsiveness and service delivery outcomes. Findings from existing empirical studies indicate that decentralization improves local government performance where local institutions possess adequate administrative capacity, predictable fiscal transfers, and functional accountability mechanisms. The study concludes that decentralization is not inherently beneficial but rather conditional on institutional design and local governance capacity. It recommends targeted capacity building, fiscal autonomy with accountability safeguards, and strengthened intergovernmental frameworks to enhance the developmental impact of decentralization reforms.

Keywords: Decentralization, Local Government, Administrative Capacity, Service Delivery, Fiscal Federalism.

Copyright © 2026 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

BACKGROUND TO THE STUDY

Decentralization has gained prominence globally as a governance reform intended to enhance efficiency, democratic participation, and development outcomes at the subnational level. UNDP (2022) declares that since the 1990s, many countries, particularly in the Global South, have adopted decentralization policies as part of broader public sector reforms promoted by international development institutions such as the World Bank and United Nations Development Programme. The central premise is that local governments, being closer to the people, are better positioned to identify local needs and deliver public services more effectively than centralized bureaucracies. To understand the concept “decentralization” in line with the topic, it will be argued that it manifests in three main forms namely: fiscal,

political, and administrative. Smoke (2015) states that fiscal decentralization involves the transfer of revenue-raising powers and expenditure responsibilities to local governments; political decentralization emphasizes elected local leadership and citizen participation; while administrative decentralization entails devolving planning and implementation authority to subnational units. In theory, these dimensions jointly strengthen administrative capacity and improve service delivery outcomes in areas such as health, education, water, and local infrastructure. However, cross-country experiences reveal uneven outcomes. World Bank (2023) states that while some countries have recorded improvements in service quality and accountability, others have witnessed inefficiencies, duplication of roles, and elite capture at the local level. Faguet (2014) concludes that these

variations underscore the need for a comparative examination of how decentralization affects local government performance across different institutional contexts.

Statement of the Problem

Despite the widespread adoption of decentralization reforms, local government performance in many countries remains suboptimal. Ayee (2020) states that in several developing countries, decentralization has transferred responsibilities to local governments without corresponding fiscal resources or administrative capacity, resulting in weak service delivery and inefficient governance structures. In other cases, political decentralization has failed to translate into meaningful accountability due to weak local electoral systems and elite domination of local institutions. Rodríguez-Pose and Ezcurra (2010) declare that decentralization often generates coordination challenges between central and local governments, leading to overlapping mandates, policy incoherence, and accountability gaps. These problems raise concerns about whether decentralization genuinely enhances administrative capacity and service delivery or merely relocates governance failures from the center to the periphery. Consequently, the lack of consensus in empirical findings, combined with contextual variations across countries, necessitates a comparative analysis to understand the conditions under which decentralization improves local government performance. It is for this reason the study examines the effect of fiscal and administrative decentralization with a view to finding how decentralization had improved local government performance, responsiveness, and service delivery.

Objectives of the Study

The study is guided by the following objectives:

1. To examine the effect of fiscal and administrative decentralization on the efficiency and administrative capacity of local governments.
2. To assess the influence of political decentralization on responsiveness and service delivery outcomes at the local government level.

Research Questions

1. How do fiscal and administrative decentralization affect local government efficiency and administrative capacity?
2. To what extent does political decentralization enhance responsiveness and service delivery at the local level?

Conceptual Clarifications

1. Decentralization

Decentralization refers to the systematic transfer of authority, responsibilities, and resources from central governments to subordinate or quasi-independent levels of government with the aim of improving governance efficiency, accountability, and service delivery. Smoke (2015) posits that decentralization is

