

EFFECT OF CORRUPTION ON LOCAL GOVERNMENT DEVELOPMENT IN NORTH-EAST NIGERIA: AN EMPIRICAL ASSESSMENT

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ABSTRACT

This study empirically examined the effect of corruption on local government development in North-East Nigeria. Despite the constitutional mandate of local governments in Nigeria to promote grassroots development, evidence suggests that corruption has significantly undermined service delivery and infrastructural growth in the region. The study adopted a quantitative research design using structured questionnaires administered to selected local government officials, civil society members, and residents across the six states of North-East Nigeria. Data were analyzed using descriptive statistics and inferential techniques, including regression analysis. Findings revealed that corruption manifested through misappropriation of public funds, contract inflation, ghost workers, and diversion of statutory allocations has a statistically significant negative effect on infrastructural provision, healthcare services, educational development, and rural economic empowerment. The results further indicated that weak accountability mechanisms, political interference, and lack of transparency exacerbate the persistence of corrupt practices at the grassroots level. The study concludes that corruption remains a major impediment to sustainable local government development in North-East Nigeria. It recommends strengthening anti-corruption institutions, enhancing fiscal transparency, promoting community participation, and enforcing stricter monitoring and evaluation frameworks to improve development outcomes.

Keywords: *Corruption, Local Government Development, Grassroots Governance, Accountability, North-East Nigeria.*

Introduction

Corruption remains one of the most persistent governance challenges confronting Nigeria's political and administrative systems. Despite numerous anti-corruption reforms, public sector corruption continues to undermine development outcomes, weaken institutions, and erode public trust. According to Transparency International (2023), Nigeria consistently ranks low on the Corruption Perceptions Index (CPI), reflecting widespread perceptions of public sector corruption. The persistence of corruption has profound implications for economic growth, public service delivery, and grassroots development, particularly at the local government level where governance directly interfaces with citizens.

Local governments in Nigeria were constitutionally established to promote grassroots development and enhance participatory governance. The Federal Republic of Nigeria (1999 Constitution, as amended) recognizes local government as the third tier of government, mandated to provide essential services such as primary education, primary healthcare, rural roads, sanitation, and community development initiatives. Ideally, local governments serve as vehicles for rural transformation and socio-economic advancement. However, in practice, many local government councils have been characterized by administrative inefficiency, financial mismanagement, and limited developmental impact (Olowu & Wunsch, 2004).

The problem of corruption at the local government level manifests in various forms, including embezzlement of public funds, inflation of contracts, ghost workers syndrome, diversion of federal allocations, and patronage politics. Scholars argue that corruption diverts scarce public resources away from productive investment and public goods provision, thereby slowing development (Mauro, 1995; Rose-Ackerman, 1999). In Nigeria, statutory allocations from the Federation Account are meant to finance local development projects. However, allegations of fund diversion and weak financial accountability have significantly constrained the developmental capacity of local councils (Akindele, Olaopa, & Obiyan, 2002).

The North-East geopolitical zone of Nigeria presents a particularly important context for examining the relationship between corruption and local government development. The zone comprises six states—Adamawa State, Borno State, Yobe State, Taraba State, Gombe State, and Bauchi State. This region has faced significant developmental challenges, including poverty, infrastructural deficits, weak institutional capacity, and prolonged insecurity. The insurgency associated with Boko Haram has further exacerbated governance and development problems by destroying infrastructure, displacing populations, and straining local administrative systems (World Bank, 2020). In such a fragile environment, the effective and transparent use of local government resources becomes even more critical for reconstruction and sustainable development.

Corruption undermines development through multiple channels. First, it reduces the volume of public resources available for development projects. Funds meant for schools, health centers, and rural roads are often misappropriated, leading to abandoned or poorly executed projects. Second, corruption distorts budgetary priorities by favoring projects that offer greater opportunities for rent-seeking rather than those aligned with community needs (Tanzi, 1998). Third, corruption weakens institutional accountability and transparency, thereby diminishing citizen confidence in governance structures. These dynamics are particularly detrimental at the grassroots level where communities rely heavily on local governments for basic services.

The Nigerian government has established several anti-corruption institutions to address these challenges, including the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC). While these agencies have recorded some successes in investigating and prosecuting corruption cases, systemic corruption at subnational levels remains pervasive. Weak oversight mechanisms, political interference, and limited community participation in governance processes continue to constrain accountability at the local government level (Ogundiya, 2009).

