

A Re-appraisal of Fiscal Federalism and Success of Awka North Local Government Council: The Shenanigan, Imbroglio and Solutions.

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*Abstract*

*The suggestion for unified system of local government was enshrined in 1976 local government reform. by the military junta. By the reform the local government among other things was granted fiscal autonomy to ensure that grassroots development is fostered. But this has never been achieved. The shenanigan has resulted to serious imbroglio and poor performance of the local government councils especially Awka North Local Government Council. The study adopted descriptive research design. Data collected were presented in tables and hypotheses were tested using chi square non-parametric statistics. The results of this study revealed that the caretaker committee system practiced by Anambra State government over the years has impeded the performance of Awka North Local Government Council. Also fiscal imbalance has affected the performance of Awka North Local Government Council as well. Based on the findings, the researchers recommended as follows: That the government of Anambra State should henceforth discontinue the use of care committee system to run local government administration. Also, funds meant for the local government should be released to it without the attachment of strings.*

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## 1. 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 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 (Osisoma 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 capacity of the federal, provincial and territorial governments to assume their responsibilities hinges on the balance between decentralization of revenues and decentralization of government spending. This decentralization refers to the portion of total revenue collected and expenditures allocated to both state and local governments. The degree of decentralization argues Okoro (2020) is the extent of independent decision making by the various arms of the government in the provision of social and economic services. It connotes the degree of autonomy of state and local governments in carrying out various economic tasks. Vincent (2002) enumerated the existence of the following fiscal arrangements before the military took over power in 1966.

For instance part 1 of the second schedule of the Nigeria constitution; provides an exclusive legislative list with 68 articles upon which only the federal government reserve legislative power to make laws for the peace, order and good governance. While, part 2 provides 30 items upon which both the federal and the state have concurrent legislative powers, but in an event of inconsistency the federal law supersede. The state law is ignored and all items don't mention in either the exclusive or the concurrent lists are reserved for state and local government to legislate on (FGN, 1999).

One ugly discernible feature of state-local government relation especially in Anambra State is the ill-fashioned method of state government giving hand out to the local government from the federal allocation. To make the situation worse, Anambra State government has adopted the aberration of perpetuating care take committee system instead of elected officers to govern the local government councils. The ugly scenario is all over the local government councils in Anambra State but we chose to closely investigate Awka North LGC.

The imbroglio resulted in agitations by the third-tier government to cry for inadequate fund to foster rural development. The fund in most cases could only defray personnel cost and minor overhead expenses. Most of the observers blame the lopsidedness of the 1999 constitution. However, the Supreme court decision of 2024 upholding local government fiscal autonomy has come as a bold relief if the implementation can be kick started.

## **1.2 Objectives of the Study**

- (1) To examine the extent care taker system of local government administration has impaired performance of Awka North Local government council.
- (2) To ascertain the extent fiscal imbalance has affected performance of Awka North LGC.

## **1.3 Hypotheses**

- (1) Care taker committee system of local government administration has impaired the performance of Awka North Local Government Council.
- (2) Fiscal imbalance has affected performance of Awka North Local Government Council.

## **2. Review of Related Literature**

### **2.1 Conceptual Framework**

#### **2.1.1 Concept of Fiscal Federation**

The concept of fiscal federalism is relevant for all kinds of government. Fiscal federalism is a byproduct of federalism. Federalism is a political concept in which power to govern is shared between national, and subnational governments creating what is often called a federation (Arowolo 2021).

Fiscal federalism is a general normative framework for the assignment of functions to the different levels of government and appropriate fiscal instruments for carrying out these functions (Arowolo, 2011). It is a set of guiding principles or concept that helps in designing financial relations between the national and subnational levels of government, while fiscal decentralisation is the process of applying such principles (Sharma, 2005). Fiscal federalism concerns the division of public sector functions and finances among different tiers of government (Ozo-Eson, 2005).

