



Implication of Financial Corruption on Socio-Economic Development in Ebonyi State Local Government System

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Abstract

This study Financial Corruption: and socio--Economic Development in Ebonyi State Local Government System was designed to explore the implication of corrupt practices at the local government level towards effective socio-economic development of the hinterland. The broad objective of the study is to explore the effect of financial corruption became on the socio-economic development in Ebonyi State local government system. Other objectives are to: Ascertain the extent to which mismanagement of funds by council officials hinder human capital development in the local government areas system. Unveil the extent to which embezzlement of council funds by council officials hinder government's efforts towards poverty reduction in the local government system in Ebonyi State. Identify the implications of contract kick-backs on the quality of service delivery in the local government system of Ebonyi State. The study adopted descriptive survey research content analytical method. The researcher adopted state capture was adopted as the theoretical framework of analysis. Findings revealed among others that financial corruption which manifests in mismanagement of funds, looting, embezzlement, and contract kickbacks perpetrated by council officials hinder human capital development, poverty reduction of government, provision of healthcare facilities, and quality of service delivery in the hinterland. The researcher recommends that management of local government fund should be in line with the financial memoranda of the Nigeria local government system; stringent punishment should be meted against those who loot public treasury among so as to achieve effective socio-economic development in rural areas of Ebonyi State.

Key words: Financial Corruption, socio-economic development, local government, Statutory Allocation, and service delivery.

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Introduction

Corruption with its effects on the systemic existence of local government has done more harm than good towards the smooth running of the system in Nigeria. Ogbonnia (2000) in Edeh &



Nwakamma (2017) has it that political and bureaucratic corruption usually associated with acceptance of bribe, but it is more than that, it involves fraud, nepotism, kickbacks, favoritism and misappropriation by public officials using positions for their own advantage. Ikejiani(1995) defined corruption as “the behaviour of public officials which deviates from accepted norms in order to serve private ends”. Leffin Hiedenheimer (1970) sees corruption as “an extra legal institution used by individuals or groups to gain influence over the action of the bureaucracy”. Bayley (1966) opines that “corruption... is a general term covering misuse of authority as a result of considerations of personal gain”.

Abueval in Hedienheimer (1970) breaks down corruption into three categories namely nepotism, spoils and misappropriation. Gboyega in Olasupo (2009:188) says: Corruption involves the giving and taking of bribe, or illegal acquisition of wealth using the resources, of a public office, including the exercise of discretion. In this regard, it is those who have business to do with government who are compelled somehow to provide inducement to public officials to make them do what they had to do or grant undeserved favour. It is therefore defined as official taking advantage of their offices to acquire wealth or other personal. Public official is corrupt if he accepts money or money’s worth for doing something that he is under a duty to do anyway, that he is under a duty not to do or exercise a legitimate discretion for improper reasons. It is a Pervasion of integrity or state of affair through bribery, favour or moral depravity. It involves the injection of additional but improper transaction aimed at changing the normal course of events and altering judgments and positions of true. It consists in doers and receivers’ use of informal, extra-legal or illegal act to facilitate matter.

Olopoenia (1998:17), looks at corruption in three different perspectives: Theoretically, the literature distinguishes among political, bureaucratic and economic corruption; practically however, these three typologies are no more than different perceptions of the same monster. But all these manifestations are motivated by the desire to use the instrumentality of office for private gains for the benefit of the official, his relations, ethnic group or friends at the expenses of the general good. Nwabueze (2002:128) in his own contribution adopted a sociological approach to the definition of corruption. He conceptualizes corruption in the following way: “A form of social deviance in some cases, of criminal deviances, the result of failure or lack of will to



respect the norms of social interactions. It is an extra-legal or normative approach to gaining access. It is a form of mal-adaptation involving the acceptance of society's cultural goals and the rejection of the socially approved means of attaining the goals. It is an indictment on the ineffectiveness of society's socialization function; a sign of some defects in the development of citizen's personality system. It indicates the existence of weakness in agencies of social control which should punish rather than reward the perpetrator of corruption". It is any act that deviates from the agreed standard in order to favour one party against the other. It often involves financial matters, nepotism, favouritism etc. In terms of financial corruption, it has two actors the giver and the receiver and has been the major challenge of governance in Nigeria. Some many factors account for corruption in Nigeria in Nigeria local government system and other places.