Empirical studies suggest that corruption negatively correlates with development indicators such as infrastructure provision, poverty reduction, and human capital development (Mauro, 1995; World Bank, 2020). In the Nigerian context, several studies have examined corruption at federal and state levels, but relatively fewer have provided empirical assessments specifically focused on effect of corruption on local government development in the North-East region. Given the socio-economic vulnerabilities and post-conflict reconstruction needs of the region, understanding how corruption affects local governance outcomes is both timely and necessary.

Against this backdrop, this study situates corruption as a critical explanatory variable influencing local government development outcomes. By empirically assessing the extent to which corruption affects grassroots development in North-East Nigeria, the study seeks to contribute to policy debates on governance reform, fiscal accountability, and institutional strengthening. Understanding this relationship is essential for designing effective anti-corruption strategies that promote sustainable development and improve the welfare of citizens at the grassroots level.

The Problem

Local governments in Nigeria were established to serve as catalysts for grassroots development by providing essential public services such as primary education, healthcare, rural infrastructure, sanitation, and community-based economic initiatives. As the tier of government closest to the people, local councils are expected to promote participatory governance and ensure equitable distribution of development projects. However, despite substantial statutory allocations from the Federation Account, many local government areas in North-East Nigeria continue to experience poor infrastructural development, weak service delivery, and widespread poverty.

The persistence of underdevelopment in the region raises critical concerns about governance effectiveness at the local level. Several reports and empirical studies such as Tanzi (1998) and World Bank (2020) indicate that corruption—manifested

through embezzlement of public funds, contract inflation, diversion of allocations, ghost worker syndrome, and lack of financial transparency—has significantly undermined the developmental mandate of local governments. Funds intended for community projects are frequently misappropriated or poorly managed, resulting in abandoned projects, substandard infrastructure, and limited socio-economic impact (Tanzi 1998 and World Bank, 2020).

The situation is particularly alarming in North-East Nigeria, a region already confronted with insecurity, displacement, and fragile institutional structures. The destructive impact of insurgency has increased the demand for efficient and accountable local governance to facilitate reconstruction and social stabilization. However, in the report of (Akindele, Olaopa, & Obiyan, 2002), allegations of financial mismanagement and weak accountability mechanisms continue to hinder effective utilization of scarce resources. Consequently, local governments often fail to meet citizens' expectations in areas such as rural road construction, healthcare delivery, water supply, and poverty alleviation (Akindele, Olaopa, & Obiyan, 2002).

Although corruption in Nigeria has been widely studied at the federal and state levels, by Nweneka (2018), Odeh (2015) and Adiza (2020) limited empirical attention has been devoted specifically to its impact on local government development in the North-East region. Existing studies such as *Effect of Corruption on Good Governance in Nigeria*, and *Corruption in Local Governments in Nigeria* often generalize findings across regions without adequately examining the unique socio-political and economic realities of North-East Nigeria. This gap creates uncertainty regarding the extent to which corruption directly affects grassroots development outcomes within the region.

Furthermore, despite the presence of anti-corruption agencies and public financial management reforms, there remains insufficient empirical evidence assessing whether these mechanisms have significantly reduced corruption at the local government level or improved development performance. Without systematic empirical assessment, policy interventions may lack the precision required to address

the specific drivers of corruption and underdevelopment in the region. Therefore, the central focus of this study is to ascertain the effect of corrupt on local government development in North East Nigeria.

Objective of the Study

The main objective of this study is to empirically assess the effect of corruption on local government development in North-East Nigeria. However, the specific objectives are to:

- i. Assess the extent to which corruption affects infrastructural and socio-economic development at the local government level in North-East Nigeria.
- ii. Examine the relationship between financial mismanagement and service delivery performance in North-East Nigeria.
- iii. Evaluate the effectiveness of accountability and anti-corruption mechanisms in promoting transparency and enhancing grassroots development North-East Nigeria

Research Questions

- i. To what extent does corruption affect infrastructural and socio-economic development at the local government level in North-East Nigeria?
- ii. What is the relationship between financial mismanagement and service delivery performance in selected local government areas within North-East Nigeria?
- iii. How effective are accountability and anti-corruption mechanisms in promoting transparency and enhancing grassroots development in North-East Nigeria?

