

Intergovernmental Relations and the Paradox of Fiscal Strangulation: A Study of Enugu State (2000-2019)

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Abstract: *This study examined Intergovernmental relation and the paradox of fiscal strangulation, Enugu State was selected as the area of focus. The study employed descriptive survey methodology. Questionnaire was used to elicit data from respondents. Data elicited from the primary sources were complemented by secondary data. Data generated were critically interrogated and analyzed. Very critical among other findings is that institutional corruption among local government operators adversely affect the rural development function of the local government councils of Enugu State. Also the study revealed that conflict arising from revenue sharing among the three tiers of government affects the performance of Enugu State Local Government Councils. The findings also revealed that fiscal imbalance has relation with poor performance of Enugu State Local Government councils. Recommendations were made sequel to these findings; that government should release the statutory allocation due to the local government as at when due to help them develop and operate independently. The Local Government should endeavor to harness the resources in the area of their jurisdiction. That the courts especially customary courts should exercise constitutional powers and adjudicate over conflict arising from inter-governmental transactions and should rule according to constitution as well as provide strategy for resource distribution, administrative and jurisdictional control, to eradicate conflict among levels of government.*

Keywords: Fiscal, imbalance, statutory allocation, revenue, local government

1.0 INTRODUCTION

Federation implies the existence of more than one level of government in one country each with different expenditure responsibilities and taxing powers. Nigeria is a federation consisting of local government, states and federal capital territory, federal government, 36 states and 774 local governments. Among the different levels of government, fiscal arrangement ought to be worked out properly to ensure fiscal balance in the context of macro-economic development and stability.

The fiscal arrangement among the different tiers of government in a federal structure contends (Osioma and Chukwuemeka, 2007) is often referred to as fiscal federalism; in other types of political structure it is known as inter-tier or intergovernmental fiscal relations.

The goals of intergovernmental fiscal relations are said to be to promote peace and harmony and equitable fund distribution among the three tiers of government, which are the Federal, State and Local Government. To accelerate the achievement of self-reliant economy and galvanise the local government system to develop the rural communities. In so doing, inter-governmental fiscal relations will help to minimize inter-jurisdictional conflicts among the various levels of government. Also to boost greater natural economic integration through the activities of the three levels of government. Again to enhance the emergence of co-operative rather than competitive federation. There is also need to enhance effective and efficient utilization of available human and material resources among the three levels of government. To help solve the problem of rural and urban poverty. To look into the situation where state, local government or unit of the federal government set up have responsibilities with no resources base to perform their statutory functions (Chukwuemeka, 2018).

1.2. STATEMENT OF PROBLEM

In Nigeria, the issue of sharing resources among the three levels of government has remained controversial due to lack of acceptable formula. It generates tension and bad blood among the three tiers of government. This has resulted in setting up of different committees or commissions to prescribe the formula to be used. Also there exists a conflict between the Federal, State and Local government over acceptable formula for sharing revenue. For instance, the conflict is usually whether the principle of derivation, need, natural interest or landmass should be used as a basis for the purpose.

There is the problem of tax jurisdiction, which refers to the problem of which aspect of government should collect what revenue over a particular area. These have been serious problems between the Federal, State and Local Governments. Their share of tax revenue seriously affects local governments. The local government which is the lowest level of government is undoubtedly subjected to fiscal strangulation. The primarily and statutory responsibility of the local government to transform the rural communities but this has been truncated due to a number of factors. The factors range from corruption, siphoning the meagre resources of the local government by the politicians to private coffers, local government financial autonomy question, care taker committee system undue

influence and interference of the local government by the state government. Also there is occasional drop in amount and delays in remittances of federal allocations which left some strains in the financial capacity of the local government to prosecute critical infrastructural development programmes.

1.3 OBJECTIVES OF THE STUDY

- (i) To determine how the institutional corruption among local government operators affect the performance of local councils in Enugu State.
- (ii) To ascertain the extent revenue sharing conflict among the various levels of government adversely affect local government councils in Enugu State.
- (iii) To determine the extent state undue fiscal interference affect local government councils in Enugu State.

1.4 HYPOTHESES

- (i) Institutional corruption among local government operators affect the performance of local councils in Enugu State.
- (ii) Revenue sharing conflict among the various levels of government adversely affect local government councils in Enugu State.
- (iii) State undue fiscal interference affect local government councils in Enugu State.

