

Fiscal Autonomy And Local Government Service Delivery In Nigeria: A Survey Of Selected Local Governments In Enugu State

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Abstract: *The study focused on the effects of fiscal autonomy on service delivery in the local government system in Nigeria through a survey of selected local governments in Enugu State, Nigeria. The broad objective of this study was to assess the effects of fiscal autonomy on local government service delivery in Nigeria using selected local governments in Enugu State as our base study. Specifically, the study objectives were to: determine the extent the local governments in Enugu State have access to their funds from the federal revenue allocation, examine the extent the Local governments in Enugu State have access to the statutory 10% share of the internally generated revenue of the state, determine the sources available to the Local governments in Enugu State for mobilizing internally generated revenues and examine the relationship between availability of funds and service delivery efforts of the local governments in Enugu State. Survey research design was adopted. The study used questionnaire as the primary source of data. The study purposively sampled nine local governments from the three senatorial districts of the state. Furthermore, three communities were selected from each local government sampled. The four hypotheses formulated were tested using T-test statistics and Pearson's Product-Moment Correlation test statistics (SPSS). The findings of the study revealed that local governments in Enugu State have limited access to the funds from federal revenue allocation and statutory 10% share of internally generated revenue of the State government, Local governments in Enugu State have little significant sources for mobilizing internally generated revenue, and there is no significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State. The implication of the above findings is that efficient social service delivery in Enugu State will remain a mirage if these findings were not remedied. As a panacea, the study recommended review of 1999 constitution in order to grant local government financial autonomy and at least one lucrative revenue source so that they can mobilize revenue internally.*

Keywords: local Government, autonomy, service delivery

INTRODUCTION

Background of the Study

The proximity of the local government to the grassroots makes it primarily suited to provide certain services that will make life worth living in local communities in Nigeria. A virile local government plays important role in ensuring that services are provided efficiently and in a more cost effective manner than the much more remote governments at the higher levels.

The policy of using local government as a third tier of government in Nigeria dates back to 1976 when three hundred (now 774) local governments were created as a vehicle for efficient service delivery to the rural population. Nigeria currently operates a federal system of government namely: federal, state and local governments. The various roles and responsibilities for service delivery to the citizens of these layers of government are enshrined in the 1979 and subsequently, 1999 *Constitution of the Federal Republic of Nigeria (as amended)*. The specific service delivery responsibilities of the local governments are contained in the "Residual list" (Schedule 4) of the constitution. In addition, there are other responsibilities which the local government performs concurrently with the state government.

The case for service provision as the justification for the present day existence of the local government rests mainly on the need to have small units of government which will stimulate the provision of services nearer to the point of delivery in various localities. These services provided by local governments are regarded as social services. According to Anikwe, (2016) they help to improve the quality of lives of the people living within the local community and this helps to integrate as well as upgrade community life generally.

However, in order to deliver these assigned services to the grassroots communities in an effective and efficient manner, the constitution of the Federal Republic of Nigeria protects the local government from the arbitrary

actions of the state and federal governments. Similarly, the constitution recognized local government as third tier government and granted financial and functional powers to local government (see Section 7 of the 1999 constitution). This implies that local government enjoys a reasonable degree of independence in revenue generation and recruitment of its personnel (Onwe, 2009).

Finance is very crucial prerequisite which enables local government to maintain itself and effectively meet its commitment to grassroots communities who depend on them for those services. In order to ensure that local governments have strong financial base to deliver these assigned services to the people, the 1999 *Constitution of Federal Republic of Nigeria* allocated revenue raising powers to this level of government. The revenue raising powers granted local government by the 1999 constitution is inadequate, in terms of coverage and the non-buoyancy/inelasticity of those revenue heads that fall under the jurisdiction of local government. These revenue heads are: licenses and fees on television and wireless radio, market and trading licenses and fees, car park duties and advertising fees. The important characteristics of all these sources, however, are their low revenue yield (Akindele, 2009). However, to balance the vertical fiscal imbalances inherent in Nigeria's fiscal federalism, the law provided for financial transfers from central and state governments to the local government. The latest federal government revenue allocation formula stipulated that local governments would be entitled to 20% percent of the revenue accruable to the federation accounts and 10% percent of the internally generated revenue of the state government (FRN, 1991).