Fiscal federalism is characterized by fiscal relations between central and lower levels of government. The fiscal relationships between and among the constituents of the federation is explained in terms of three main theories, namely, the theory of fiscal relation which concerns the functions expected to be performed by each level of government in the fiscal allocation; the theory of interjurisdictional cooperation which refers to areas of shared responsibility by the national, state and local governments, and the theory of multijurisdictional community (Tella, 1999).

#### **2.1.2 Intergovernmental Fiscal Relations**

Nigeria is a federation which implies that there exist more than one level of government. In the Nigeria context, this consist of a federal government, 36 states, federal capital territory and 774 local governments which continuous among the different levels of government. This mean that fiscal arrangement must be worked out properly to ensure fiscal balance in the context of macro-economic stability.

For Akindele and Olaopa (2002) intergovernmental fiscal relations has been with Nigeria over the years. According to them, “over the years, the concept of intergovernmental fiscal relations has been examined by various scholars and practitioners of repute within most polities of the world by

ways of scholarship and polity initiatives. This implies that the issue of intergovernmental fiscal relation remains governance to the survival of federated state of the world.

Both Akindele and Oloopa (2002) and Akpan (2004) noted that the operation of fiscal federalism is done to enhance government effective provision of public goods and services. The other tiers of government perform virtually all economic functions. The other extreme is a case of total centralization where the central government takes total responsibility of all economic activities of the public sector and therefore no other tiers of government participate in the economic life by the nation. In practice, there exist some degree of decentralization in all economics. In a related sphere, scholars agree that countries like Nigeria could derive benefits from fiscal decentralism. This is located in the negative multiplier effects of fiscal centralism and an incompatible demand noted in federalism requires a diffusion of powers to accelerate growth rates within the polity. It has economic growth as its derivative.

Akpan (2004) also noted that decentralization refers to the portion of total revenue collected and expenditure to both state and local government. As he noted, the degree of decentralization is the extent of independent decision-making by the various arms of the government in the provision of social and economic services. It depicts the degree of autonomy of the state and local governments in carrying out various economic tasks. A deduction from the above view shows that decentralization (fiscal) enhances optimum social service delivery among the component segments of the polity, the state and local government were more important.

Akpan (2004) noted unequivocally that Nigeria's fiscal federalism emanated from historical economic, political, geographical, cultural and social factors. We have to recall that first attempt at entrenching fiscal federalism in Nigeria started in 1946 with the British colonial masters. More of this will be discussed in the subsequent phase of the review but we have to recall also that fiscal federalism has remained a controversial issue not only among scholars and academics but also among critics of government from almost all quarters of the country perceived imbalance and unfairness in the allocation of the natural resources has made the complaints more recurring in the polity.

### **2.1.3 Care taker system of local government**

Historically, the caretaker committee system of local government has no place in the constitution of the Federal Republic of Nigeria. However, its practice is dated as far back as the Nigeria's second republic Ogunna (1996) in Mbaebie (2020) noted that during the second republic in all the states of the Federation, local governments were run by caretaker committee system consisting of loyalists appointed by state governors. Since after its first practice in the second republic, many states in the has adopted this unusual system of administration. Many states tried it for few months and subsequently organized elections to elect chairman and councilors but Anambra State kept with the system till late 2024 when the incumbent Governor Chukwuma Soludo conducted election for the local government system in Anambra State.

The 1976 local emphasized that the local government is the tier government. The document reiterates that an elected chairman and councilors should govern the local government system. The implication of this provision is to ensure that the local government does not become an outpost of the state government. It is also to ensure that the loyalty of the elected officers are not tied to the state governor. Surprisingly Anambra State since the inception of democracy in Nigeria in 1999 has continued to be governed by appointed care taker committee members. This has vitiated the desired aspirations of the people of Anambra State to benefit from the dividend of democracy.