2.0. LITERATURE REVIEW

2.1. CONCEPTUAL FRAMEWORK

Eze (2016) defines inter-governmental relations as a series of legal, political and administrative relationship established among units of government and which possess varying degrees of authority and jurisdiction autonomy.

Okoli, & Onah, (2002) defined inter-governmental relations as a system of transactions among structured levels of government in a state. Inter-governmental relations are seen as negotiation in which the parties are negotiating advantageous positions for power, money and problems-solving responsibility. The view is in agreement with Aduma (2019) who sees inter-governmental relations as the relationship that takes place among the different levels of government within a given state. The implication of the foregoing is that inter-governmental relations connote cordial or harmonious relationship among the various levels of government and their agencies, be it at the Federal, State or Local Government levels. If we reduce our analysis squarely to a Federal State, we will at once see that inter-governmental relationship is dominated by the association between the Federal Government and its federating units and other agencies and parastatals of government at all levels. The sphere of authority is very often defined and enshrined in the Federal Constitution. (Abonyi, 2007).

Intergovernmental relations can be defined as the interactions that take place among the different levels of government within a state. Usually, the concept is associated with states having a Federal administration system where the relationships between the Federal, Central or national Government and the major sub-national unit (province, region or state) are formally spelt out in the constitution and any re-arrangement must be through a constitutional amendment involving all the levels of government. Although, the emphasis in the analysis of inter-governmental relations (Inter-governmental Relations) is on Federal-State Relations, the full picture also includes how both levels relate to the Local Government units established within each state. The result, then, is that a full analysis of inter-governmental Relations within a Federal administration system must cover the following: Federal-State, Federal-State-Local, Federal-Local, Inter-State, State-Local and Inter-Local Relations (Nwokedi 2014).

The definition and sharing of the State as well as the resources to accomplish such goals is the primary thing in such democratic system, inter-governmental resource sharing is normally done in the basis of perceived importance, coverage and capability of each level of government and especially in Federal democratic systems, it is enshrined in the country's constitution. Secondly, another objective of the inter-governmental relations is bilateral or a multitude of pursuits of conflicting self-interest in the areas of first business undertakings, personnel and information exchanges, grants of extra-territorial rights in service delivery and the pooling and co-ordinations of resources and efforts, aimed at attaining greater economy and effectiveness in operations (Ofoeze, 2002).

2.2. ADMINISTRATIVE MECHANISM FOR MANAGING INTER-GOVERNMENTAL RELATIONS

In some federal administration systems a member of administrative mechanisms have devised for managing inter-governmental Relation. In Canada, for example, the emphasis is on the use of periodic conferences of political leaders and appointed officials. This approach is also a common feature of intergovernmental relations in a few other Federal systems such as Australia, Nigeria and India. In each of these countries, the two major subjects for discussion are Finance and Economic policy.

Making reference to Canada, the most important conference is the annual premiers' conference. Matters relating to finance and economic policy usually dominate these conferences. During the past two decades the number of meetings and conferences at the level of both political leaders and administrators had increased tremendously in addition to meetings involving Federal and provincial and provincials-local relations. By the late 1970s the Federal Government has established rank called the Federal Minister for Inter-governmental Relations. (Chukwuemeka and Eneh 2019).

Okoli & Onah (2002) however, brought the issues home to Nigeria, when they asserted that inter-governmental administrative relations are constitutional machineries established in Nigeria for the maintenance of inter-governmental relations. Some of these institutions include the National Economic Council, the National Council of States, the Liaison Offices, the State Local Government staff etc. There have also been series of conferences organized for leaders and officials of the various levels of government. Virtually, every aspect of government activities has been covered by either, Federal-State or inter-State conferences or combination of the two. Conferences have continued to be the greatest for inter-governmental relations in the Nigeria context, but besides that, some machineries have help matters. The existence of such offices as the special Assistance to the Governor on Local Government matters is a State (such as Enugu) ensures a State-Local Relation. The membership of state appointed members to the local Government service Commission has been another way of ensuring these inter-governmental relations.