Section 162 (6) stipulates clearly that each state shall maintain a state joint local government account into which shall be paid all allocations to the local government councils of the state from federation account and revenue from the state grant. This lack of direct access of the local government to its allocations was to ensure probity and proper management of funds accruing to local government. Similarly, it is a confiscation of the financial autonomy of the local government. This study therefore, explores the impact of fiscal autonomy deficit on efficient service delivery by the local government.

Statement of the Problem

Fiscal federalism demands that different levels of governments should have fiscal resources (finance) equal to their assigned spending responsibilities. In other words, there should be match, between assignment of functions and finances allocated for the discharge of the constitutionally assigned functions. The local government as a third tier of government is inefficient and ineffective in delivering its assigned functions to the people at the grassroots (its local communities) due to poor financial base. The internal revenue generation sources of the local government are inelastic and fraught with enormous problems of collection which have resulted in heavy dependence on statutory allocation from federal and state governments. The result of this paternalism is the financial uncertainty and instability of local governments in the country. On the other hand, the infringement in the fiscal autonomy of the local government is worrisome. The state governments in Enugu State are usurping several major revenue sources of the local government especially urban local governments as state sources of revenue. It is a well known fact that almost all the major motor parks and markets in Enugu State have been taken over by the state government. This apparent usurpation depict outright confiscation of internal revenue generation sources of the local government which is instrumental to abysmal performance of the local government in delivery of access rural roads, water and rural electricity.

Similarly, the state government through the State Joint Local Government Account has confiscated the funds meant for grassroots development carefully hidden under special deductions. The operation of the State Joint Local Government Account has become a powerful weapon in the hands of the state government to financially strangle the local governments. Section 162 (5-8) of 1999 Constitution did not empower local government from accessing funds directly from the federation account nor a signatory to State Joint Local Government Account.

The State Joint Local Government Account has made efficient and effective service delivery to the grassroots by the local government a myth and mirage. This is evident in the poor environmental state and deterioration of public school buildings, poor market facilities and lack of health centers. This is definitely a bad situation given the fact that more than seventy percent of the Nigerian population resides in the rural areas and the only impact of government on their lives will be service delivery by the local governments, which presently is lacking in most rural areas in South East mainly as a result of fiscal autonomy deficit.

Despite huge government revenue in recent times, the basic social services in the rural areas are poorly delivered especially by the local government. With the current surge in population explosions in urban centers in Nigeria, the government at all levels notably local government have failed to make our rural communities livable. It behooves on this study to find out why despite the reforms to make local government responsive to the people at the

grassroot. Enugu State local government system is still unable to deliver efficient and effective basic services to the local communities for the reduction of rural- urban migration in the state.

Objectives of the Study

The broad objective of this study is to assess the effects of fiscal autonomy on local government service delivery in Nigeria using selected local governments in Enugu State as our base study. The specific objectives included to:

1. Determine the extent the selected local governments in Enugu State have access to their funds from the federal revenue allocation.
2. Examine the extent the selected Local governments in Enugu State have access to the statutory 10% share of the internally generated revenue of the state.
3. Determine the sources available to the Local governments in Enugu State for mobilizing of internally generated revenue.
4. Examine the relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

Research Questions

1. To what extent do the local governments of Enugu State have access to their funds from federal revenue allocation?
2. To what extent do the Local governments in Enugu State have access to the statutory 10% share of the internally generated revenue of the state?
3. What are the sources available to the Local governments in Enugu State for mobilizing of internally generated revenue?
4. What is the relationship between availability of funds and service delivery efforts of the local governments in Enugu State?

Hypotheses

Hypotheses 1

H₀₁: Local governments in Enugu State have limited access to their funds from the federal revenue allocation.

H_{a1}: Local Governments in Enugu State have full access to their funds from the Federal Revenue Allocation.

Hypotheses 2

H₀₂: Local governments in Enugu State have limited access to the statutory 10% share of internally generated revenue (IGR) of the state.

H_{a2}: Local Governments in Enugu State have full access to the statutory 10% share of the internally generated revenue (IGR) of the state.

Hypotheses 3

H₀₃: The local governments in Enugu State have no significant source for mobilizing internally generated revenue.

H_{a3}: The Local Governments in Enugu State have significant sources for mobilizing internally generated revenue.

Hypotheses 4

H₀₄: There is no significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

Ha₄: There is significance relationship between availability funds and service delivery efforts of the local governments in Enugu State

Conceptual Review

Local Government

It is logically convenient to commence the review on local government by explaining what local government stands for. It is pertinent to state that the political arrangement of every nation determines what the concept stands for, no matter the type of political arrangements (unitary or federal system) adopted by a nation. Local government according to Kyenge (2013) focuses on the transfers of political powers to local areas by involving the inhabitants in the provision of basic needs in their respective communities.