For more than twenty years of practice of democracy in Nigeria, Many local government areas in Nigeria have remained underdeveloped. A cursory look at Anambra State local government areas would attest to the points being raised here. The situation appears worse in Awka North LGA. It is believed that fiscal imbalance is responsible for the woes.

#### **2.1.4 Fiscal Federalism and Anambra State Local Government System**

Long years of military rule and the centralized nature of the military hierarchical structure created the financial hegemony enjoyed by the federal government over the thirty-six states (36) states and seven hundred and seventy four (774) local governments. This has created disaffection in the Nigerian federation. Thus the worry over the development of a national and functional fiscal federalism for Nigeria is well founded (Chukwuma, 2022).

Local government plays a very crucial role in stimulating and enhancing grassroots development. This is in the sense that, it is the lowest governmental tier, which serves as a medium of policy communication between the remote areas and the highest governmental levels. The term local government is a political structure where the instrument of power is assigned to a local representative to exercise substantial control and to make authoritative decisions on local issues. It involves devolution of power to the local community within a giving geographical location to confer into them right of managing their affairs (Sambo, 2000). The local government is, therefore, that tier of government, which is closest to the people; hence vested with certain power to exercise some degree of control over remote and local affairs.

The performance of local government in discharging its functions as stated above remains a subject of much debate among Nigerians. These generate constant accusation and counter accusations, especially between local government and their respective states, there is indeed a general consensus among scholars that local government in Nigeria has failed woefully (Salami, 2011).

For instance, Ukiwo (2006) asserts that instead of rural transformation local government in Nigeria have only succeeded in producing local financial predators.

Similarly, Okoli (2009) states that “local government system in Nigeria has entirely collapsed; hence the need for community base administrative system.” The performance of local government in service delivery made Nigerian citizens to lose trust in local government as an institution established to respond to the masses needs (Agba et al., 2013). In fact, the general perception about local government in Nigeria is that of a dead and decomposed institution (Ahmad, 2013). For instance a survey conducted in 2008 by Afro-barometer discovered that 55% of Nigerians do not trust local government officials (Salami, 2021).

It is against the above background that this paper attempts to find out whether fiscal decentralization in Nigeria has a direct impact on the poor performance of local government. Fiscal federalism is essentially about the allocation of government resources and spending to the various tiers of government. In Nigeria the dismal performance of the public sector since the first half of the 1980s has brought to the front burner the issue of fiscal federalism which has remained dominant and most contentious in Nigeria’s polity (Arowolo 2011). In the last three decades Nigerians have contended with not only vanishing real incomes but also unbearable levels of unemployment and inflation, decay in social amenities and failure to maintain, not to talk of improving, the nation’s infrastructures. This dismal performance of the public sector has prevented the creation of opportunities for a resilient and sustainable growth and development of the Nigerian economy, which should be the object of rational and functional fiscal federalism.

### 2.3 Empirical Review

Ejikeme (2022) conducted a study on "Fiscal Federalism and Local Government Finance in Nigeria." The aim of the paper is to examine the problems of the local government in Nigeria, especially concerning its financial limitations, necessitated by the unequal share of resources, imbalance revenue-sharing formulae and lack of fiscal autonomy in the operations of the local government in Nigeria. According to Ejikeme, fiscal federalism deals with the sharing of resources in a federated nation. Over the years problems about local government finance have become an important aspect of intergovernmental relations. Constitutionally, local government is the third tier of government which exists as an independent entity, possessing some degree of autonomy and sovereignty. However, its capability to perform its constitutionally mandated functions is beleaguered by the problem of inadequate revenue. The findings show that, in Nigeria, a number of factors have contributed to the financial setback experienced by most local governments and these include: overdependence on allocations from state and federal governments which in most cases are withheld by the same federal and state governments; lack of fiscal autonomy; creation of non-viable local governments, among others.