widely adopted as a governance reform strategy across both developed and developing countries, particularly in response to the limitations of centralized administrative systems in addressing diverse local needs. Thus, Faguet (2014) submits that by bringing government closer to the people, decentralization is expected to enhance responsiveness, promote citizen participation, and strengthen democratic governance at the grassroots level. Oates (1999) commonly identifies three interrelated dimensions of decentralization: fiscal, political, and administrative. Fiscal decentralization involves granting subnational governments authority over revenue generation and expenditure decisions, thereby improving allocative efficiency and financial accountability. Crook and Manor (1998) state that political decentralization emphasizes the devolution of decision-making power through elected local councils and increased citizen involvement in governance processes. Rondinelli (1981) declares that administrative decentralization entails transferring responsibility for policy implementation and service delivery to local governments, allowing for context-specific solutions and flexible management of public services. Despite its theoretical appeal, decentralization does not automatically lead to improved governance outcomes. This is because, decentralization effectiveness depends largely on institutional capacity, clarity of intergovernmental roles, and the presence of accountability mechanisms. Thus, World Bank (2023) states that in contexts that where local governments lack technical expertise or financial autonomy, decentralization may result in inefficiencies, elite capture, and uneven service delivery. Consequently, Bardhan and Mookherjee (2006) state that decentralization should be understood not as a uniform solution but as a context-dependent reform whose success hinges on supportive institutional and political will, interest, conditions, and funding.

2. Local Government Performance

Local government performance refers to the extent to which local authorities effectively and efficiently fulfil their assigned responsibilities in delivering public services, managing resources, and responding to the needs of local populations. Andrews, Pritchett, and Woolcock (2017) state that local government performance is commonly assessed using indicators such as administrative capacity, quality of service delivery, fiscal management, accountability, transparency, and development outcomes in sectors including health, education, water supply, and local infrastructure. In the context of decentralization, local government performance is central to determining whether devolved authority translates into tangible improvements in citizens' welfare. Grindle (2017) submits that effective local government performance depends largely on institutional and administrative capacity, including the availability of skilled personnel, functional bureaucratic systems, and adequate financial resources. Faguet (2014) states that where local governments possess the autonomy to plan and

implement policies, they are better positioned to tailor services to local priorities, thereby improving efficiency and responsiveness. Conversely, Smoke (2015) argues that weak capacity, limited revenue autonomy, and unclear intergovernmental mandates often undermine performance, leading to poor service delivery and inefficient use of public resources. Accountability and citizen participation also play a crucial role in shaping local government performance. Brinkerhoff and Wetterberg (2016) states that competitive local elections, transparency mechanisms, and participatory governance arrangements enhance responsiveness by aligning government actions with community preferences. Bardhan and Mookherjee (2006) submit that in contexts characterized by elite capture, patronage politics, and weak oversight institutions, local governments may prioritize political interests over public service outcomes. Thus, local government performance is not solely a function of decentralization but is mediated by political, administrative, and institutional conditions that determine how devolved powers are exercised in practice.

3. Administrative Capacity

Administrative capacity refers to the ability of government institutions particularly at the local level to design, implement, manage, and evaluate public policies and services effectively. Grindle (2017) posits that administrative capacity encompasses the availability of skilled human resources, organizational structures, managerial systems, technical expertise, and institutional processes necessary for efficient public administration. In decentralized governance systems, administrative capacity is a critical determinant of whether transferred responsibilities translate into improved local government performance and service delivery outcomes. Andrews, Pritchett, and Woolcock (2017) state that strong administrative capacity enables local governments to plan development initiatives, manage public finances, coordinate service delivery, and monitor outcomes in line with established standards. Smoke (2015) argues that where local bureaucracies possess adequate professional staff, functional civil service systems, and access to technical support, decentralization contributes positively to efficiency and responsiveness. Conversely, weak administrative capacity often results in poor policy implementation, mismanagement of resources, and limited ability to absorb devolved functions, thereby undermining the expected benefits of decentralization reforms. World Bank (2023) states that administrative capacity is shaped by institutional arrangements and intergovernmental relations. Thus, clear assignment of functions, performance management systems, and continuous capacity-building initiatives enhance local administrative effectiveness. However, Ayee (2020) states that in most developing countries including Nigeria, local governments face challenges such as inadequate training, political interference in administrative processes, and high staff turnover, which constrain their operational effectiveness. These

challenges highlight the need for deliberate investments in human capital development and institutional strengthening to ensure that administrative decentralization leads to meaningful improvements in governance and service delivery.