Conferences as mentioned above, constitutes the major tool for managing inter-governmental relations. Hence, (Okoli and Onah 2002), observed that between 1989 and 1981, there were over two hundred conferences and meetings held at both the Federal, State and Inter-State levels. Some of these conferences they continued include:

- (i) The Bi-annual conference of Commissioners for Local Governments
- (ii) The National conference of the Ministers and Commissioners for Finance.
- (iii) Meetings of Secretaries to Governments of the Federation.
 - (i) The National Conference of Ministers and Commissioners
 - (ii) Meeting of Accountants-General of the Federation
 - (iii) Meetings of Civil Service Commissioners of Oyo, Ondo, Ogun, Lagos, Bendal States

An interesting question is the extent to which officials at the Federal, State and Local levels engage in hierarchical (meaning superior subordinate) and bargaining – negotiating patterns of relationship. The dominant pattern is like to change from time to time and the crucial factors at any given time will most certainly include; the relative position of each level of government in the intergovernmental Relations system, the behavioural pattern of the political actors and the quality of staff available at each level of government (Nwokedi 2014).

2.2.1. THE CONCEPT OF INTER-GOVERNMENTAL FISCAL RELATIONS

Nigeria's fiscal Federalism is anchored on economic, political, constitutional, and local and cultural developments. The country runs a Federal structure but during the period of military rule, the structure of government was more unitary than Federal in practice. The country's Federal structure grew from three regions in 1060 to four regions in 1963. Between 1967 and 1970, twelve states were created and by 1976 the number of states stood at nineteen. It increased to twenty-one in 1987 and further increased to thirty in 1991 with a separate Federal Capital Territory Abuja. Presently there are thirty-six States, a Federal Capital Territory and seven hundred and seventy-four Local Governments. Consequently, the structure is a three tier or level of Government; the center (Federal), States and Locals Governments, within a presidential system of government. (Isawa 2:7:93)

The increased number of sub-national governments (state and local government has been driven more by agitation and attempt to reduce ethnic tension rather than economic viability. Ironically, the lower centers of government, particularly the local governments, have been centers of economic development. This is not to suggest that development was not considered as a variable but it was a secondary consideration. (Isawa 2007)

The Fiscal Inter-relationship between the three-tiers of government has been contentions over the years. In recent times, the revenue allocation matter became heated when minority States (of South-South Zone) at the National Political Conference staged a walk-out as a result of disagreements over the derivation principle. The crisis in the Niger Delta area of the country hinges on the revenue-

sharing issue. Hence, the next decade will pose challenges for the leadership of the Nigerian State and her policy-makers as they tackle the fiscal relationship among the three level of government.

Nigeria operates a federal structure of government under the 1999 constitution, guarantees the existence of the Federating units. The functions of the Federal Government are contained in the Exclusive list, that of States on the concurrent list where conflict exists, the exclusive functions of the federal government dominate. The constitution spells out the assignment of functions and areas of fiscal jurisdiction among the various units of the Federal system (Ralph 2008)

The 1990 constitution, section 4 (Second Schedule), shows the Exclusive Legislative list comprising the responsibilities on which only the Federal Government can act, the state governments can act. In addition, section 4 (7a) assigns the so-called residual functions to State governments. There are functions not indicated either in the Exclusive list of the concurrent legislative list. Section 7 (5) of the constitution provides for the creation of local government Councils with responsibilities set out in the fourth schedule of the constitution.

The federal units often give up sovereignty in certain aspects of their operations in order to achieve the benefits of natural unity in some areas of government activities while retaining some measure of autonomy in other areas. Inter-governmental fiscal relations can be situated within the concept of federalism. Therefore, federalism connotes a system of government where revenue and expenditure functions are divided among the different levels of government. This is done to enhance the delivery of services at all levels of government. It is generally agreed that revenue generation and spending responsibilities, inter-governmental transfer and the administrative aspects of fiscal decentralization remain the real issues in inter-governmental fiscal relations or fiscal federalism. Therefore, Nigeria's fiscal federalism involves the allocation of expenditure and tax-raising powers among the federal, state and local governments. The argument is that fiscal federalism/decentralization is good for any economy since it enhances better service delivery and stimulates growth and development. It is important to state that contrary views do exist. (Isawa 2007)

It is clear that fiscal arrangement are the consequence of a federal structure. The types of fiscal arrangements ought to affect the nature of the federal structure. The main problem centers on how to put in place, a federal structure that would be conducive to national and equitable allocation of the country's resources among the different sub-national governments in order to reduce intergovernmental and inter-group tensions.