The relation between the three tiers of government in Nigeria has been problematic over the years. Several commissions and committees have been set and recommendations proffered, but up till today there is still fiscal conflict among the tiers of government. The local government being the third tier of government is the worst hit and this has resulted to inability of the local government to carry out its statutory functions effectively. It is in view of this that Chukwuemeka and Aniche (2020) carry out a study on "Inter-Governmental Relations and the Performance of Local Government in Nigeria: Diagnosing The Elephantine Problems." The objective was examining inter-governmental relation and the performance of local government in Nigeria. They adopted survey design, specifically descriptive research was adopted. Data was collected using questionnaire, focus group discussion. Secondary data was generated from government records and Central Bank of Nigeria. The findings revealed among others things that intergovernmental relation has to an extent helped to reduce tension among the three tiers of government in Nigeria. Also the imperfection of 1999 constitution has hampered fiscal relation in the three tiers of government in Nigeria. They recommended among other things that effort should be made to ensure that all tiers of government should adhere to fiscal transparency, accountability and constitutional provisions on fiscal relations.

Agba, Ocheni, and Nnamani, (2014) in their paper titled "Local Government Finance in Nigeria: Challenges and Prognosis for Action in a Democratic Era (1999-2013)." The paper is an attempt at revisiting the sources of local government finance in Nigeria and the factors affecting the financial viability of local government councils within the purview of fiscal federalism as enshrined in the 1999 Constitution of the Federal Republic of Nigeria. They adopted survey design, specifically descriptive research was adopted. The finding shows that Financial viability backed up by effective management; public accountability, fiscal autonomy, staff motivation and servant leadership attitude among politicians are imperatives in building capacity at the grassroots for legitimacy of creation and sustainable development.

Anikeze (2008) in his paper "An Analysis Of Public Service Reforms And National Development In Nigeria (1999-2007)". He discussed public service Reforms and national development in Nigeria. It covered the period between May,

1999 and May 2007, which coincided with the eight year regime of Olusegun Obasanjo as Nigeria's President. As a result, visits were paid to specialized libraries, the Bureau for Public Service Reforms and other related Federal Government Agencies. Oral interviews were conducted with some top public servants of not less than directorate level. It was discovered that the reforms under study had some positive impact on national development. It revealed that there is no significant changes in the public service after the implementation of the reform agenda. Subsequently, it is recommended among others that the regime of President Goodluck Jonathan should initiate a process of embarking on a comprehensive reform in the public service that will take care of the identified defects in the 1999/2007 reforms if the Millennium Development Goals and the dream of having Nigeria as one of the 20 developed economies by 2020 are to be achieved.

In a paper conducted by Ejeh and Orokpo (2014) titled "Fiscal Federalism in Nigeria: An Analysis of Issues and Challenges". They posit that fiscal federalism is a particular pattern of constitutional division of revenue powers and responsibilities among levels of government. The federal government however has occupied a very strong position vis-à-vis the State and Local government since the 1970's in Nigeria. This is because most of the power (financial and legislative) relating to economic development has been explicitly centralized at the federal level. The finding shows that a high level of fiscal decentralization is required in Nigeria because of the unfair revenue sharing formula and the need to resolve the controversial issues surrounding the contentious fiscal federalism in Nigeria. Therefore they recommended a substantial review of the fiscal system.

Furthermore, Chukwuemeka, and Amobi (2011) research titled "The Politics of Fiscal Federalism in Nigeria: Diagnosing the Elephantine Problem" with the objective to evaluate fiscal federalism in Nigeria with a view to identifying the areas of problems. They adopted survey research methodology. Data collected was through questionnaire which was analyzed using Z-test. The findings revealed that the recommendations proffered by the commissions set up by government in respect to fiscal federalism did not make much impact on the economy due to some factors like: imperfection in the 1999 constitution, furthermore there are many problems inherent in fiscal federalism which has led to duplication of government functions and waste of public fund. However, in order to ensure an efficient and sound fiscal federalism in Nigeria, they recommended among others that the Nigerian fiscal responsibility bill, due process should be adhered to by public officers. More so efforts should be made to ensure that all tiers of government adhere to fiscal transparency, accountability and constitutional provisions on fiscal relations.