Specifically, Olisa *et al.* (1990) quoted in Chukwuemeka, *et al.* (2014) and Udenta (2007) define local government as a unit of government below the central, regional or state levels established by law to exercise political authority through a representative council within a defined geographical area. The 1976 local government reform offered the most acceptable definition of local government in Nigeria as follows:

Government at the local level exercised through representative councils established by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of service and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure through the active participation of the people and their traditional institutions, that local initiatives and response to local needs and conditions are maximized.

Under Nigeria's federal arrangement, local government is established as the third tier of government to fill in, expediently, certain roles and activities best performed at the grassroots. Local government constitutes the most critical level of government at which the momentum to sustain, national development can be created. Bello-Imam (1996) noted that in some third world countries, local government is the only semblance of authority known beyond the traditional institution.

Udenta (2007) see local government as a system of local administration under which local communities and towns are organized to maintain law and order, provide some limited range of social services and public amenities and encourage the cooperation and participation of the inhabitants in joint endeavor towards the improvement of their conditions of living. It provides the communities with a formal organizational framework which enables them to conduct their affairs effectively and regulate the actions of their members for the general public good.

The United Nations Office of Public Administration (quoted in Ubani, 2010, Ola and Tonwe, 2009) defined local government as a political subdivision of a nation or (in a federal system) state which is constituted by law and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purpose. The governing body of such an entity is elected or otherwise locally selected.

A more positive appreciation of the role of local government for service delivery to the populations of this tier of government led to the 1976 nation-wide local government reform. The reforms recognized this level of government as a distinct tier of government (Bello-Imam, 1996). The various roles and responsibilities of the local government are contained in the fourth schedule of the 1979 and 1999 Constitutions of the Federal Republic of Nigeria. Some of the listed functions and responsibilities are exclusive to the local government while others are concurrent i.e. they could be executed in conjunction with state government. However, the major features of local government as can be derived from these legion of definitions are noted in the works of Ezeani (2012) and Chukwuemeka *et al.* (2014). These features include:

- Local government operates within a defined geographical area.
- Has certain population living within the confines of a defined territory.
- Operates at the local or grassroots level.
- Has a range of constitutionally delineated functions to perform.
- Has a relative autonomy or independence.
- It is a legal entity of its own and can sue and be sued.
- Has its council composed of elected representatives?
- It is the lower level government in a unitary political arrangement and lowest level government in a federal three-level government.

However, what the local governments have in common irrespective of the political arrangement of a nation (federal or unitary) is the various roles and responsibilities for service delivery to the citizens of this tier of government.

Local Government and Service Delivery

There are certain services for which the local government is the most efficient provider. Certain personal services like health services, the community's poor, the destitute, aged, orphans, slaughter houses, slabs, public conveniences, sewage and refuse disposal, roads, street parks, primary, adult and vocational education among others, fall into this category (Anikwe, 2015). Giving further credence to this position, Sharpe (1986) succinctly argued that the local government's role as an efficient provider of certain kinds of services is gradually emerging as the most important justification for its present day existence. According to him, there are services, which the local governments are far better suited to provide than other levels of government.

Sources of Finance in Local Government

Finance is the backbone of all functional institutions or organizations in any society. It is a vital prerequisite, which enables an organization to maintain itself and effectively meet its commitment to individuals and groups who consume its output of goods and services (Onwe, 2009). Local government is a public sector institution with assigned functions and responsibilities, administrative structure and financial arrangement both for maintaining itself and rendering its statutory assigned functions to its citizens. Bello-Imam (2006) noted that the generic centrality of finance to organizational performance also applies to local government.

Nigerian local governments, have five easily discernible sources of revenue open to them. These are financial transfer from state and central governments, local tax, rates or property rate, user fees and charges and loans. The financial transfer according to Ezeani (2004) is a situation where local governments are legally and constitutionally allocated a share of total nationally derived revenue. Financial transfer to local government consists of funds financed from the principal revenue sources of central or state government. The practice goes by different names in different countries. Some of the common names are statutory allocations, grants and intergovernmental transfer among others. Within the Nigerian political system, it is called statutory allocation (Bello-Imam, 1990).

Similarly, poll or community tax, property rates or tenement rates and user fees and charges fall into the internal sources of revenue. Community tax according to Dlakwa (1990) is a poll tax paid by every male adult at flat rate irrespective of whether or not the taxpayer enjoys some kind of services provided by government.