In addition, other problem in Nigeria's fiscal arrangement include power sharing and the apparent imbalance between the expenditure responsibilities assigned to the different levels of government and the tax power available to them, state and local government power in the part of the federal government. The allocation of functions among federating units is more of a political than an economic exercise and there may be no stated principles underlying such allocations in the Nigerian Federation. (Okoli & Onah 2000).

The financial aspect of the affairs of the various levels of government could be said to be the cord that hold them together. This is why Okoli and Onah (2002) add that financial transaction are important area where the various levels of government must come to agreement of development is to be enhanced. Revenue allocation as aspect of finance, dominated inter-governmental relations in Nigeria since 1954 and there about.

Ugwu (1998) acknowledging these facts believe that the argument over the fiscal policy in Nigeria has been hinged on the thorny issues of revenue allocations and the criteria upon which distribution of revenue should be based. There have been conflicts and disagreements over the most acceptable formular or principle which should determine allocation and the relative weight to be attached to each criterion. The disagreement of the subsequent revenue allocation formulae hindered inter-governmental relations in Nigeria. For example, the first commission set for this assignment (known as) the Philipson Commission recommended derivation and even development in 1946 as the most feasible platform for the distribution of national resources, but the state did not find it comfortable as Eastern and Western regions expected greater allocation since more derivations came from those two while the North, from where less derivation was made did not find the formular acceptable either. (Abonyi 2005)

In 1951, the Hick Philipson Commission in lieu of the Philipson recommendation recommended independent revenue derivation and need. But it became difficult to determine what constituted need and even at that, all the formular could not stand the best of time. It therefore, had to be changed (Abonyi 2005).

Consequent upon the unworkability of the formular, the Hicks Commission was set in 1953 and it recommended derivation and fiscal autonomy. Again, the meaning of fiscal autonomy remained illusive in relation to the fundamental of Colonial Economic Policy of Monopoly, Marginalization and Exploitation. (Okoli and Onah, 2002).

In 1958, the Riesman's Commission recommended continuity of existing levels of service, basic responsibility of each regional government, population, balanced development and derivation. Consequently upon independence politics that occupied almost all the available time of the component parts of the government, much agitation was not made but at worst, some of those criteria were found in appropriate as there were conspicuous disparity among them as they existed in the various regions. Such were existing services, responsibility of each regional government, population and the unpredictable issues of balanced development. (Okoli and Onah 2002).

The independence politics later gave way to the attainment of political independence in 1960 when in turn paved way for a new national constitution, popularly known as independence constitution of 1960. With its constitution came a new formular for revenue allocation based on derivation, equality of states and needs. A formular which was accused of posing a posture of colonial legacy in negation to the challenges of the political order (Okoli 2002).

At the creation of an additional region in 1964, Mr. K L Bims was appointed to review the allocation of the Distributable Pool Account to accommodate the newly created region-mid west. The commission recommended that the Distribute Pool Account be raised to 30%, West - 20% and Mid West 1%. (Ugwu,2018). A recommendation which its implementation became a still born, as it was not implemented until 1966 when the military usurped power.

A Revenue Allocation Revenue Committee was set up in 1968. The Revenue Committee was known as Dina Committee and it submitted its report in 1965, but the report was rejected for lack of objectivity and for exceeding its mandate and ignoring its terms of reference (Ugwu, 1998).

Other revenue allocation formulae according to Gboyega (1988), include the one by Aboyade in 1978 and other by Okigbo in 1980 which identified areas of rivalry between the various tiers of government over resources. The Aboyade Commission proposed the ratio of 60:30:10 percent as a basis for sharing revenue among the Federal, State and Local Government tiers. This was rejected for its high technicality and insufficiency. The Okigbo Commission in trying to remedy the situation came with the following formular:

Federal Government	-	53 percent
State Government	-	30 percent
Local Government	-	10 percent
Special Fund	-	7 percent

Through this recommendation created a considerable conflict in the National Assembly, it was accepted with a little modification thus:

Federal Government	-	50 percent
State Government	-	30 percent
Local Government	-	13 percent
Special Fund	-	7 percent

All these while, the issue relating to derivation has been fading out. Hence, Gboyega (1998) contend that: the issues of derivation were only emphasized in the period of agricultural export boom, by 1978 when oil exports had all but disappeared, the derivation principle was accorded insufficient importance. The creation of the Distribute Pool Account, (DPA) in 1959 marked an early turning point. The derivation principle was slowly phased out by increasing emphasis on the needs principle.