### **3. Methodology**

#### **3.1 Research Design**

The study adopted descriptive survey research design.

#### **3.2 Method of data collection**

The tools used to elicit data from respondents include: questionnaire, focus group discussion guide, in-depth interview. Also extant data and existing statistics were also used.

#### 4 Population of the Study

Elected officers and career officers constituted the population of the study.

**Table Awka North Local Government Council Population**

2006 census			2023 projected		
Male	Female	Total	Male	Female	Total
123,161	121,691	244,852	126,098	125,610	251,708

**Source: Personnel Unit Awka North LGC**

#### 3.5 Sample Size Determination

This research being conducted in Awka North and the needed population of study ascertained uses Taro Yamani (1964: 286), which uses the application of normal approximation margin error in determining the sample size.

This is determined by:

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

Where

- n = sample size
- e = level of significance of error allowable  
ie. 0.05%
- N = the population size under study
- I = constant

The researcher chose 0.05 as the level of significance error allowable.

The transaction of formulae is stated below:

$$n = \frac{251,708}{1 + 251,708 (0.05)^2}$$

$$n = \frac{251,708}{1 + 251,708 \times 0.0025}$$

$$n = \frac{251,708}{1 + 629.27}$$



$$n = \frac{251,708}{630.27}$$

$$n = 399.365$$

$$n = 399 \text{ approximately}$$

399 (sample size)

### 3.3 Method of Data Analysis

Chi-square ( $X^2$ ) non parametric statistics was used to test the hypotheses. The formulae is given.

$$X^2 = \frac{(F_o - F_e)^2}{F_e}$$

### 4. Data Analysis

**Table 4.1:** Sex distribution of the Respondents

Responses	Frequency	Percentage
Male	225	60%
Female	150	40%
<b>Total</b>	<b>375</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that male respondents are 225 in number or 60% while female respondents are 150 in number or 40%. The above table shows that male respondents or staff in the chosen local governments are 20% higher than women (female).

**Table 4.2:** Marital Status of the Respondents

Responses	Frequency	Percentage
Married	150	40%
Single	135	36%
Widow	52	13.83%
Divorced	38	10.17%
<b>Total</b>	<b>375</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that 150 respondents or 40% are married, 135 respondents or 36% are single in status, 52 respondents or 13.83% are widows while 38 respondents or 10.10% are divorced.

#### 4. 3: Religion of the respondents

Responses	Frequency	Percentage
Christianity	300	84.84%
Islam	20	5.32%
Others	37	9.84%
<b>Total</b>	<b>357</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows 300 respondents are Christians or 84.84%, 20 respondents or 5.32% are Muslims while 37 respondents or 9.84% of the respondents belongs to other forms of religion. The above table shows that Christianity is majority of the respondents that received the Questionnaire.

#### Table 4.4: Educational Qualification of the respondents

Responses	Frequency	Percentage
FSLC	52	13.83%
O'level /OND	150	40%
HND/B.Sc	135	36%
MBA/M.Sc	38	10.17%
<b>Total</b>	<b>375</b>	<b>100</b>

**Source:** Field survey, 2024

Table 4 shows that FSLC respondents are 52 (13.83%), O'level/ND are 150 (40%), HND/B.Sc are 135 (36%) while that of MBA/M.SCs and other are 38 (10.17%). The study shows O'level and HND/B.Sc.s are the majority of the respondents.

#### Table 4.5: Working Experience in Government Ministry?

Options	Frequency	Percentage
1-3 years	75	20%
4-6 years	187	45.17%

7-9 years	60	16%
10 and above	52	18.83%
<b>Total</b>	<b>357</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that 75 respondents or 20% have 1-3 years working experience, 187 respondents or 45.17% has 4-6 years, 60 respondents or 16% has 7-9 years while 52 respondents or 18.83% has 10 and above working experience in government ministry.