Property rates/tenement rate have been seen by Ocheoha (2004) as probably the key solution of the perennial financial problem of the local government in Nigeria. Gboyega, (1990) in Onwe (2009) sees property or tenement rates as a tax with high yield potential which potentiality is yet to be exploited in Nigeria except in Lagos State and in few municipal councils. It has many advantages among which are, the less difficulties associated with its collection, its impossibility, of evasion or avoidance (Ocheoha, 2004). It is elastic because when the town or city enlarges, the tax base also broadens. It can increase more easily than the flat rate. Finally, as a result of the fixed nature of property, it is a very stable and dependable source of revenue (Egomnwan, 1984).

Moreover, user fees and charges are independent of income whereas a tax is in principle most often based on ability to pay. A key feature of user fees and charges is that they are not always, and indeed not often equal to the cost of providing the good or service (Bello-Imam, 1990). There are as many as 89 sources under this blanket source of internal revenue in Nigeria. This source of revenue can obviously contribute more than it presently does at the local government level in Nigeria if well exploited.

Local Government Autonomy

Local government autonomy focuses on what powers and functions the central or state government should grant to the local units within the political system. However, within the Nigerian context, the 1976 local government reform gave us not only the definition of local government, but also the basic rudiments of local government autonomy.

The basic elements of local government autonomy according to 1976 reform included:

- The local government unit should have a legal personality distinct from the state and federal governments.
- The local government ought to have specified powers and functions distinct from the state and federal governments.
- Local government has to operate independently of the state and federal governments. That means that local government is not an appendage or field office of the state or federal government.
- Local government ought to have the ability to make its own laws, rules and regulations.

- Local government should have the ability to formulate and execute its own policies and the right to recruit, promote, develop and discipline its own staff.

Constitutional Provisions on Local Government Finance

The local government council as a democratically elected government is guaranteed under Section 7 of the 1999 constitution while the fourth schedule details the functions. Section 162 (5, 6, 7, 8) provides for the funding of the local councils through the federation account. Paragraph 6 specifically provides “Each state shall maintain a special account to be called “State Joint Local Government Account” into which shall be paid all allocations to the local government councils of the state from the Federation Account and from the government of the state.”

The essence of these provisions was to facilitate efficient service delivery to local communities through effective supervision of the distribution and efficient management of revenue accruing to the local government councils from the Federation Account (Agbani and Ugwoke, 2014).

The second main area of infraction and perhaps the core infraction is the issue of a democratically elected local government council.

Theoretical Review

The Efficiency-Service Theory

The proponents of this theory justified the existence of local government on the ground that it is an efficient agent for providing services that are local in character. Mackenzie (1954) quoted in Ezeani (2014) noted that local government exists to provide services and it must be judged... by its success in providing services to up to a standard measured by a national inspectorate. It is argued that because of its closeness to an area, local government can provide certain services far more efficiently than the central and state government. Sharpe (1970) noted that the efficient performance of these services is so compelling that if local government did not exist, something else would have to be created in its place.

However, as Sharpe (1970) rightly observed, whereas the value of local government as a bulwark of liberty, or at least as a handmaiden of democracy, has been recognized, its role as an agency for providing services has evoked no comparable enthusiasm. Most often than not, it has been attacked for its deficiencies in this sphere.

Empirical Review of Related Literature

An efficient and effective local government system ensures efficient service delivery to those in the grassroots. It is obvious that for nations to achieve equity in ensuring that the remote villages and towns get what is due to them, they would as a matter of fact see the local government system as bedrock. Despite the vantage position of the local government for effective and efficient service delivery at the local level, it has been the weakest tier of government in Nigeria because they are seriously contained in their service delivery responsibilities.

However, in a study on “intergovernmental fiscal relations and the development of the local government system in Enugu State: 1999 – 2013,” Anikwe (2015) conducted a cross sectional survey research. The study dealt with a cross-section of the population of the seventeen (17) local governments in Enugu State. The broad objective of his study was to evaluate the impact of intergovernmental fiscal relations on the development of the local government system in Enugu State. The specific objective is to determine how funding from state joint local government account relate with human capital development and development of rural roads and to determine the extent financial autonomy of the local government areas in Enugu relates to the provision of water in rural areas in Enugu State.