Although the population criterion was also introduced later, the difficulties surrounding the reliability of census figures made its use as a basis for revenue allocation difficult. In the politics of revenue sharing, various state in anticipation of potential benefits from presenting a high population figures, inflated their population sizes. (Gboyega,2018).

As time went on, precisely in 1982, the allocation of the government revenue changed form thus:

Federal Government	-	55 percent
State Government	-	35 percent
Local Government	-	10 percent

The formular has to be changed, once again in 1985 by the regime General Ibrahim Babangida to take the form of:

Federal Government	-	55 percent
State Government	-	30 percent
Local Government	-	10 percent

While the remaining little percentage was to be left for the mineral producing areas, the development of mineral producing state and for the amelioration of ecological problems. Abacha's regime later had to change the formular in favour of the State and Local Governments and at the expenses of the Federal Government. Hence, the formular was then pruned to:

- 45 percent for the Federal Government
- 35 percent for the State Government
- 20 percent for the Local Government

From the foregoing, it has been clear that what keeps the government together borders on the allocation of the common fund. However, it is obvious, just as we have said earlier that the Inter-Governmental Relations in Nigeria, is almost, it not all aspects, has assumed a master-servant posture. The Federal Government has been seen to be taking the lion's share of the revenue allocation among the other levels of government which speaks dominance. But be that as it may, the amount allocated to each level is relative to the functions to be performed by each. It therefore, follows that the functions of the Federal Government will exceed them on revenue allocation. The ultimate point should be that for smooth inter-governmental relations to be ensured, a cordial relationship and not control (as is obtainable between State and local governments) should be enthroned. (Abonyi 2005).

This issue according to Wheare, (1953), is the best way of ensuring inter-governmental relations in a Federal State as he posits that if government authorities in a Federation are to be really co-ordinate with one another in actual practice as well as in law, it is essential that these should be available to each of them under its own unfettered controlled, financial resources sufficient for the performance of the functions assigned to it under the constitution.

However, the constitution requires the central parliament to grant financial assistance to any state on such terms and conditions as the parliament thinks fit. Furthermore, there exists a grants policy whereby the central government can grant financial assistance to the states and the local authorities. The grants made to local authorities are paid to the states but with a very clear prior that the moneys so paid are distributed in a prescribed manner to the local authorities within each state (Nwatu 2004).

In general the Central Government makes two types of grants to the states. First, there are the tax reimbursement grants that are made unconditionally to each state. Second, there are the conditional grants, which are financial assistance grants made upon conditions set down by the central government.

While the federal government enjoys considerable latitude as a lender, state and local government's power to borrow is highly restricted. This Favours federal dominance of the inter-governmental Relations System. Federal grants-in-aid have been defined as the payment of funds by one level of government to be expended by another level for a specified purpose, usually on a matching basis and in accordance with prescribed standards or requirements. It is impossible to one and for all, device a fiscal system that perfectly aligns financial power with assigned or constitutional responsibilities, this is particularly so in Federal system. Meanwhile, the Federal and State have more financial sources and generating capacity than the state and Local Government respectively. Invariably, fiscal transfer through the grants practice represents a good device for adjusting the inelastic revenues of the states and local governments to their continually expanding responsibilities. (Nzete, 2009)

In this connection, in a Federation where more often than not, inspite of the quest for the achievement of certain national minimum standard as well as the equalization of opportunities, the problem of fiscal imbalance always stand around, the conditional grants practice provides a good survival and development strategy. In this regard a disproportional imbalance in the tax burden across the country cannot but encourage population and resources movement away from those power states/regions where the burden is not only comparatively onerous, but also where the expenditure capacity of government in such that growth and development continue to be hampered, thus further aggravating the situation in those states/regions. Grants may, therefore be disbursed in favour of comparatively poorer states/regions in order to improve the capacity of these states; government also provides better services and equally lessens the burden of taxation on the citizens they serve. Hence, conditional grants are used to redistribute national resources in pursuit of balanced and even development.