4. Service Delivery

Service delivery refers to the provision of public goods and services such as education, healthcare, water supply, sanitation, transportation, and social welfare by government institutions. World Bank (2023) states that service delivery is a central indicator of government performance and legitimacy. Effective service delivery is measured by accessibility, quality, efficiency, and equity in the distribution of public services. The relationship between decentralization and service delivery is based on the assumption that local governments are better positioned to understand community needs and tailor services accordingly. Faguet (2021) declares that proximity of public service or social amenities to citizens enables faster feedback, greater participation, and improved monitoring of public programs. Ayee. (2020) states that decentralized service delivery can therefore enhance responsiveness and reduce bureaucratic delays associated with centralized systems. Martinez-Vazquez and McNab (2023) demonstrate that subnational governments with fiscal and administrative autonomy tend to perform better in sectors such as primary healthcare and education. OECD (2022) also notes that citizen engagement at the local level increases satisfaction with public services and improves accountability.

In many developing countries, weak capacity, corruption, and political interference limit the effectiveness of decentralized service provision. This, however, vary service delivery outcomes by countries depending on governance quality and institutional arrangements. Smoke and Lewis (2021) argue that decentralization can exacerbate inequalities when wealthier regions are able to provide better services than poorer ones, thereby widening regional disparities. In Nigeria, service delivery at the local government level has been characterized by inadequate infrastructure, poor funding, and weak accountability mechanisms. Akinola and Adesopo (2024) declare that local councils often fail to deliver basic services such as clean water, sanitation, and rural roads due to limited financial autonomy and administrative inefficiency. These challenges undermine public confidence in government and contribute to social and economic underdevelopment. Also, service delivery is influenced by coordination among different levels of government. Fragmented responsibilities and overlapping mandates can result in duplication of efforts or neglect of certain service areas. World Bank (2024) emphasizes the importance of intergovernmental coordination and performance monitoring in achieving effective service delivery outcomes. Ibrahim and Onyekachi (2023) posit that service delivery is the ultimate test of decentralization and governance reforms

and added that, while decentralization can improve responsiveness and efficiency, its impact on service delivery depends on political accountability, administrative capacity, and adequate financial resources.

5. Fiscal Federalism

Fiscal federalism refers to the principles governing the allocation of fiscal responsibilities, revenue-raising powers, and expenditure functions among different levels of government within a decentralized system. Oates (1972) states that fiscal federalism provides the analytical framework for understanding how public resources should be distributed across central, regional, and local governments to promote efficiency, equity, and macroeconomic stability. Oates (1999) argues that within decentralized governance structures, fiscal federalism is central to determining the capacity of local governments to perform their functions effectively and deliver public services that reflect local preferences. Musgrave (1959) states that the core argument of fiscal federalism is that subnational governments are better positioned to allocate resources efficiently when they have autonomy over expenditures and access to adequate revenue sources. Blöchliger and Petzold (2019) submit that local governments with fiscal discretion can align spending with local needs, enhance accountability, and improve service delivery outcomes. Martinez-Vazquez and McNab (2003) contend that fiscal federalism also recognizes the role of central governments in managing redistributive functions and correcting regional inequalities through intergovernmental transfers and equalization mechanisms. Smoke (2015) states that the effectiveness of fiscal federalism in practice depends on institutional design and administrative capacity. Blöchliger and Petzold (2019) local governments in many developing countries, rely heavily on central transfers due to weak local tax bases, which undermines fiscal autonomy and planning capacity. Thus, a poorly designed transfer systems and unfunded mandates can weaken accountability and exacerbate inefficiencies while a balanced fiscal federalism framework, combining revenue autonomy, transparent transfer systems, and strong accountability mechanisms is essential to enhancing local government performance and service delivery.

Theoretical Framework

This study employed the Fiscal Federalism Theory, originally articulated by Oates (1972). The theory posits that public goods and services are more efficiently provided when decision-making authority is decentralized to the lowest level of government capable of addressing local preferences. According to the theory, decentralization improves allocative efficiency by aligning public expenditure with local needs and conditions. Oates (1999) states that fiscal federalism argues that subnational governments should have adequate revenue autonomy to finance their

responsibilities, while central governments should play an equalization role to address regional disparities. Therefore, in the context of local government performance, the theory provides a useful framework for analyzing how fiscal and administrative autonomy influence service delivery efficiency and administrative capacity. The theory acknowledges that decentralization outcomes depend on institutional capacity and accountability mechanisms. Thus, without these, decentralization may lead to inefficiencies and fiscal mismanagement. This theoretical lens is therefore appropriate for assessing both the opportunities and constraints of decentralization in comparative contexts.