Anikwe (2015) opined that the process of sharing resources among the three tiers of government in Nigeria created lots of imbalances in the service delivery responsibilities and revenue of the local government. Anikwe observed that the local governments have emerged with greater responsibilities and functions than they can cope with, considering their poor financial base.

Furthermore, Anikwe (2015) discovered that the creation of state joint local government account rather than being a financial control mechanism, served as an instrument of making unnecessary deductions from funds accruing to local government areas in Enugu State from federation account. He opined that this has been a major challenge to service delivery by local government in Enugu State. This finding collaborated with the accusations of the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) in 2009 that indicted the state government of diverting more than N745 billion due to the local government to other uses, thereby crippling the activities of the local councils (Mark, 2010).

Anikwe further discovered that the 1999 constitution of Federal Republic of Nigeria whittles down the autonomy which it granted local government by imposing constraints on the direct access of the local government to their shares of allocation from federation account. This lack of autonomy according to him has a significant effect on the development of the local government. Although, Anikwe's study was massive but a study of this magnitude would have been expected to cover a scope wider than a state being a Ph.D thesis.

However, Okoli, Nnamani and Eberinwa (2015) carried out a study on local government and good governance in Enugu State Nigeria (2000-2012). The major objective of the study was to ascertain the factors that account for the poor performance of local government with respect to good governance in Enugu. The specific objectives were to determine: how local participation affected local government and good governance in Enugu State, how undue interference of state government impeded local government and good governance and how constitution of Federal Republic of Nigeria undermined local government and good governance. The data for their study was sourced through primary and secondary source. The data were analyzed using quantitative method to test the hypothesis.

Okoli *et al.* (2015) found out that non-participation of the grassroots in political activities, state government interference and some provisions in the 1999 constitution undermined local government and good governance in Enugu State. The study recommended urgent constitutional reforms to ensure full autonomy of local government to enhance effective service delivery in the grassroots. The anti-corruption agency should intensify efforts to tackle pervasive corruption in the local government system. They further recommended staff training for local government staff in policy development, monitoring and evaluation. This study appeared to have neglected the local population and selected only the council officials in their study and this looked rather misleading. A study of this nature would have targeted the rural people to ascertain their level of participation in local governance. The validity of this study would be called into question. Therefore, there would be need for a study to be carried out with the local population for these findings to be universally acceptable.

Furthermore, the recommendations of Okoli *et al.* (2015) were not in unionism with the objectives of their study. Their recommendations were not in consonance with their findings in the study.

Gap in Literature

From the above review of related studies, we have seen a significant build up of literature in Local Government Finance, but most of the studies were under explored. Anikwe carried out his study with wrong population who cannot offer requisite information to the accomplishment of the stated objectives of his study. The validity of his study called into question: Farmers and Wine tappers that formed part of his population of study have nothing to contribute meaningfully to answer questions that borders on Fiscal Relations and Development of Local Government. This study filled this gap by purposively selecting the employees of the Local Government who are above grade level 06. The selection of these groups was based on their suitability and familiarity with the questions under investigation.

Similarly, Obodo's study would have the limitations of the applications of secondary data in a study. This study felt that the use of secondary data may not give an accurate result for his study. Obodo's study lacks in scope, sample size, location and comprehensive analytical techniques. This study filled these gaps in Obodo's study appropriately.

The gaps in Odo's study ranges from lack of specific objectives and failure to decompose the dependent variables in his study. His study over relied on secondary data and used outdated data in his analysis.

These gaps identified above necessitated this study and efforts were made to fill them in order to validate the findings of their studies to be universal acceptable. This was done to complement and enhance the existing knowledge.

Methodology

The research design used in this study was survey research design. The study adopted both primary and secondary sources of data collection. The research was conducted using Enugu State Local Government system in Nigeria. Enugu State local government system is made up of seventeen (17) local government councils, and Four Hundred and Fifty seven (457) autonomous communities. The study focused on nine (9) local governments selected purposively, from the three senatorial districts of the state; three from the three senatorial district and three autonomous communities from each local government selected for study, from the period (1999 to 2013) spanning nineteen (19) years.

The study, adopted two sets of population based on suitability and familiarity with financial matters and positions in the local government councils and the ability to assess rural developmental projects carried out by the government councils. From each of the nine (9) local government councils selected, their employees not below

grade level 07 totaling 5134 . Furthermore, Enugu State has Four Hundred and Fifty seven (457) autonomous communities. The study selected three (3) autonomous communities (108 autonomous communities) from each selected local governments and studied their Traditional Rulers, Town Union Presidents and two Representatives.