**Table 4.6:** Designation of the Respondents

Responses	Frequency	Percentage
Junior	210	56%
Senior	165	44%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

The above table shows that 210 respondents or 56% are Junior staff while 165 respondents or 44% are Senior staff in their respective local governments in the chosen states.

**Table 4.7:** Response on visibility of care taker committee system of local government

Options	Frequency	Percentage
Strongly agree	75	20%
Agree	90	36%
Disagree	145	24%
Strongly disagree	75	20%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

The above table shows that 75 respondents or 20% strongly agreed to the question posed, 145 respondents or 36% agreed, that is to say they do not like caretaker committee system. 90 respondents or 24% disagreed while 75 respondents or 20% strongly disagree. A deduction here shows that more than half of the respondent acquiesced to the questioned earlier posed.

**Table 4.8:** Response on imbalance in Intergovernmental fiscal relations among the three tiers of government

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	150	40%
Agree	75	20%
Disagree	45	12%
Strongly disagree	90	28%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

The above table shows that 150 respondents or 40% strongly agreed, 75 respondents or 20% Agreed, 45 respondents or 12% disagreed while 90 respondents or 28% strongly disagreed. A deduction here shows that greater number of respondents agreed that master/servant relationship still dominate Intergovernmental fiscal relations in Nigeria.

**Table 4.8:** Response on if local governments in the country have been at the receiving end in the intergovernmental fiscal relations

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	187	45.17%
Agree	75	20%
Disagree	60	16%
Strongly disagree	52	18.83%
<b>Total</b>	<b>357</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that 187 respondents or 50% strongly agree, 75 respondents or 20% agreed, 60 respondents or 16% disagreed while 52 respondents or 14% strongly disagreed. From the above table we can see that more than half of the respondents agreed that local governments have not fared better in their relations with other tiers of government, at least fiscally.

**Table 4.9:** Response on fiscal imbalance in Anambra State Local Government System.

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	75	20%
Agree	150	40%
Disagree	60	16%
Strongly disagree	90	24%
<b>Total</b>	<b>375</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that 75 respondents or 20% strongly agree, 150 respondents or 40% agreed that there is fiscal imbalance in Anambra State Local Government System thus taking the rear. 60 respondents or 16% disagreed while 90 respondents or 24% strongly disagreed. This table has indicated the approval of the sense of inequalities in the sharing of the national resources over the years.

**Table 4.10:** Response on if one of the problems of Inter-governmental fiscal relations in Nigeria is that the upper tiers of government are highhanded on the local government councils.

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	113	30.05%
Agree	112	29.79%
Disagree	45	12%
Strongly disagree	105	28%
<b>Total</b>	<b>375</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that 113 respondents or 30.05% strongly agree, 112 respondents or 29.79% agreed, 45 respondents or 12% disagreed while 105 respondents or 28% strongly disagreed. This table indicates that the states and federal tiers of government are lording it over on the local councils thus, denying them their own sources of income.

**Table 4.11:** Response on if the local government contribute in revenue generation in the central fiscal treasures which they partake in sharing?

Options	Frequency	Percentage
Strongly agree	60	16%
Agree	75	20%
Disagree	150	40%
Strongly disagree	90	24%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

The above table shows that 60 respondents or 16% strongly agree, 75 respondents or 20% agreed, 150 respondents or 40% disagreed while 90 respondents or 24% strongly disagreed. The above response indicates that local government contributes little in the central fiscal treasures which they partake in sharing. Some respondents also explain that in their own thinking, some local government do not contribute in the fiscal treasures.

**Table 4.12** Response on if local governments in the country have been at the receiving end in the intergovernmental fiscal relations.