Fiscal Decentralization and Service Delivery

Fiscal decentralization refers to the transfer of financial authority, including revenue generation, expenditure responsibilities, and budgeting powers, from central government to subnational or local governments. It is a critical component of decentralization reforms aimed at improving public sector efficiency and enhancing service delivery outcomes at the grassroots level. Smoke (2020) states that the theoretical foundation of fiscal decentralization is rooted in the decentralization theorem, which posits that local governments are better positioned to provide public services that reflect local preferences and needs due to their proximity to citizens. Arodoye and Abusomwan (2022) argue that fiscal decentralization enhances allocative efficiency by allowing local authorities to design budgets that respond directly to community priorities such as healthcare, water supply, and education. Also, Martinez-Vazquez and McNab (2023) observe that fiscal autonomy strengthens accountability because citizens can directly associate taxes paid with services received, thereby promoting transparency and responsible governance. World Bank (2023) reports indicate that in many developing countries, fiscal decentralization has been characterized by unfunded mandates, weak local revenue bases, and heavy dependence on intergovernmental transfers. This situation undermines the capacity of local governments to plan and sustain service provision. Smoke and Lewis (2021) lament that fiscal decentralization has often been constrained by limited tax authority and centralized control over revenue collection, resulting in insufficient funds for infrastructure, health services, and education in sub-Saharan Africa. Akinola and Adesopo (2024) fiscal decentralization remains largely nominal due to the continued dominance of state governments over local government finances through joint allocation accounts in Nigeria. Consequently, this structure weakens the fiscal independence of local governments and negatively affects their ability to provide essential services such as sanitation, rural roads, and primary healthcare in Nigeria, Ibrahim and Onyekachi (2023) state that inadequate financial management systems and weak accountability frameworks contribute to inefficiencies and corruption, thereby limiting the service delivery gains of decentralization reforms. OECD (2022) emphasizes that fiscal decentralization should be supported by capacity-

building initiatives, clear expenditure assignments, and performance-based grants to ensure that resources are used effectively at the local level. Finally, the success of fiscal decentralization to significantly enhance service delivery depends on the extent of fiscal autonomy, the strength of local institutions, and the presence of mechanisms that promote transparency and citizen participation.

Political Decentralization and Local Accountability

Political decentralization involves the transfer of political authority and decision-making power from central government to elected local representatives and institutions. Rondinelli, Nellis and Cheema (2020) Political decentralization seek to deepen democracy by bringing governance closer to the people and enabling citizens to influence public policy and service delivery through elections, participation, and accountability mechanisms. The core argument in favor of political decentralization is that it enhances local accountability and responsiveness. This is because, when local officials are directly elected, they are more likely to prioritize community needs to secure electoral support. According to Faguet (2021) political decentralization creates a direct link between citizens and policymakers, encouraging competition among local leaders and improving the quality of governance. This accountability relationship is fundamental for improving service delivery in sectors such as health, education, and water provision. A study conducted by the OECD (2022) shows that regions with high levels of political autonomy and participatory governance tend to experience better outcomes in social services and infrastructure development. Similarly, World Bank (2024) findings indicate that political decentralization improves responsiveness by enabling communities to articulate their needs and monitor government performance. Smoke and Lewis (2021) submit that political decentralization faces serious challenges especially in many developing countries where weak electoral systems, elite capture, and patron-client relationships undermine local accountability, thus, instead of serving public interests, local leaders use political power to advance personal or factional agendas. Akinola and Adesopo (2024) state that political decentralization has been constrained by irregular local government elections and state government interference especially where appointed caretaker committees often replace elected councils, weakening democratic legitimacy and accountability in Nigeria. This undermines citizens' ability to hold leaders responsible for poor service delivery and encourages political manipulation of local resources. As a result, the expected benefits of political decentralization in terms of improved responsiveness and service outcomes remain largely unrealized. Also, political decentralization without corresponding fiscal and administrative autonomy may produce symbolic rather than substantive change. Faguet and Pöschl (2022) argue that political authority must be matched

with real power over resources and personnel to translate accountability into tangible service improvements.