The sample size of 371 for Local Government staff of this study was determined with the application of Yamani (1963) statistical formula. While, the study adopted total sample for communities. The sample size distribution for each local government was determined in accordance with Kumars proportional formular.

Pilot test was employed to determine the construct validity of the structured questionnaire instruments constructed by the researcher,. The pilot test was carried out using 45 respondents, five (5) workers each from the nine selected local governments. Resource persons in the field of public administration also helped in the validation of the instrument.

The research used the test-re-test method to determine the reliability of the instrument .The modified instrument was given to twenty respondents from the selected local governments. They filled the questionnaire and submitted, and after two weeks, the same questionnaire was issued to the same respondents from the selected local governments to ensure consistency of the outcomes.

The data gathered from the respondents were presented in a tabular form and simple percentages. The four hypotheses formulated were tested using T-test statistics and Pearson's Product-Moment Correlation test statistics (SPSS) and for decision making.

Method of Data Analysis

The data gathered from the respondents were presented in a tabular form and simple percentages. The four hypotheses formulated were tested using T-test statistics and Pearson's Product-Moment Correlation test statistics (SPSS) and for decision making.

Data Analysis

This sub-heading contains test of hypotheses that guided this study. The test technique used here is T-test statistics. The data obtained from the questionnaire were subjected to T-test statistics (t). The data collected were presented and analyzed according to the research hypothesis as follows:

Test of Hypothesis

The Independent Samples *t* Test compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. The Independent Samples *t* Test is a parametric test. The test is used to know the statistical significance of the individual parameters. Two-tailed tests at 5% significance level are conducted.

Decision Rule

If $p \text{ value} < \text{or} = \alpha$, the reject null hypothesis, otherwise accept the null hypothesis and reject alternate hypothesis accordingly.

Hypothesis 1

Ho₁: Local governments in Enugu State have limited access to their funds from the federal revenue allocation.

Ha₁: Local governments in Enugu State have full access to their funds from the federal revenue allocation.

Table 1: T-test statistics respondents' responses to Local governments in Enugu State having limited access to their funds from the federal revenue allocation.

Items	Mean (x)	Std. dev	Std. Error	95% confidence interval		T	df	Sig (2- tailed)
Respondents' responses to Local governments in Enugu State having limited access to their funds from the federal revenue allocation.	.633	1.136	.109	lower .417	upper .849	5.819	108	.000

Source: Field survey, 2018

Hypothesis one states that Local governments in Enugu State have limited access to their funds from the federal revenue allocation. To test the hypothesis the t-test statistics was employed. Table 1 is a summary of the t-test values on the mean differences in respondents' responses to Local governments in Enugu State have limited access to their funds from the federal revenue allocation. The result of the test shows that the t-calculated value (5.819) was significant at 0.000 significant level. This implies that there is significant difference in respondents' responses on Local governments in Enugu State having limited access to their funds from the federal revenue allocation. Therefore, we fail to reject the null hypothesis meaning that Local governments in Enugu State have limited access to their funds from the federal revenue allocation.

Hypothesis 2

Ho₂: Local governments in Enugu State have limited access to the statutory 10% share of internally generated revenue (IGR) of the state.

Ha₂: Local governments in Enugu State have full access to the statutory 10% share of internally generated revenue (IGR) of the state.

Table 2: T T-test statistics respondents' responses on Local governments in Enugu State having limited access to the statutory 10% share of internally generated revenue (IGR) of the state.

Items	Mean (x)	Std. dev	Std. Error	95% confidence interval		T	df	Sig (2- tailed)
Local governments in Enugu State having limited access to the statutory 10% share of internally generated revenue (IGR) of the state	.587	1.056	.101	lower .387	upper .788	5.805	108	.000

Source: Field survey, 2018

Hypothesis two states that Local governments in Enugu State have limited access to the statutory 10% share of internally generated revenue (IGR) of the state. To test the hypothesis the t-test statistics was employed. Table 2 is a summary of the t-test values on the mean differences in respondents' responses on Local governments in Enugu State have limited access to the statutory 10% share of internally generated revenue (IGR) of the state. The result of the test shows that the t-calculated value (5.805) was significant at 0.000 significant level. This implies that there is a significant difference in responses of respondents on Local governments in Enugu State having limited access to the statutory 10% share of internally generated revenue (IGR) of the state. Therefore, we fail to reject the null hypothesis meaning that Local governments in Enugu State have limited access to the statutory 10% share of internally generated revenue (IGR) of the state.