In addition, each state shall maintain a special account to be called state Joint Local Government Accounts” into which shall be paid all allocations to the Local Government of the State from the Federation Account as well as from the government of the state.

In reality most states are reluctant in releasing funds due to local government Councils; state governments found all sorts of excuses not to channel funds to local governments. It would be more interesting if the refusal to channel funds in based on lack of satisfactory performance by local government Councils. Under this scenario, it would be necessary to devise benchmarks for measuring performance. Otherwise, State Governments ought to implement the constitutional requirements of transferring funds from the Federation Account and from State Government to Local Government Councils. It is important to state that most local government has used the non-receipt of funds as the reason for lack of adequate development projects in their jurisdictions. (Elaiw 2007)

3.0 METHODOLOGY

The study is descriptive typology. Data were elicited both from primary and secondary sources.

The population for this study is made up of the entire staff of key staff of seventeen Local Government Councils of Enugu State totaling 520. Sample was derived from the 520 key staff using the formula thus:

$$n = \frac{N}{1+N(e)^2}$$

Where n = sample size

N= population size

1= constant

e= the assumed error margin

Applying the above formula

N= 520

e= 0.05

$$n = \frac{520}{1+520(0.05)^2}$$

$$n = \frac{520}{1+520(0.0025)}$$

$$n = \frac{520}{2.3}$$

$$n = 226$$

The simple percentage method and table were used to present the data gathered. Chi-square non parametric statistics was used to test the hypotheses.

4.0. DATA ANALYSIS

4.1. QUESTIONS ANALYSIS AND DISCUSSION OF RESULTS

Table 4.1.1

Hypothetical statement one: Institutional corruption among local government operators affect performance of local government councils in Enugu State..

Alternative Response	Frequency	Percentage%
Strongly Agree	116	55.0%
Agree	45	21.3%
Undecided	10	4.7%
Strongly disagree	12	5.7%
Disagree	28	13.3%
Total	211	100%

Source: Field Survey, 2020.

From the above table, it is lucid that 116 representing 55.0% of the total respondent strongly agreed that institutional corruption affects the performance of Enugu State local government councils. 45 representing 21.3% agreed, 10 representing 4.7% of the total respondent were undecided, 28 representing 13.3% strongly disagree, while 28 representing 13.3% of the respondent disagreed to the statement.

Table 4.1.2

Hypothetical statement two: The undue interference by the state government has an adverse effect on the performance of Onitsha south local government.

Alternative Response	Frequency	Percentage %
Strongly agree	130	61.6%
Agree	25	11.8%
Undecided	7	3.3%
Strongly disagree	15	7.1%
Disagree	34	16.2%
Total	211	100%

Source: Field Survey, 2020

From the above table, it is luculent that 130 representing 61.6% of the total respondent strongly agreed that the undue interference by the state government has an adverse effect on the performance of Enugu State local government councils, 25 representing 11.8% of the total respondents agreed to this notion, 7 representing 3.3% were undecided, 15 representing 7.1% strongly disagreed while 34, representing 16.2% of the respondent disagreed to the statement.

Table 4.1.3

Hypothetical statement three: Revenue sharing conflict among the various level of government adversely affect local government councils performance in Enugu State..

Alternative Response	Frequency	Percentage (%)
Strongly agree	125	59.2%
Agree	55	26.1%
Undecided	5	2.4%
Strongly disagree	7	3.3%
Disagree	19	9.0%
Total	211	100%

Source: Field survey 2020.

From the above table, it is clear that 125 representing 59.2% of the total respondent strongly agreed that revenue sharing conflict among the levels of government adversely affect local government councils performance in Enugu State, 55 representing 26.1% of the total respondents agreed to this impression, 5 representing 2.2% were undecided, 7 representing 3.3% strongly disagreed while 19, representing 9.0% of the respondent disagreed to the statement.

4.2 TEST OF HYPOTHESES**HYPOTHESIS ONE:**

Hi: Institutional corruption among local government operators affect the performance of local government councils of Enugu State.

H0: Institutional corruption among local government operators does not affect the performance of local government councils of Enugu State.