Administrative Decentralization

Administrative decentralization refers to the redistribution of authority and responsibility for planning, management, and implementation of public services from central government agencies to subnational and local governments. It focuses on enhancing administrative capacity by empowering local institutions to make decisions, manage personnel, and deliver services efficiently. World Bank (2023) state that the main rationale for administrative decentralization is that local governments are better positioned to understand community needs and implement context-specific solutions. Martinez-Vazquez and McNab (2023) state that by reducing bureaucratic distance between policymakers and citizens, administrative decentralization promotes efficiency, flexibility, and innovation in service delivery. Administrative decentralization also allows for quicker responses to local problems, such as disease outbreaks, infrastructure breakdowns, or educational shortfalls. Smoke and Lewis (2021) observe that administrative decentralization often creates a mismatch between authority and capacity, leading to poor implementation and weak service delivery outcomes especially as many developing countries have transferred responsibilities without providing adequate technical expertise, training, and institutional resources. Ibrahim and Onyekachi (2023) state that local governments frequently lack skilled personnel, effective planning systems, and modern administrative tools in Nigeria. This scenario hampers the ability to manage devolved functions such as primary healthcare, waste management, and rural development. OECD (2022) declares that administrative decentralization can be undermined by excessive central control over personnel and procurement processes, and also, where recruitment and promotions remain centralized, local governments are unable to build professional administrative cadres tailored to their specific needs. Thus, genuine administrative decentralization requires autonomy over human resource management and operational decisions. This is because, when administrative decentralization is accompanied by capacity-building initiatives, digital governance tools, and performance monitoring systems, it significantly enhances service delivery. World Bank (2024) states that countries that invest in training local officials and strengthening institutional frameworks experience improved efficiency and citizen satisfaction. Consequently, administrative decentralization is a necessary condition for improved service delivery, but it must be supported by institutional development and continuous capacity enhancement.

Political Decentralization

Political decentralization refers to the transfer of political authority and decision-making power from central government to elected local governments and

representative institutions. It emphasizes democratic participation, electoral accountability, and citizen involvement in governance processes. Faguet (2021) states that the primary objective of political decentralization is to bring government closer to the people and ensure that public policies and services reflect local needs and priorities. Theoretically, political decentralization strengthens governance by creating a direct relationship between citizens and policymakers. When local leaders are elected rather than appointed, they are more accountable to their constituents and more responsive to community demands. Faguet and Pöschl (2022) argue that accountability mechanism encourages competition among political actors, which can improve transparency and reduce inefficiency in public administration. Smoke and Lewis (2021) state that political decentralization also enhances political inclusion by providing marginalized groups with opportunities to participate in decision-making at the local level. OECD (2022) reports that countries with functional local elections and participatory governance structures tend to achieve better outcomes in social services such as education, health, and housing. World Bank (2024) states that political decentralization enhances responsiveness because citizens can directly voice their needs and evaluate government performance. Political decentralization without adequate fiscal and administrative authority may lead to symbolic governance. Local leaders may be elected but lack the resources or institutional capacity to implement policies effectively. Faguet (2021) argues that political decentralization must be supported by real power over budgets and administration to translate political accountability into tangible service improvements. Finally, political decentralization plays a vital role in strengthening democratic governance and accountability at the local level. Its success depends on credible elections, active citizen participation, and strong institutional frameworks. Without these conditions, political decentralization risks reinforcing elite dominance rather than promoting inclusive and responsive governance.

ANALYSIS OF FINDINGS/ DISCUSSION

1. Effect of Fiscal and Administrative Decentralization on Efficiency and Administrative Capacity of Local Governments

The findings that fiscal decentralization improves efficiency only when accompanied by predictable transfers and local revenue autonomy, and that administrative decentralization enhances service delivery only where skilled personnel and functional bureaucratic systems exist, strongly support the assumptions of Fiscal Federalism Theory. According to Oates' (1972) decentralization theorem, efficiency gains arise when subnational governments are empowered with both fiscal authority and administrative competence to allocate resources in line with local preferences. However, this theoretical efficiency is conditional upon