Hajja (2021) contends that "bureaucratic corruption is seen by many as inescapable outcome of modernization and development and this has made the term to be more general, covering the misuse of authority resulting to outright embezzlement, fraud, misappropriation of fund, placing ghost workers on payroll, use of budgetary expenditures, too much inflation of contracts, lack of following due process, and generally lack of internal control and checks and balances at the local government system". The Nigerian officials did imbibe the values of the British. However, at this period, corruption was parochial and characterized by a system in which kingship and other parochial ties determined access to the favours of these new system community leaders interpreters, court clerks etc. At this period, Nigerians were introduced to new institutions, various codes of behaviour and standards of conducts. After independence, Nigeria inherited the capitalist economic system and values. The behavioural patterns and infused values were maintained and in fact reinforced. Corruption in politics, administration and business in Nigeria has its counterpart in a similar tendency by the clerk to extract a bribe for a file to be moved through the process to the administrator, government property was not regarded because it was alienated from the population. It should be noted that western business concerns as one of the covert mechanisms for the transmission of behavioural patterns a significant role in corruption of Nigeria. The dependent nature of the Nigerian economy and the vulnerable nature of politics have contributed greatly to the second explanation of corruption. The problem of Nigeria is a function of the nature of the international economic system and especially the mechanism and



structure through which Nigeria is linked to the developed market economics of America, Britain and France. The national bourgeoisie, technocrats, administrators, “importers and exporters”, all have vested interests in maintaining this state of dependency.

According to Terisa Turner, “Nigerian state officials, rather than apply rules to mediate the market, act in such a way as to reproduce its imperfections: the reinforcing comprador state and the indigenous private sector constitutes a system of instability”. In colonial Nigeria, the administrative divisions and structures which were created coincided with ethnic, tribal, religious and linguistic boundaries. What emerged at independence were regional administrations, public agencies dominated by particular ethnic groups. This has not changed with the multiplication of states. As a result of the strong traditional background of the population, the political culture of the people is participant in nature making them perceive national issues from primordial consideration. At the background is the historical and dynamic issues in the federal system of Nigeria; the fact of colonial creation and seeming unwillingness of the parties to function as a federation. This “feudal system” of allegiance built around the head, influential persons of ethnic/tribal clan group, has lent itself to a situation of instability and collective feeling of non-allegiance to the nation. The structure of the Nigerian economy has acquired its habits on account of its colonial and neo-colonial past.

The structure of the Nigerian economy is a social accounting reality. This structure depicts a flow of goods and service and counter veiling flows of monetary payments and credits that occur among Nigerians and between Nigerians and foreigners. Foreigners help Nigerians to create and distribute money and credit within Nigeria’s structure of finance, and seem to have taken over the credit creation within this structure. Nigeria still has a colonial economic structure and neo-colonial external control of finance and industrial structures which have been predicted upon the pronounced privatization of governance and government agencies. The extended family system in Nigeria was a resource in terms of social stability. However, due to the instability in the Nigerian state, corruption is an easy method to receive large unearned profits in order to be secure in case of any eventuality such as ill-health, job retrenchment or death. There is no national system of social security, health insurance or unemployment benefits. Today there exists



in Nigeria a deteriorated and chaotic healthcare; the old aged and the handicapped have to fend for themselves due to demands of modernity. In the pursuit of modernity and it's a attractions, the rural urban drift has caused eruptions in the stability and serenity of the villages. Nobody has time and the money to look out for relatives, old and young. The cost of daily living and affordable housing in the village for retirement is now a dream. Economic power is the basis of several activities in Nigeria and as insurance to old age, needs and security which government does not provide. Hence, a public officer is prone to corruption in order to protect or secure his future. Political appointments to boards, corporations, parastatals, university councils are often done as favours without taking into consideration personnel background and other requisite important data for the office.

The 'Nigerian understanding' is that they should make money from contracts; local government personnel interfere to state preferences of contract awards and project citing. The struggle by individuals and groups; to get position of authority at all cost induces corruption. This usually manifest in bribes, electoral malfeasance. Some individuals have natural greed for money, and so, any position they find themselves is seen as opportunity for them to loot and acquire wealth. In Nigeria today, most of the political office holders assumed power through fraudulent means, which is undemocratic and illegitimate in a democracy. Such leaders tend to suffer identity and legitimacy crisis. And one of their strategies to garner popular support is the free distribution of public funds to influential people who could help them achieve peoples' support. When corruption is pervasive, positions, in the state bureaucracy become valuable assets, and there will be derived demand for jobs in the state sector. In developing countries there is a lively market for position in the bureaucracy that generates large bribes.