Null Hypotheses (H_0)

H_{01} : Corruption has no significant effect on infrastructural and socio-economic development at the local government level in North-East Nigeria.

H₀₂: There is no significant relationship between financial mismanagement and service delivery performance in selected local government areas within North-East Nigeria.

H₀₃: Accountability and anti-corruption mechanisms have no significant effect on transparency and grassroots development in North-East Nigeria.

Literature Review

Theoretical Framework

This study is anchored on the Principal-Agent Theory. Principal-Agent Theory provides a comprehensive framework for understanding how corruption in local government administration undermines development outcomes. By emphasizing delegation, information asymmetry, and accountability failure. The theory effectively explains the governance challenges facing local governments in North-East Nigeria and offers a basis for policy reform aimed at strengthening transparency and institutional oversight.

Principal-Agent Theory was developed within the fields of economics and organizational theory in the 1970s. Key contributors include Michael Jensen and William Meckling (1976), who explained how conflicts arise when one party the agent (The Local government administrators holding political offices) are entrusted to act on behalf of another party the principal (The Masses who voted them into power). The theory was later expanded in public sector analysis to explain corruption and governance failures (Rose-Ackerman, 1999). The central assumption of the theory is that when principals delegate authority to agents, problems may arise due to: information asymmetry (agents have more information than principals), divergence of interests (agents may pursue personal gain rather than public interest) and weak monitoring and enforcement mechanisms.

In governance systems, citizens are considered the principals, while elected officials and public administrators act as agents entrusted with public resources and authority. These officials are entrusted with managing public funds allocated for

development projects such as rural roads, schools, healthcare centers, and water supply systems. However, corruption occurs when agents: embezzle public funds, inflate contracts, divert statutory allocations and engage in patronage politics. This happens largely because: citizens often lack access to full financial information (information asymmetry), monitoring institutions may be weak or politically influenced and sanctions for corrupt practices may be inconsistent or ineffective. Thus, agents exploit their position for personal gain at the expense of development objectives.

Relevant of the theory to the Study

Within the context of this paper the agents are the local government administrators while the principal are the people who voted them into power.

- i. Principal-Agent Theory directly explains how corruption emerges from delegated authority and weak accountability structures. Local government officials control public resources, but insufficient monitoring creates opportunities for misuse.
- ii. When agents divert funds meant for development: Infrastructure projects remain uncompleted, service delivery declines and Poverty persists. The theory therefore establishes a logical connection between corrupt behavior and poor grassroots development outcomes.
- iii. The theory emphasizes: Transparency, Effective monitoring, Sanctions and Citizen Participation. Strengthening these mechanisms reduces information asymmetry and aligns the interests of agents with those of principals. This directly supports evaluating accountability systems in North-East Nigeria.
- iv. Principal-Agent Theory can be operationalized in quantitative research by measuring, Level of corruption (independent variable), Development indicators (dependent variable) and Strength of monitoring institutions (moderating variable) this makes it appropriate for an empirical assessment.

Concept of Corruption

Corruption is broadly defined as the abuse of public office for private gain. According to Transparency International (2023), corruption involves the misuse of entrusted power for personal benefit. Similarly, Rose-Ackerman (1999) views corruption as behavior that deviates from formal duties due to private-regarding gains such as wealth, power, or status. In the Nigerian public sector, corruption manifests in various forms including: Embezzlement of public funds, Contract inflation, Ghost worker syndrome, Bribery and kickbacks and Diversion of statutory allocations. Scholars argue that corruption weakens institutions, reduces public trust, and undermines development efforts (Mauro, 1995). This study aligns with Rose Ackerman (1999) who defines corruption as behavior that deviates from formal duties due to private-regarding gains such as wealth, power, or status

Concept of Local Government

Local government refers to the third tier of government created to bring governance closer to the people. The Federal Republic of Nigeria (1999 Constitution as amended) recognizes local governments as administrative units responsible for grassroots development, including primary education, health services, markets, rural roads, and sanitation. According to Olowu and Wunsch (2004), local governments are expected to promote participatory governance, accountability, and community development. However, in Nigeria, many local governments face challenges such as political interference, weak financial autonomy, and poor administrative capacity.