Table 4.2.1 Analysis of hypothesis 1

RESPONSES	PR	NR	TOTAL
Political class	4	0	4
Management staff	71	11	82
Senior staff	86	39	125
Total	161	50	211

Negative response = (undecided, disagree and strongly disagree)

Positive response= (strongly agree and disagree)

Formula for X^2

$$X^2 = \frac{(fo-fe)^2}{fe}$$

Where fo = frequency observed, fe = frequency expected

Level of significance 0.05

$$\text{Using } fe = \frac{CT \times RT}{GT}$$

Where CT = Column total

RT = Row total

GT = Grand total

$$Fe1 = \frac{161 \times 4}{211} = 3.05$$

$$211$$

$$Fe2 = \frac{161 \times 82}{211} = 62.57$$

$$211$$

$$Fe3 = \frac{161 \times 125}{211} = 95.38$$

$$211$$

$$Fe4 = \frac{50 \times 4}{211} = 0.95$$

$$211$$

$$Fe5 = \frac{50 \times 82}{211} = 19.43$$

$$211$$

$$Fe6 = \frac{50 \times 125}{211} = 29.62$$

$$211$$

CELL	FO	FE	FO – FE	(FO – FE) ²	$\frac{(FO - FE)^2}{FE}$
1	4	3.05	0.95	0.90	0.29
2	71	52.67	18.33	177.69	3.37
3	86	95.38	-9.38	87.98	0.92

4	0	0.95	-0.95	0.90	0.95
5	11	19.43	-8.43	71.06	3.66
6	39	29.62	9.38	87.98	2.97
					12.16

$$DF = (C - 1) (R - 1)$$

$$= (3- 1) (2 - 1)$$

$$= 2 \times 1$$

$$= 2$$

With level of significance = 0.05 and df = 2, the critical value of $X^2 = 5.99$.

Decision rule: reject H_0 if the calculated value X^2 is greater than the critical value of X^2 do not reject if otherwise

Decision: Since X^2 cal = 12.16 and our critical value = 5.99, we reject the null hypothesis and conclude that institutional corruption among local government operators affect the performance of local government councils of Enugu State.

HYPOTHESIS TWO

H1: Revenue sharing conflict among the various levels of government adversely affect the performance of local government councils of Enugu State.

H0: Revenue sharing conflict among the various levels of government does not affect the performance of local government councils of Enugu State.

Table 4.2.2. Analysis of hypothesis 2

RESPONSES	PR	NR	TOTAL
Political class	4	0	4
Management staff	67	15	82
Senior staff	84	41	125
Total	155	56	211

Negative response = (undecided, disagree and strongly disagree)

Positive response= (strongly agree and disagree)

Formula for X^2

$$X^2 = \frac{(fo-fe)^2}{fe}$$

Where fo = frequency observed, fe = frequency expected

Level of significance 0.05

$$\text{Using } fe = \frac{CT \times RT}{GT}$$

Where CT = Column total

RT = Row total

GT = Grand total

$$Fe1 = \frac{155 \times 4}{211} = 1.04$$

$$Fe2 = \frac{155 \times 82}{211} = 60.24$$

$$Fe3 = \frac{155 \times 125}{211} = 91.82$$

$$Fe4 = \frac{56 \times 4}{211} = 1.06$$

$$Fe5 = \frac{56 \times 82}{211} = 21.76$$

$$Fe6 = \frac{56 \times 125}{211} = 33.18$$

CELL	FO	FE	FO – FE	(FO - FE) ²	$\frac{(FO - FE)^2}{FE}$
1	4	1.04	2.96	8.76	8.42
2	67	60.24	6.76	45.69	0.76
3	84	91.82	-7.82	61.15	0.67
4	0	1.06	-1.06	1.12	1.06
5	16	22.03	-6.03	36.36	1.65
6	40	32.91	7.09	50.27	1.53
					14.09

$$\begin{aligned} DF &= (C - 1) (R - 1) \\ &= (3 - 1) (2 - 1) \\ &= 2 \times 1 \\ &= 2 \end{aligned}$$

With level of significance = 0.05 and df = 2, the critical value of $X^2 = 5.99$.

Decision rule: reject H_0 if the calculated value X^2 is greater than the critical value of X^2 do not reject if otherwise

Decision: Since X^2 cal = 14.09 and our critical value = 5.99, we reject the null hypothesis and conclude that revenue sharing conflict among the various levels of government adversely affect local government councils of Enugu State.

HYPOTHESIS THREE

Hi: State undue interference affect the performance of local government councils of Enugu.