Statement of the Problem

The major setback in Nigeria modern local government system is unarguably political corruption. Efforts at socio-economic development in Nigeria, especially at the rural level appear futile in spite of government concerted efforts to improve the socio-economic wellbeing of the people. It was on this premise that Okoli and Onah (2012:157) contends that "the rural areas in Nigeria are characterized by oppression, degradation and deprivation. The rural people have



fewer opportunities for education, employment and good living. They lack economic and social amenities such as good roads, electricity, pipe borne water, hospitals, bridges, banks, industries, telephone etc.”Local government as the government closer to the people is expected to drive development from the grassroots. This seems not to be the case notwithstanding huge financial resources accruable to the tier of government. In Ebonyi State, poverty level is still high. Other socio-economic indicators such as human capital development, quality road network, and constant electricity, among others have not been adequately provided.

Onwe and Nwakamma (2015) lamented that many people in the state even in the urban centers lack access to safe drinking water, sanitary system is still poor as refuse dumps litter major streets, healthcare facilities are not adequately provided and people still die of preventable diseases such as cholera, malaria as a result of poor hygiene. World Health Organization (2016) reports that 2016 life expectancy data published by the World Health Organization (WHO) has shown that Nigeria, including Ebonyi state has one of the lowest life expectancy ratios in Africa and in the world with 55 years for females and 54 years for males, standing at the 177th position, put above eight other countries of the world is an indication of high level of poverty in Nigeria. The abysmally poor life expectancy indices on various health related issues including heart diseases, diabetes, pneumonia, kidney problems, cancers, malaria, among others. These health conditions could be prevented, managed or treated effectively if financial resources were efficiently utilized to provide right policies, facilities and expertise.

It is also worrisome that many youths including graduates, roam the streets in search of jobs that do not exist. Inadequate provision of infrastructure facilities and the degrading condition of life in most rural communities has forced most people into the capital city, thus, resulting to congestion and the attendant urban problems such as unemployment, high rate of crime, increased house rents, and general high cost of living amidst low level of income. The poor nature of roads in rural areas compounded the problem of the rural farmers, who hardly operate at commercial level due to government’s inability to provide the necessary support. Human capital development is yet to be given the due attention. The dilapidated condition of most primary and secondary schools in the state stare both the state and local government in the face.



It is also unfortunate the experience of many drop-outs who cannot afford the exorbitant school fees. This results to more cases of juvenile delinquencies which often threaten the capacity of social welfare workers. Corruption endangers the life of every administration and the citizens since it diverts public financial resources meant for development to private uses. This is why the fight against corruption tops the priority of President Mohamed Buhari's led administration which could not yield any fruit because Nigerians are born at the altar of corruption. Thus, researchers cannot conclude research on corruption due to its inborn in our lives. At the local government level corruption manifests in mismanagement of council funds by council officials, wasteful spending, looting, kick-backs, nepotism, etc. Local government officials especially revenue collectors and top officials who are saddled with the task of financial management seem to not have efficiently utilized the huge financial resources accruable to this level of government consequently of corruption. This perhaps manifests in the decayed of socio-infrastructure facilities in most rural communities in Ebonyi State.

Objectives of the Study

The broad objective of the study is to determine the implications of financial corruption on socio-economic development in Ebonyi State local government system. Specific objectives are to: Ascertain the extent to which mismanagement of funds by council officials hinder human capital development in the Ebonyi State local government system. Unveil the extent to which embezzlement of council funds by council officials hinder government's efforts towards poverty reduction in the Ebonyi state local government system. Identify the implications of contract kick-backs on the quality of service delivery in the Ebonyi state local government system. To unveil the effect of looting on the provision of healthcare facilities in the Ebonyi State local government system.