Hypothesis 3

Ho₃: The local governments in Enugu State have no significant source for mobilizing internally generated revenue.

Ha₃: The local governments in Enugu State have significant source for mobilizing internally generated revenue.

Table 3: T-test statistics on respondents' responses on local governments in Enugu State having significant sources for mobilizing internally generated revenue.

Items	Mean (x)	Std. dev	Std. Error	95% confidence interval		T	df	Sig (2- tailed)
Local governments in Enugu State having significant sources for mobilizing internally generated revenue.	1.211	1.388	.133	Lower .947	upper 1.475	9.107	108	.000

Source: Field survey, 2018

Hypothesis three states that local governments in Enugu State have significant sources for mobilizing internally generated revenue. To test the hypothesis the t-test statistics was employed. Table 3 is a summary of the t-test values on the mean differences in respondents' responses on local governments in Enugu State having significant sources for mobilizing internally generated revenue. The result of the test shows that the t-calculated value (9.107) was significant at 0.000 significant level. This implies that there are various sources for mobilizing internally generated revenue. Therefore, we fail to reject the null hypothesis meaning that local governments in Enugu State have no significant sources for mobilizing internally generated revenue.

Hypothesis 4

Ho₄: There is no significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

Ha₄: There is significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

Table 4: Statistical correlation on respondents' responses on the relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

Correlations

		LGA RESPONSES ON FUND AVAILABILITY	COMMUNITY RESPONSES ON SERVICE DELIVERY
LGA RESPONSES ON FUND AVAILABILITY	Pearson Correlation	1	.811**
	Sig. (2-tailed)		.000
	N	108	108
COMMUNITY RESPONSES ON SERVICE DELIVERY	Pearson Correlation	.811**	1
	Sig. (2-tailed)	.000	
	N	108	108

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Field survey, 2018

Hypothesis four seeks to test if there is significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State. To test the hypothesis the Pearson's Product-Moment Correlation test statistics (SPSS) was employed. Table 4 is a show of correlations between respondents' responses on the relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

A Pearson product-moment correlation was run to determine the relationship between availability of funds and service delivery efforts of the local governments in Enugu State. There was a strong, positive correlation between availability of funds and service delivery efforts, which was statistically significant ($r = .811$, $n = 108$, $p = .000$).

This implies that there is no significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State. Therefore, we accept the null hypothesis meaning that there is no significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

Discussion of Findings

The main thrust of this study has been to assess the effect of fiscal autonomy on service delivery in the local government system. The role conferred on local government by the constitution has been derailed by lack of unfettered access to the statutory allocations from Federation Account, failure of the State Government to remit the ten percent (10%) of State internally generated revenue, no significant sources for mobilizing internally generated revenue and no significant relationship between availability of funds and service delivery efforts of the local governments in Enugu State.

Lack of unfettered access to statutory allocations from Federation Account

The 1999 constitution of the Federal Republic of Nigeria made provisions for the federal government to grant financial assistance to the local governments to be determined by the Legislature. It was discovered that this allocation from federal government to the local governments must be channeled through the state governments with specific instructions that such money be re-allocated in prescribed order to the local governments. In fact, the provision of section 162 (5-8) of the 1999 Constitution did not empower the local government from accessing funds directly from the federation account. Specifically, section 162 (6) establishes the State Joint Local Government Account system into which shall be paid all statutory allocations to the local Government councils of the State from federation account. Furthermore, section 162 (7) stipulates clearly that "each State shall pay to local governments in its area of jurisdiction such proportion of its total revenue on such manner as may be prescribed by National Assembly". The creation of the State-Joint-Local-Government-Account leaves much to be desired, as Enugu State Governments has seen this as an opportunity for siphoning the local government statutory allocations from federation account into its own use carefully hidden under special deductions. This diversion of local government funds is peculiar to every other state in Nigeria. In their Memorandum to the National Assembly Constitutional

Review Committee (2014) NULGE lamented that the 1999 constitution is full of contradictions. It is under this contradiction that the State Government hides to manipulate the local government councils by aborting democratic government through the suspension of elections and imposing caretaker committee, thereby usurping statutory allocations due to the local governments from the federation account, to the extent that only 20-30 percent of statutory allocations get to the local council. It was equally discovered that between 1999-2016 that funds accruing to the local governments in Enugu State were regularly paid to contractors without verifying such debts while new contracts were awarded at the state level without recourse to the interest of the respective local councils. This hampers implementation of projects in the rural communities in Enugu State.