Ho: State undue interference does not affect the performance of local government councils of Enugu State

Table 4.2.3.: Analysis of hypothesis 3

RESPONSES	PR	NR	TOTAL
Management staff	4	0	4
Senior staff	67	15	82
Junior staff	82	43	125
Total	153	58	211

Negative response = (undecided, disagree and strongly disagree)

Positive response= (strongly agree and disagree)

Formula for X^2

$$X^2 = \frac{(fo - fe)^2}{fe}$$

Where fo = frequency observed, fe = frequency expected

Level of significance 0.05

$$\text{Using } fe = \frac{CT \times RT}{GT}$$

Where CT = Column total

RT = Row total

GT = Grand total

$$Fe1 = \frac{153 \times 4}{211} = 2.90$$

$$Fe2 = \frac{153 \times 82}{211} = 59.46$$

$$Fe3 = \frac{153 \times 125}{211} = 90.64$$

$$Fe4 = \frac{58 \times 4}{211} = 1.09$$

$$Fe5 = \frac{58 \times 82}{211} = 22.54$$

$$Fe6 = \frac{58 \times 125}{211} = 34.36$$

CELL	FO	FE	FO – FE	(FO – FE) ²	$\frac{(FO - FE)^2}{FE}$
1	4	2.90	1.1	1.21	0.42
2	67	59.46	7.54	56.85	0.96
3	82	90.64	-8.64	74.65	0.82
4	0	1.09	-1.09	1.19	1.09
5	15	22.54	-7.54	56.85	2.52
6	43	34.36	8.64	74.65	2.17
					7.98

$$DF = (C - 1)(R - 1)$$

$$= (3 - 1)(2 - 1)$$

$$= 2 \times 1$$

$$= 2$$

With level of significance = 0.05 and df = 2, the critical value of $X^2 = 5.99$.

Decision rule: reject H_0 if the calculated value X^2 is greater than the critical value of X^2 do not reject if otherwise

Decision: Since $X^2_{cal} = 7.98$ and our critical value = 5.99, we reject the null hypothesis and conclude that State Government undue interference affect local government councils of Enugu State.

5.0. FINDINGS, RECOMMENDATIONS AND CONCLUSION.

5.1 FINDINGS

1. Institutional corruption which range from fund mismanagement, siphoning of government fund to private coffers adversely affect the community development performance of local government councils of Enugu State.
2. Revenue sharing conflict is also a debilitating factor in the effective performance of local government councils of Enugu.
3. The undue interference by the state government adversely affected the performance of local government councils of Enugu State..
4. The study also revealed that the late release of statutory allocation also affect the performance of Enugu State local government councils vis-à-vis community development.

5.2. CONCLUSION

Intergovernmental relation has been identified by various authors and scholars to be very crucial to the local government and its performance. The local government should be adequately funded to be able to meet up with their constitutional responsibilities of rural development. The current fiscal strangulation of the local government councils by the state governments is worrisome and should stop.

5.3. RECOMMENDATIONS

1. In order to maintain that the main areas of inter-government relations in Nigeria is financial relations, the government should consider the local government while formulating allocation formula, this is in order for the local government to know how much resources is attributed to them annually.
2. Considering the fact that the local government is the third tier of government, the upper level government should distribute resources to them in order to help them develop and be independently on their own.
3. While formulating policies, it is the view of the researchers that local government authorities should participate in order for their opinion to be factored.
4. Resources sharing must address the necessity for rapid development at the grassroots levels. As development gets entrenched at the grassroots levels, the Federal level will invariably relinquish some of her activities to the local government. This will necessitate reorganizing the resource sharing structure. For development to take place at the grassroots levels, horizontal distribution is very crucial, increasingly monitored and affected in order to move the nation forward.
5. In order to put a stop to the causes of conflicts among the levels of government in Nigeria, government should provide a strategy for resource distribution, allocation formula, jurisdictional control and administrative control.
6. And for local government to function effectively there is need for full autonomy and financial independent.
7. Also administrative techniques for collaboration such as regular intergovernmental consultations and negotiations through certain institutions such as (state local government Joint Account Committee (JAC). The Revenue Mobilization Allocation and Fiscal Commission) should be encouraged.
8. The Customary courts should therefore have the Constitutional power to hear disputes arising from inter-governmental transactions and to rule as they deem constitutionally proper.

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