Literature Review

Many scholars, practitioners, or administrators, and different institutions have given different views on the concept "local government". Appadorai (1975) sees local government by popularly elected bodies charged with the administrative and executive responsibilities in matters concerning the inhabitants of a particular place or district. Orewa and Adewuni (1992), see local



government as “a system of local communities and towns which are organized to maintain law and order, provide some limited range of social services and cooperation of inhabitants in joint endeavours towards the improvements of their conditions of living”. Odenigwe (1977) sees local government is the system under which local communities and towns are organized to maintain law and order provide limited range of social services, public amenities and encourage cooperation and participation of the inhabitants in joint endeavours towards the improvement of their conditions of living. Local government is a political subdivision which is constituted by law and has substantial control of local affairs. Local government means more than any organized body at the local level for any particular purpose. Due to vitality of local government, any social cultural groups like the age grade, family groups, cooperative societies, council of elders, participates in local actions or governance.

On the other hand, Emezi (1982) sees local government as the government of a particular place. He sees it as that part of the government of a nation or state which deals mainly with matters of concern to the people of a particular area. Local government is the government of some local community. This idea limited local government to community settlement because he failed to x-ray the relationship that exists with other tiers of government. local government as self-government which emphasizes on the freedom of a locality to decide and act in accordance with the law establishing it in providing essential services to the grass root for even development. Edeh, et, al (2019) posits that “Socio-economic development entails provision of social and infrastructure facilities, poverty reduction, job creation for the teeming unemployed youths, human capital development, equipped hospitals, constant supply of electricity to boost industrialization, sustainable investment in agriculture to boost food production, construction of quality roads, and provision of portable water, planned sewage and sanitary system, increase in per capita income among others”.

Akpan (1967:2) sees it as the breaking down of a country into small units of localities for the purpose of administration, in which the inhabitants of different units of the locality concerned play a different and full part through their elected representatives who exercise powers to undertake functions under the general authority of the national government. The definition



appears to be broader with a relatively wider acceptance because it is more concise than others above. However, the author did not explicitly state the modalities for breaking down the country and the probable statutes that guarantee local units the powers to administer over a given area. In order to buttress the above assertion, it is a common practice for organizations be it at federal, state or local levels to elect their leaders or representatives. Though the above definition appears to be encompassing in content and in pursuance of the search for the true meaning of local government, Ozorin Ezeani (2004:5) seriously flaw local government on the ground that: First, the power of the local government to “exact labour” creates an impression of its tendency to resort to forced labour which is unacceptable in modern times. Second, the assertion in the concept is that governing body of a local government can be “locally selected” is faulty. It implies that in the case of Nigeria for instance, all the caretaker committees of management and sole administrators can pass as local government, whereas in actual fact, such appointed bodies are mere brands of local administration.

In his conceptualization of local government, Muhammad et, al (2023). Argued that Government resources earmarked for particular uses flow within legally defined institutional frameworks, often passing through several layers of government bureaucracy through a well codified financial/accounting system down to the end point of service delivered. But information on actual public spending at all levels of the public service, especially at the frontline level is seldom available in Nigeria public service creating room for lack of transparency, and of accountability among others. Ezeani (2004:254) maintained that a more comprehensive view of local government and its essential features are contained in the guidelines for a reform of local government in Nigeria which posit that: “Government at the local level exercised through representative council established by law to exercise specific powers within defined areas. these powers should give the councils substantive control over local affairs, as well as the staff and institutional and financial powers to initiate and direct the provision of services, and to determine and implement projects, so as to complement the activities of the state and federal government in their areas, and to ensure thorough active participation of the people and their traditional institutions, that local activities and response to local needs are maximized”. The above definition clearly and in a broader manner reveals the essence of local government as a distinct



tier of government in the Nigeria federal system. In view of the above, of local government by the 1976 reform is a working definition of this study. The only point that distinguishes the 1976 local government reforms from all previous exercise in the country is the formal and unequivocal recognition of local government as constituting a separate level of government. The above implies that there are certain distinguishing features of local government; these features are as follows (Ezeani, 2004:26-28).

- i. **Localness:** This particular feature implies that local government is the lowest tier of government; it is government at grassroots or local level. Consequently, local government is subordinate, but not subservient, to the other higher tiers or levels of governments, that is, central or federal and the state or regional government.
- ii. It has a legal existence enshrined in the constitution as in Nigeria. This protects it from arbitrary actions of higher authority. As a legal entity, it can sue or be sued and has a perpetual succession. This implies that the life of a local government does not expire with the end of each administration.
- iii. It enjoys substantial autonomy: Although local governments are subject to state or federal government control in certain areas, they enjoy a reasonable degree of independence in administrative and financial affairs, such as the hiring, control and discipline of their own staff subject to a certain upper limit; the preparation of annual estimates or budgets, and the execution of certain projects
- iv. It exists within a defined territory.
- v. Local government exercises its authority over a given population. In other words, as a corporate entity, local government is created to serve citizens residents in a known location.
- vi. It exercises specific powers and performs certain functions as enshrined in the constitution (as is the case in Nigeria) or statutes.
- vii. The council is composed of elected representatives of the local people Local government is usually divided into departments, divisions or units which facilitates the accomplishment of its goals, objectives and functions.