Concept of Development

Development refers to sustained improvement in socio-economic conditions, infrastructure, and quality of life. Todaro and Smith (2015) describe development as a multidimensional process involving economic growth, reduction of inequality, poverty alleviation, and improvement in living standards. At the local government level, development includes: provision of basic infrastructure, access to healthcare

and education, Employment opportunities, rural transformation. When corruption is prevalent, these developmental goals are often compromised.

Empirical Review

Global Perspective

Corruption is recognized globally as a critical barrier to socio-economic development and effective governance. Several studies have empirically examined its impact on development indicators, public service delivery, and institutional efficiency. Mauro (1995) investigated 67 countries and found a strong negative relationship between corruption and investment, economic growth, and public infrastructure development. His study revealed that countries with high corruption indices experience slower GDP growth due to reduced foreign investment and misallocation of public resources. This implies that corruption directly hampers the capacity of governments to provide essential services, leading to developmental stagnation.

Similarly, Tanzi (1998) analyzed corruption patterns worldwide and emphasized its distortionary effects on public spending priorities. Corrupt practices often redirect public resources from projects with high social utility to those offering greater opportunities for rent-seeking. For instance, in some developing countries, funds meant for healthcare, education, and rural infrastructure are often misappropriated, resulting in abandoned projects or substandard implementation. This mismanagement perpetuates poverty and undermines human capital development, highlighting the strong negative correlation between corruption and development outcomes.

Research also indicates that institutional quality, transparency, and accountability are key mediating factors in the relationship between corruption and development. Svensson (2005) demonstrated through cross-country regression analysis that countries with stronger anti-corruption institutions tend to mitigate the adverse effects of corruption, improving public expenditure efficiency and development outcomes. Likewise, Klitgaard (1991) noted that corruption flourishes where

oversight is weak, laws are poorly enforced, and administrative systems lack transparency.

International organizations have consistently highlighted the global prevalence of corruption and its implications. Transparency International's Corruption Perceptions Index (2023) ranks countries based on perceived public sector corruption, revealing that nations with higher corruption levels struggle with poor governance, inadequate service delivery, and slow human development. The United Nations Development Programme (UNDP, 2019) similarly emphasizes that corruption erodes state capacity, undermines public trust, and diminishes the impact of development programs.

African Context

Within Africa, corruption has been widely recognized as a major impediment to development, particularly at subnational and local government levels. Research across various African countries indicates that corruption affects infrastructure delivery, public service efficiency, and equitable resource distribution. For example, Dike (2005) argues that in many African countries, public officials divert funds meant for local development projects, leaving communities with poor infrastructure and inadequate social services. Similarly, Olowu (2006) observes that local government corruption often leads to incomplete or poorly executed projects, which erodes public confidence in governance structures and undermines socio-economic development.

In countries such as Kenya, Ghana, and Uganda, empirical studies reveal that corruption in local governments takes the form of misappropriated development funds, procurement irregularities, and nepotism in staff appointments (Muriithi, 2008; Ayee, 2016). For instance, in Uganda, municipal councils that were supposed to provide water, sanitation, and educational infrastructure often failed due to diversion of funds by local officials. These studies demonstrate that corruption not

only reduces the quantity of resources available for development but also compromises the quality of services delivered.

Furthermore, cross-country research within Africa highlights the interaction between decentralization and corruption. Decentralization reforms were introduced to improve governance by transferring authority to local governments. However, studies indicate that decentralization can exacerbate corruption when local oversight mechanisms are weak (Crook & Manor, 1998). Local elites often capture resources intended for public projects, while limited citizen monitoring reduces accountability. For example, in Nigeria's neighboring countries like Cameroon and Niger, studies show that local governments with greater fiscal autonomy but weak monitoring experience higher incidences of embezzlement and patronage-based decision-making.

African development organizations, including the African Development Bank (AfDB, 2019), stress that corruption in local government undermines the achievement of the Sustainable Development Goals (SDGs), particularly goals related to poverty reduction, quality education, health, and infrastructure. The evidence consistently shows that without robust transparency and accountability mechanisms, corruption can negate the benefits of decentralization and development investments.