institutional capacity and stable intergovernmental fiscal arrangements. From available literature this study referenced, confirm that fiscal decentralization improves administrative efficiency when local governments have autonomy over revenue generation and receive regular, predictable transfers from higher levels of government. For instance, Arodoye and Abusomwan (2022) demonstrate that local governments with greater control over their finances are more capable of planning, budgeting, and executing development projects efficiently. Similarly, Martinez-Vazquez and McNab (2023) argue that revenue autonomy strengthens incentives for performance and reduces dependency on central authorities, thereby improving administrative capacity. Also, administrative decentralization enhances efficiency only where human and institutional capacities are adequate. This agrees with Smoke and Lewis (2021) that decentralization reforms often fail in developing countries because responsibilities are transferred without commensurate investments in personnel training and bureaucratic systems. Akinola and Adesopo (2024) argue that local governments with professional staff and functional administrative structures perform better in service delivery than those constrained by weak institutional frameworks. This position confirms that decentralization alone does not guarantee improved performance; rather, capacity acts as the mediating variable between fiscal authority and efficiency outcomes. Thus, in line with Fiscal Federalism Theory and Research Question One, the findings suggest that fiscal and administrative decentralization can improve efficiency and administrative capacity only when supported by predictable funding, revenue autonomy, and skilled bureaucratic systems. Without these conditions, decentralization may result in fragmented authority and poor performance rather than enhanced efficiency.

2. Influence of Political Decentralization on Responsiveness and Service Delivery Outcomes

The finding that political decentralization improves responsiveness only where strong local accountability mechanisms exist directly addresses Research Question Two and is consistent with Fiscal Federalism Theory's emphasis on local accountability and citizen-government proximity. Fiscal Federalism Theory assumes that decentralized governance enhances responsiveness because local officials, being closer to citizens, are more sensitive to community preferences and service demands. This finding supports the arguments of Oates (1972) and Faguet (2021) that political decentralization responsiveness depends critically on the presence of democratic and institutional accountability structures and will improve service delivery outcomes when local leaders are subject to regular elections, transparent decision-making, and citizen oversight. This scenario supports Arodoye and Abusomwan (2022) that municipalities with strong participatory institutions allocate resources more effectively toward local priorities such as education,

health, and infrastructure. Likewise, it agrees with OECD (2022) that decentralized systems with robust accountability frameworks achieve higher citizen satisfaction with public services due to increased responsiveness and transparency. The finding on research question two supported Smoke and Lewis (2021) that in such context's decentralization may merely transfer inefficiency and corruption from the central level to the local level. For example, irregular local government elections and state government interference undermine political accountability, thereby weakening the responsiveness of local authorities to community needs and limits the positive impact of political decentralization on service delivery outcomes in Nigeria. Therefore, in line with Fiscal Federalism Theory and Research Question Two, the findings indicate that political decentralization enhances responsiveness and service delivery only when embedded in strong local accountability systems. Political autonomy without effective mechanisms for citizen control and oversight produces limited gains in performance and may even exacerbate governance challenges.

CONCLUSION

This seminar examined the relationship between decentralization and local government performance with emphasis on administrative capacity and service delivery outcomes. The findings demonstrate that fiscal and administrative decentralization can significantly enhance the efficiency and administrative capacity of local governments when accompanied by predictable intergovernmental transfers, local revenue autonomy, and skilled personnel. In line with Fiscal Federalism Theory, decentralization improves performance by allowing local governments to allocate resources according to local needs and preferences. However, where financial autonomy is weak and administrative institutions are poorly developed, decentralization fails to produce meaningful efficiency gains. Also, the study reveals that political decentralization positively influences responsiveness and service delivery only when strong accountability mechanisms exist at the local level. Elected local officials, transparent budgeting processes, and active citizen participation improve government responsiveness to community demands. In the absence of these mechanisms, political decentralization may simply transfer inefficiency and governance challenges from the central level to the local level. Therefore, decentralization should not be viewed as an end in itself but as a process that requires supportive institutional, fiscal, and political frameworks to achieve improved local government performance and sustainable service delivery.

Recommendations

1. **Strengthen Fiscal Autonomy and Predictable Funding Mechanisms:** Governments should ensure that local governments receive regular and

predictable fiscal transfers while expanding their authority to generate and manage own-source revenues. This will enhance planning capacity, reduce dependence on higher tiers of government, and improve efficiency in service delivery at the local government level.