Theoretical Framework

State capture theory is considered germane for the study by Susan Rose-Ackerman entitled “Public Sector Performance, Corruption and State Capture in a Globalized World 2024” The tenet of the theory is the efforts of some actors to shape and influence the rules of the game of a society through private payments to public officials. It is the ways in which government apparatus exert influence on the state and its tiers on how powerful oligarchs who manipulate politicians, shape institutions, and control the system to advance and protect their own empires at the expense of the social interest (Andrea, 2021). There are multidimensional phases of relationships between governments, societal elites and private sector stakeholders with both positive and negative implications for the public good and services. The processes by which elite actors and the organizations that support them coordinate and commit to one another to determine outcomes in an institution is a state capture through what is known as elite bargaining. A captured state is a state with weak constitutional authorities dispersed to greed aggregate politician or bureaucratic cadre within federal, state, and local government system.

The nexus between societal interests and executive actors in the three tiers of government depends on the chain of corrupt clientele approach thereby rendering the authorities incapacitated at rendering their statutory obligations rather than work to satisfy the aspirations of their political godfathers who are the brain behind government loots and fund diversion. This manifest in loss of institutional autonomy and as such set in the urge for state capture. Croucamp (2019) attributes state capture to the proliferation of patron-client relations or corrupt economic or financial arrangements between cadres and/or bureaucrats within the civil service or state-owned organizations. The idea of state capture was relayed to understand the undue influence state government have over local government system to boast up their financial gain by manipulating and influencing the regulations and guidelines upon which local government system was established. This reflected in the state –local government joint account arrangement in Nigeria. It is an aberration on local government fiscal autonomy which intensified the present agitation for local government autonomy today. The state government hides under pretence running joint account to siphon the local council’s allocation to the state actors account, thus rendering local government system weak at providing effective service delivery to the people at the grass-root.



State capture is a replica of corruption that metamorphosed to a systematic and continuous delivery of local government goods and services to the captors of the state institutions due to capture in the regulatory, policy and economic viability stand of the institution is seriously damaged by the corrupt infections. This is because the distinct structures have been surrounded by the corrupt actors within state functions and organs thereby destabilizing the administrative epoch or spectrum of the institution. Theory of state capture bothers on the preferential access to the authority of the state or the distributive council of the state which is often perceived as an indispensable legislative or constitutional imperative, needed to address historical injustices or to expedite the eradication of social and economic inequality. It is therefore a prerequisite for political legitimacy and social stability, especially so under conditions of a negotiated regime change. Preferential access in a utilitarian sense is conceived in the logic of a meritocratic hierarchy, which ranks the inefficiency low and rewards the varying attributes of institutional efficiency (Croucamp, 2019: 290).

The relevance of this theory reflects on draconian cliques experienced in every state in Nigeria where the governors collaborates with local government chairmen to share the council monthly allocation at expense of the targeted public against provision of essential goods and services. This erroneous arrangements has left grass root development in state of capture since the state actors have deliberately thwarted the local institution policies through “divide and rule approach”. The economic stride of local areas is no more a yardstick in the governance process because the economic opportunities at hinterland is not considered in their looting ploys. Elizabeth (2023) identified three mechanisms employed by the captors to include: formation of constitution/law/policy, implementation of policy by government bodies/civil service, and accountability institutions.

Methodology

This study adopted a descriptive survey design. The design enabled the researcher to ascertain the nature and implications of financial corruption on the socio- economic development in the Ebonyi State Local Government system. Six selected local government areas represented the three senatorial zones in the state. They are Afikpo North, Abakaliki, Ikwo, Ohaukwu, Ezza



South and Ivo Local government areas. The total population of the selected local government areas was 971,844. Primary sources of data were used sourced instrument of questionnaire, personal interview with some of the local government officials and all other firsthand information realized through sourced through Focus Group Discussion (FGD). Data were analyzed using Frequency tables to ascertain the number of occurrences of phenomena of interest and Chi-square (X^2) statistical tool was used for empirical testing of the hypotheses formulated for the study.