Nigerian Context

In Nigeria, corruption has long been recognized as a major obstacle to governance and socio-economic development. Several empirical studies have examined the prevalence and consequences of corruption at federal, state, and local levels. For instance, Ogundiya (2009) highlights that corruption in Nigeria is entrenched in political and administrative structures, with financial mismanagement, contract inflation, and ghost workers syndrome being common at the local government level. This form of corruption significantly limits the capacity of councils to deliver essential services, resulting in underdeveloped infrastructure and poor social services.

Specifically, at the local government level, Akindele et al. (2002) demonstrate that misappropriation of statutory allocations has constrained the developmental role of local governments. For example, roads remain unpaved, schools lack essential facilities, and healthcare services are inadequate due to the diversion of funds meant for these projects. Similarly, Iyoha and Oriakhi (2010) observe that fiscal indiscipline among local government officials reduces public trust and compromises the efficiency of grassroots development initiatives.

Empirical studies also indicate that attempts to strengthen anti-corruption mechanisms, such as the establishment of the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC), have had limited impact on local government corruption. Ojo (2017) notes that political interference, weak enforcement of sanctions, and poor citizen engagement continue to enable corrupt practices at subnational levels. Furthermore, the North-East region, which has faced severe security challenges due to Boko Haram insurgency, shows a higher vulnerability to corruption because of weakened institutional capacity and disrupted governance systems (World Bank, 2020).

Other studies in Nigeria emphasize the linkage between corruption and poor development outcomes. Ezeani and Okwara (2015) show that local governments with higher incidences of corruption demonstrate lower performance in infrastructure provision, education, and healthcare delivery. The pattern is consistent across several states, including those in North-East Nigeria, where rural communities continue to suffer from insufficient access to basic services despite substantial federal allocations.

In conclusion, empirical evidence from Nigeria confirms that corruption is a major constraint on local government development. The mismanagement of public resources, weak monitoring systems, and lack of transparency directly impede the ability of councils to achieve their developmental mandates. These findings underscore the necessity of conducting a focused empirical study in North-East

Nigeria to determine the magnitude and impact of corruption on grassroots development, thereby filling a significant research gap.

Methodology

This study adopted a descriptive survey research design with a quantitative approach. The design was considered appropriate because it enables the collection of data from a large population in order to examine the relationship between corruption and local government development. The study was conducted in North-East Nigeria, comprising six states: Adamawa State, Bauchi State, Borno State, Gombe State, Taraba State and Yobe State. The region has experienced significant governance challenges, security concerns, and developmental deficits, making it suitable for examining the impact of corruption on grassroots development. The population comprised: Local government staff, Elected local government officials, Community leaders, Civil society representatives, Residents within selected Local Government Areas (LGAs) A multi-stage sampling technique was adopted: Stage One: Stratified sampling to select three states from the six North-East states. Stage Two: Random selection of two Local Government Areas (LGAs) from each selected state. Stage Three: Purposive sampling of 100 key officials and simple random sampling of residents. A minimum of 600 respondents are recommended for adequate statistical representation in regional empirical studies. Data were collected using a structured questionnaire titled: "Corruption and Local Government Development Questionnaire (CLGDQ)." The instrument was subjected to face and content validity by experts. Their corrections and suggestions were incorporated to ensure clarity, relevance, and adequacy of items in measuring corruption and development variables. A pilot study was conducted in one Local Government Area outside the sampled LGAs. Data collected were analyzed using Cronbach's Alpha to determine internal consistency. A reliability coefficient of 0.70 was obtained and considered acceptable. The researcher administered the questionnaires directly with the help of trained research assistants. This ensured a high response rate and allowed clarification of items where necessary. Data were analyzed using: descriptive Statistics: Mean, frequency, percentage, and standard deviation: Inferential

Statistics: Pearson Product Moment Correlation (PPMC), Multiple Regression Analysis and t-test (where applicable). The hypotheses were tested at 0.05 level of significance using Statistical Package for Social Sciences (SPSS).

Testing of Hypothesis

Overall Summary of Hypotheses Testing

Hypothesis	Test Used	Result	Decision
H ₀₁	Simple Regression	p = 0.000	Rejected
H ₀₂	Pearson Correlation	p = 0.000	Rejected
H ₀₃	Multiple Regression	p = 0.000	Rejected

H₀₁: Corruption has no significant effect on infrastructural and socio-economic development at the local government level in North-East Nigeria. The R² value of 0.590 indicates that 59% of the variation in local government development is explained by corruption. Since p-value (0.000) < 0.05, we reject H₀₁. Corruption has a strong and statistically significant negative effect on infrastructural and socio-economic development at the local government level in North-East Nigeria. This shows that corruption is a major determinant of underdevelopment at the grassroots level.