Failure of the State Government to remit ten (10%) percent of State internally generated revenue;

The study also revealed that Enugu State government has not been remitting the 10% (percent) of her internally generated revenue to the local Governments in the State. It is a known fact that Enugu State government releases money to local governments only to pay staff salaries and in some instances their staff are paid half of their total emoluments or owed for months.

Instead of acting as a check to the efficient management of funds accruing to the local governments council, Enugu State government stopped remitting the 10% of their internally generated revenue. This has made sustainable development in rural areas a mirage.

Poor Revenue Base of Local Governments;

Local governments in Enugu State are unable to perform their constitutionally assigned functions due to their poor financial base. The internal sources of revenue available to local governments in Nigeria is very difficult to explore which have resulted in heavy dependence on statutory allocations from federal and State governments. The sources available to the local governments in Enugu State for the mobilization of internally generated revenue centred on inadequacy in terms of coverage, and the non-buoyancy of their revenue heads. The tax raising instruments constitutionally assigned to the local governments covered only- fees and licenses, property and tenement rate, market and commercial licenses and fees; car parks duties and advertising fees. In practice according to Akindele (2009) only market fees are easily collected by local governments. The Enugu State governments is known to have usurped the property rates initially considered a local governments revenue generation sources. The financial paucity in local government is blamed on lack of seriousness on the part of local governments to mobilize internally generated revenue for provision of social services. The inability of local governments in Enugu State to generate consequential part of their total recurrent income or revenue needs from internal sources undermine the much canvassed autonomy that is absolute in the sense of a third tier of government has commonly become common-place knowledge.

Lack of Funds available to the Local Governments for provision of Social Services

It was revealed by this study that local governments in Enugu state despite lack funds to embark on provision of social services. The local government officials in Enugu State complained that what comes to the local government as allocations from both Federal and State government is not enough to pay salaries of their staff thereby making it difficult if not impossible to discharge their constitutional duties and responsibilities. The paucity of funds for provision of social services by the local governments could also be blamed on lack of seriousness on the part of local government officials in Enugu State to explore internal sources of revenue mobilization. The attitude of local government officials in Enugu State portrays a picture of being contented with the federal and or State allocations. Today local governments in Enugu State serve as a mere distribution outlet for the State governments.

Summary of Findings

The findings of the study revealed that four null hypotheses accepted in line with the decision rule

1. Limited access to statutory allocation has negative effect on service delivery efforts of the local governments in Enugu State.
2. Local government access to the 10% share of state internally generated revenue (IGR) has negative relationship with service delivery in Local government areas in Enugu State
3. Local governments' sources for mobilizing internally generated revenue have negative significance to service delivery.

4. Availability of funds has no significant relationship to service delivery efforts of the local government areas in Enugu State.

Conclusion

This study has assessed the effect of fiscal autonomy deficit and efficient service delivery in the local government system. From the analysis made, local government all over the world was created to provide effective and efficient social services to the local people. However, most local governments in Nigeria have not fulfilled their constitutional functions in terms of effective and efficient service delivery at the local level due to fiscal autonomy deficit. This manifested in different way but not limited to state government interference on the revenue sources of the local government: the constitutional provision on the operation of State-Joint-Local-Government-Account and vertical fiscal imbalance inherent in Nigeria's constitutional allocation of tax raising powers among components units of governments.

It is the conclusion of this study that the provision of 1999 constitution with respect to local government lives much to be desired as State Governments in Nigeria have seen the lacuna in the constitution as an opportunity for confiscating the fiscal autonomy of the Local Government. The vertical fiscal imbalances inherent in Nigeria's fiscal federalism made the internal revenue of the local government inconsequential which indicates that they heavily depend on statutory allocations from state and federal government. The implication of the above is that local government in Nigeria cannot be helpful in promoting the welfare of the citizens at the grassroots through service delivery unless the country returns to true federalism.

Recommendations

With regards to the above findings, the study made the following recommendations:

1. The 1999 constitution of the Federal Republic of Nigeria need to be reviewed in order to ensure that the political and economic sovereignty required by the local government for efficient service delivery is accommodated.
2. Some of the lucrative revenue sources controlled by the Federal and State Governments need to be relinquished to the Local Government to make it viable in revenue generation.
3. As matter of urgency, the operation of the State- Joint- Local- Government- Account should be modified to make local government a signatory to the account.

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