Discussion

Accept the alternate hypothesis (H_i) if the calculated chi-square (X^2) is greater than the critical value at 5% level of significance. The critical value at 5% level of significance is 7.82. Accept the alternate hypothesis (H_i) and reject the null hypothesis (H_o) when the calculated value of X^2 is > the critical value 7.82, otherwise accept the null hypothesis (H_o). From the above computation and in accordance with the decision rule, the alternative hypothesis which states that mismanagement of funds by council officials significantly hinders human capital development in the selected local government areas of Ebonyi State is hereby accepted since the calculated value of 111.8 is greater than the critical value of 7.82, while the null hypothesis which states other was tested on the questionnaire distribution table which states that Embezzlement of fund which is often characterized local government council activities hinders social welfare aids to rural dwellers.

Contingency table

| Responses | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree | 150 | 40.5% |
| Agree | 110 | 29.7% |
| Strongly disagree | 70 | 18.9% |
| Disagree | 40 | 10.8% |
| Total | 370 | 100 |

Source: Author's field work, 2024.



Chi-square calculation

All mathematical calculation is done and presented in the table below.

| Responses | Observed frequency (O) | Expected frequency (E) | O-E | (O-E) ² | $\frac{(O-E)^2}{E}$ |
|-------------------|------------------------|------------------------|-------|--------------------|---------------------|
| Strongly agree | 150 | 92.5 | 57.5 | 3306.25 | 35.7 |
| Agree | 110 | 92.5 | 17.5 | 306.25 | 3.3 |
| Strongly disagree | 70 | 92.5 | -22.5 | 506.25 | 5.4 |
| Disagree | 40 | 92.5 | -52.5 | 2756.25 | 29.8 |
| Total | 370 | 370 | 0 | | 74.2 |

Therefore, the calculated value of $X^2 = 74.2$

To compute the degree of freedom, the formula is

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

$$= (4-1)(2-1)$$

$$= 3 \times 1$$

$$Df = 3$$

However, at 5% level of significance, the degree of freedom at 3 = 7.82

Decision Rule

Accept the alternate hypothesis (H_i) if the calculated chi-square (X^2) is greater than the critical value at 5% level of significance. The critical value at 5% level of significance is 7.82. Accept the alternate hypothesis (H_i) and reject the null hypothesis (H_o) when the calculated value of X^2 is > the critical value 7.82, otherwise accept the null hypothesis (H_o).

From the above computation and in accordance with decision rule, the alternative hypothesis which states that embezzlement of funds by council officials significantly truncate government's efforts towards socio-economic delivery in the selected local government areas in Ebonyi State is hereby accepted since the calculated value of 74.2 is greater than the critical value of 7.82, while the null hypothesis which states otherwise was rejected. Therefore, hypothesis III was tested from the questionnaire distribution table which states that financial corruption poses challenge on the socio-economic development in Nigeria.



Contingency table

| Responses | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree | 144 | 38.9 |
| Agree | 108 | 29.1 |
| Strongly disagree | 83 | 22.4 |
| Disagree | 35 | 9.4 |
| Total | 370 | 100 |

Source: Author's field work, 2024.

Chi-square calculation

All mathematical calculation is done and presented in the table below.

| Responses | Observed frequency (O) | Expected frequency (E) | O-E | (O-E) ² | $\frac{(O-E)^2}{E}$ |
|-------------------|------------------------|------------------------|-------|--------------------|---------------------|
| Strongly agree | 144 | 92.5 | 51.5 | 2652.25 | 28.6 |
| Agree | 108 | 92.5 | 15.5 | 240.25 | 2.5 |
| Strongly disagree | 83 | 92.5 | -9.5 | 90.25 | 0.9 |
| Disagree | 35 | 92.5 | -57.5 | 3306.25 | 35.7 |
| Total | 370 | 370 | 0 | | 67.7 |

Therefore, the calculated value of $X^2 = 67.7$

To compute the degree of freedom, the formula is

$$Df = \frac{(R-1)(C-1)}{3 \times 1}$$

$$Df = 3$$

However, at 5% level of significance, the degree of freedom at 3 = 7.82

Decision Rule

Accept the alternate hypothesis (H_1) if the calculated chi-square (X^2) is greater than the critical value at 5% level of significance. The critical value at 5% level of significance is 7.82. Accept the alternate hypothesis (H_1) and reject the null hypothesis (H_0) when the calculated value of X^2 is > the critical value 7.82, otherwise accept the null hypothesis (H_0).