2. **Build Administrative and Human Capacity at the Local Level:** Continuous training programs should be instituted for local government staff, alongside reforms to strengthen bureaucratic systems, data management, and performance monitoring. Administrative decentralization must be matched with adequate technical skills and institutional support to translate authority into improved service outcomes.
3. **Enhance Political Accountability and Citizen Participation:** Local government elections should be conducted regularly and transparently, and mechanisms such as participatory budgeting, public hearings, and community monitoring committees should be institutionalized. These measures will improve responsiveness, curb corruption, and ensure that decentralization leads to tangible improvements in service delivery at the local government level.

REFERENCES

- Akinola, S. R., & Adesopo, A. A. (2024). Local government autonomy and service delivery in Nigeria. *Journal of African Governance Studies*.
- Andrews, M., Pritchett, L., & Woolcock, M. (2017). *Building state capability: Evidence, analysis, action*. Oxford University Press.
- Arodoye, N. L., & Abusomwan, S. O. (2022). Fiscal decentralization and efficiency of public service delivery. *Arthshastra Indian Journal of Economics & Research*.
- Ayee, J. R. A. (2020). *Decentralization and Local Governance in Africa*. Routledge.
- Bardhan, P., & Mookherjee, D. (2006). Decentralization and accountability in infrastructure delivery in developing countries. *The Economic Journal*, 116(508), 101–127.
- Blöchliger, H., & Petzold, C. (2019). Fiscal decentralization and public service delivery. *OECD Journal on Budgeting*, 18(1), 1–32.
- Brinkerhoff, D. W., & Wetterberg, A. (2016). Gauging the effects of social accountability on services. *World Development*, 82, 133–148.
- Crook, R. C., & Manor, J. (1998). *Democracy and decentralisation in South Asia and West Africa*. Cambridge University Press.
- Faguet, J. P. (2014). Decentralization and governance. *World Development*, 53, 2–13.
- Faguet, J. P. (2021). Decentralization and governance. *World Development*, 143, 105469.
- Faguet, J. P., & Pöschl, C. (2022). *Is Decentralization Good for Development?* Oxford University Press.

- Grindle, M. S. (2017). *Good governance, rethinking development*. Harvard University Press.
- Ibrahim, M., & Onyekachi, P. (2023). Decentralization and service delivery in Nigeria. *International Journal of Public Administration*.
- Martinez-Vazquez, J., & McNab, R. (2023). Fiscal decentralization and public sector performance. *Public Finance Review*.
- Martinez-Vazquez, J., & McNab, R. M. (2003). Fiscal decentralization and economic growth. *World Development*, 31(9), 1597–1616.
- Musgrave, R. A. (1959). *The theory of public finance*. McGraw-Hill.
- Oates, W. E. (1972). *Fiscal federalism*. Harcourt Brace Jovanovich.
- Oates, W. E. (1999). An essay on fiscal federalism. *Journal of Economic Literature*, 37(3), 1120–1149.
- OECD (2022). *Making Decentralisation Work: A Handbook for Policy Makers*. OECD.
- Rodríguez-Pose, A., & Ezcurra, R. (2010). Does decentralization matter for regional disparities? *Journal of Economic Geography*, 10(5), 619–644
- Rondinelli, D. A. (1981). Government decentralization in comparative perspective. *International Review of Administrative Sciences*, 47(2), 133–145.
- Smoke, P. (2015). Rethinking decentralization. *Public Administration and Development*, 35(2), 97–112.
- Smoke, P. (2015). Rethinking decentralization: Assessing challenges to a popular public sector reform. *Public Administration and Development*, 35(2), 97–112.
- Smoke, P., & Lewis, B. (2021). Intergovernmental decentralization and governance. *World Development*.
- UNDP (2022). *Decentralized Governance for Development*.
- World Bank (2023). *Decentralization and Service Delivery: Global Evidence*. Washington, DC.
- World Bank (2023). *Decentralization and subnational service delivery*. World Bank Group.
- World Bank (2024). *Subnational Governance and Public Service Performance*. Washington, DC.