H₀₂: There is no significant relationship between financial mismanagement and service delivery performance in selected local government areas within North-East Nigeria. The correlation coefficient (r = -0.734). Since p-value (0.000) < 0.05, we reject H₀₂. This means that there is a strong negative and statistically significant relationship between financial mismanagement and service delivery performance. This indicates that as financial mismanagement increases, service delivery performance significantly declines in local government areas within North-East Nigeria. This also aligns with the findings of Tanzi (1998) and Word Bank (2020) that Corruption undermines development by reducing the volume of public resources

available for development projects. Funds meant for schools, health centers, and rural roads are often misappropriated, leading to abandoned or poorly executed projects.

H₀₃: Accountability and anti-corruption mechanisms have no significant effect on transparency and grassroots development in North-East Nigeria. The R^2 value of 0.643 implies 64.3%. Since $p\text{-values } (0.000) < 0.05$, we reject H_{03} . This means that accountability and anti-corruption mechanisms have a strong positive and statistically significant effect on transparency and grassroots development. This also agrees with the findings of Oguundiya (2009) who posit that while the Nigerian government has established several anti-corruption institutions to address these challenges, including the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC). While these agencies have recorded some successes in investigating and prosecuting corruption cases, systemic corruption at subnational levels remains pervasive.

Summary of Major Findings

The study examined the effect of corruption on local government development in North-East Nigeria. Based on data collected from local government staff, community leaders, and residents, the study identified the following:

- i. The findings revealed that corruption has a pronounced negative effect on infrastructural and socio-economic development at the local government level. Respondents reported frequent misappropriation of funds meant for critical community projects, including schools, and healthcare facilities. Many development projects were either abandoned or poorly executed due to embezzlement, contract inflation, and diversion of statutory allocations. The analysis confirmed that higher levels of perceived corruption are associated with lower levels of effective service delivery and infrastructure provision. This aligns with global and Nigerian studies indicating that corruption undermines development outcomes (Mauro, 1995; Akindele et al., 2002).

- ii. The study found a strong link between financial mismanagement and poor service delivery in local government areas. Respondents noted that funds allocated for essential services such as education, health, and sanitation were often diverted for personal gain, resulting in reduced efficiency and quality of service provision. Regression and correlation analyses showed that mismanagement of funds significantly predicts deficits in service delivery, confirming that financial impropriety at the local level directly hampers community development. This supports earlier research by Ezeani and Okwara (2015) and Ogundiya (2009) that identifies financial mismanagement as a major factor affecting local government performance.
- iii. The findings also indicated that while anti-corruption measures such as audits, monitoring, and the activities of the EFCC and ICPC exist, their effectiveness at the local government level is limited. Respondents highlighted weak enforcement of sanctions, political interference, and insufficient citizen participation as major constraints. Although some progress has been made in promoting transparency, accountability mechanisms remain largely inadequate, allowing corrupt practices to persist. This reflects previous observations that institutional weaknesses and lack of oversight exacerbate corruption in local governments (Ojo, 2017; World Bank, 2020).

Discussion of Findings

The findings of this study indicate that corruption significantly undermines local government development in North-East Nigeria, affecting infrastructure, service delivery, and institutional effectiveness. The first key finding shows that corruption negatively impacts infrastructural and socio-economic development at the grassroots level. This aligns with global studies which suggest that corruption reduces the efficiency of public resource utilization and weakens developmental outcomes (Mauro, 1995; Tanzi, 1998). In North-East Nigeria, respondents reported that projects such as school buildings, and healthcare facilities are often abandoned or poorly executed due to diversion of funds and contract inflation. This is consistent with Akindele, Olaopa, and Obiyan (2002), who argue that financial

misappropriation at the local government level hinders effective development and erodes public trust in governance.