From the above computation and in accordance with decision rule, the alternative hypothesis which states that Contract kick-backs compromise the quality of service delivery in the selected local government area in Ebonyi State is hereby accepted since the calculated value of 67.7 is greater than the critical value of 7.82, while the null hypothesis which states otherwise was



rejected. Hypothesis II was tested according to the questionnaire distribution table which states that Looting compromises efforts towards provision of healthcare facilities in the Ebonyi state local government system.

Contingency table

| Responses | Frequency | Percentage |
|-------------------|-----------|------------|
| Strongly agree | 165 | 44.6 |
| Agree | 98 | 26.5 |
| Strongly disagree | 75 | 20.3 |
| Disagree | 32 | 8.6 |
| Total | 370 | 100 |

Source: Author's field work, 2024.

Chi-square calculation

All mathematical calculation is done and presented in the table below.

| Responses | Observed (O) | frequency Expected (E) | frequency O-E | (O-E) ² | $\frac{(O-E)^2}{E}$ |
|-------------------|-----------------|---------------------------|---------------|--------------------|---------------------|
| Strongly agree | 165 | 92.5 | 72.5 | 5256.25 | 56.8 |
| Agree | 98 | 92.5 | 5.5 | 30.25 | 0.3 |
| Strongly disagree | 75 | 92.5 | -17.5 | 306.25 | 3.3 |
| Disagree | 32 | 92.5 | -60.5 | 3660.25 | 39.5 |
| Total | 370 | 370 | 0 | | 99.9 |

Therefore, the calculated value of $X^2 = 99.9$

To compute the degree of freedom, the formula is

$$Df = \frac{(R-1)(C-1)}{3 \times 1}$$

$$Df = 3$$

However, at 5% level of significance, the degree of freedom at 3 = 7.82

Decision Rule

Accept the alternate hypothesis (H_1) if the calculated chi-square (X^2) is greater than the critical value at 5% level of significance. The critical value at 5% level of significance is 7.82. Accept the alternate hypothesis (H_1) and reject the null hypothesis (H_0) when the calculated value of X^2 is > the critical value 7.82, otherwise accept the null hypothesis (H_0). The computation and in accordance with decision rule, the alternative hypotheses which states that looting among council officials significantly result to low provision of healthcare facilities in the Ebonyi State local government system is hereby accepted since the calculated value of 99.9 is greater than the critical value of 7.82, while the null hypothesis which states otherwise was rejected.



Findings

1. Mismanagement of funds by council officials and state actors hinders socio-economic development in the Ebonyi state local government system.
2. Embezzlement of local government funds by council officials through local government joint account hinders government efforts in the reduction of economic hardship in Ebonyi state local government system.
3. Contract kick-back by the political actors has posed a threat on the quality of service delivery in the Ebonyi state local government system.
4. Looting among the council chairmen and governors hinders adequate provision of healthcare facilities in the Ebonyi state local government system.

Conclusion

The prevalent sharp corrupt practice in Ebonyi state local government system diverts resources from public purposes to private end. Thus, weakens public bureaucracy, leads to non-achievement of goals, lowers respect for authority, concentrates wealth in few hands and hence widens the gap between the rich and poor, thus slows down the pace of economic development through manipulation of funds for projects resulting into inadequate provision of socio-economic values such as poverty reduction, healthcare facilities, quality road network, safe drinking water, human capital development to mention just few.

Recommendations

1. The spending of local government fund should strictly reflect on the financial memoranda of the local government system in Nigeria.
2. There should be stringent punishment on those local and state government actors who embezzle government funds to serve as deterrence and check against such harmful practice which has stalled development at the local government level.
3. In order to improve the quality of service delivery at the local government areas in Ebonyi State, contract kickbacks should be discouraged and de-emphasized through effective contract supervision and control.



4. looters (state governors and council chairmen) should squarely face the law through anti graft agencies such as Economic Financial Crime Commission(EFCC) who will ensure that looted assets are confiscated and recovered with possible jail terms.

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