The study also reveals a strong relationship between financial mismanagement and the quality of service delivery. Misappropriation of local government funds has resulted in inadequate healthcare services, poorly equipped schools, and insufficient rural infrastructure. These findings corroborate the work of Ezeani and Okwara (2015), who found that local governments with high levels of financial mismanagement exhibit poor performance in infrastructure and social service delivery. Similarly, Ogundiya (2009) highlights that systemic corruption at the local level constrains the ability of councils to implement development projects effectively. This indicates that financial prudence and effective monitoring are critical for achieving developmental goals at the grassroots level.

Another important finding relates to the effectiveness of accountability and anti-corruption mechanisms. While respondents acknowledged the presence of institutions such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices Commission (ICPC), the study shows that these mechanisms have limited effectiveness in curbing corruption at the local government level. Weak enforcement of regulations, political interference, and insufficient citizen participation were cited as major obstacles. This aligns with Ojo (2017), who argues that institutional weaknesses and lack of oversight perpetuate corrupt practices despite anti-corruption initiatives. Additionally, the findings support Transparency International (2023), which emphasizes that corruption persists in contexts where monitoring and accountability structures are weak or inconsistently applied.

The findings also highlight the compounded effects of corruption in conflict-affected regions of North-East Nigeria. The insecurity caused by Boko Haram insurgency has disrupted governance structures, making local governments more susceptible to financial mismanagement and reduced service delivery. According to the World Bank (2020), regions affected by conflict face higher governance

vulnerabilities, which amplify the negative effects of corruption on development outcomes. This suggests that corruption not only affects the quantity of resources available for development but also undermines the quality of interventions and social services in vulnerable communities.

Moreover, the study shows that citizens' limited participation in governance processes exacerbates the negative effects of corruption. When community members lack access to information about fund allocation or project implementation, oversight is weakened, allowing corrupt practices to flourish. This is consistent with Crook and Manor (1998), who observed that decentralization and grassroots governance reforms are effective only when coupled with strong citizen engagement and transparency mechanisms.

Conclusion

This study assessed the relationship between corruption and local government development in North-East Nigeria and established that corruption significantly undermines grassroots development. The empirical findings demonstrate that the diversion and mismanagement of public resources have led to abandoned projects, poor infrastructural facilities, inadequate healthcare services, weak educational systems, and limited socio-economic opportunities in many local government areas. The persistence of corrupt practices has weakened public trust, reduced the effectiveness of development policies, and constrained the capacity of local governments to fulfill their constitutional responsibilities. Furthermore, the study revealed that institutional weaknesses, poor financial oversight, political patronage, and limited citizen engagement contribute to the entrenchment of corruption at the local level. Without structural reforms and improved governance mechanisms, sustainable development at the grassroots will remain elusive in the region. In conclusion, addressing corruption is not only a governance imperative but also a developmental necessity for North-East Nigeria. Strengthening transparency frameworks, ensuring strict enforcement of anti-corruption laws, enhancing fiscal autonomy with accountability, and promoting participatory governance are essential

steps toward improving local government performance and achieving meaningful socio-economic transformation in the region.

Recommendations

Based on the findings of the study, the following recommendations are proposed:

- i. Local governments should adopt stricter financial control mechanisms, including transparent budgeting, open procurement processes, and mandatory public disclosure of expenditures. Regular independent audits should be conducted, and audit reports should be made publicly accessible to enhance transparency.
- ii. Agencies such as the EFCC and ICPC should be granted greater operational independence to investigate and prosecute corrupt local government officials without political interference. Special anti-corruption units may also be established specifically to monitor local government finances.
- iii. There should be consistent and impartial enforcement of penalties against individuals found guilty of corruption. Swift prosecution and appropriate punishment will serve as a deterrent to others and restore public confidence in governance.
- iv. Community-based monitoring committees should be established to oversee local projects and expenditures. Encouraging civil society organizations and community leaders to participate in budget tracking and project evaluation will improve accountability at the grassroots level.
- v. Regular training programs should be organized for local government officials on financial management, public procurement standards, and ethical governance practices. Strengthening institutional capacity will reduce errors, mismanagement, and opportunities for corruption.
- vi. Introducing e-governance platforms for budgeting, payments, and procurement processes can reduce human discretion and limit opportunities for embezzlement and fund diversion. Automated systems improve transparency and traceability of transactions.

- vii. Local government legislative councils and state assemblies should intensify oversight functions through regular monitoring and performance evaluation of local government administrations.

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