Options	Frequency	Percentage
Strongly agree	150	40%
Agree	121	32.18%
Disagree	59	15.69%
Strongly disagree	45	12%
<b>Total</b>	<b>375</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that 150 respondents or 40% strongly agree, 32.18 respondents or 32.18% agreed, 59 respondents or 15.69% disagreed while 45 respondents or 12% strongly disagreed. This table has indicated the approval that local governments in the country are in the receiving end in the intergovernmental fiscal treasure.

**Table 4.13:** Response on what extent has the principle of true federalism being observed by the three tiers of government during the period 2000 to 2017 in Nigeria?

Options	Frequency	Percentage
Strongly agree	187	45.17%
Agree	75	20%
Disagree	60	16%
Strongly disagree	52	18.83%
<b>Total</b>	<b>357</b>	<b>100</b>

**Source:** Field survey, 2024

The above table shows that 187 respondents or 50% strongly agree, 75 respondents or 20% agreed, 60 respondents or 16% disagreed while 52 respondents or 14% strongly disagreed. From the above table we can see that more than half of the respondents agreed that principles of true federalism is being observed during the period 2000 to 2017 in Nigeria, but the same group of respondents comment that it is only on paper that the state government do not give local government their share of money.

**Table 4.14** Response on what the Local Government receives from monthly in federal allocation?

Options	Frequency	Percentage
30-50 million naira	52	18.83%
51-100 million naira	-	-
101-200 million naira	5	1.33%
No idea	300	79.8%
<b>Total</b>	<b>357</b>	<b>100</b>

**Source:** Field survey, 2024

From the table above, it can be see that great number of the respondent's response that they do not know the amount the local government receives monthly from federal allocation. They direct us (researcher) to find the information from federal ministry of finance monthly allocation record/bullets or from Central Bank of Nigeria (CBN) library but fifty-seven respondents response to the question. 52 of them representing 18.83% said monthly federal allocation are from 30-50 million naira while 5 (1.33%) said from 101-200 million naira. The researcher try to find the local government monthly allocate from federal treasure but do not achieve a good result.

**Table 4.15:** Response on if another problem of Inter-governmental fiscal relations is the issue of joint state/local government account.

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	225	60%
Agree	75	20%
Disagree	45	12%
Strongly disagree	30	8%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

The above table shows that 225 respondents or 60% strongly agree, 75 respondents or 20% agreed, 45 respondents or 12% disagreed while 30 respondents or 8% strongly disagreed. The above table has shown that the joint state/local government account has impacted negatively on the local councils in the country.

**Table 4.16:** Delay in the releasing of funds accruable to lower tiers of government has been identified as contributing to intergovernmental fiscal relations crisis in Nigeria.

<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	75	20%
Agree	75	20%
Disagree	150	40%
Strongly disagree	75	20%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

The above table shows that 75 respondents or 20% strongly agree, 75 respondents or 20% agreed, 150 respondents or 40% disagreed while 75 respondents or 20% strongly disagreed. From the table above, we can deduct that delay in the releasing of funds accruable to local councils might not be the real problem of intergovernmental fiscal relations rather other reasons yet unknown.



**Table 4.17:** In order to solve the problem of intergovernmental fiscal relations crisis, the revenue mobilization and fiscal board should jointly confer with the three tiers of government before allocating funds to each tier of government in the country.

Options	Frequency	Percentage
Strongly agree	150	40%
Agree	113	30%
Disagree	60	16%
Strongly disagree	52	14%
<b>Total</b>	<b>350</b>	<b>100%</b>

**Source:** Field survey, 2024

The above table shows that 150 respondents or 40% strongly agree, 113 respondents or 30% agreed, 60 respondents or 16% disagreed while 52 respondents or 14% strongly disagreed. The above table has shown that through joint effort of the board and representatives of three tiers of government, the issue can be resolved.

## 4.2 Test of Hypotheses

(1) Care take committee system of local government administration has impaired performance of Awka North Local Government Council.

**Table 4.7 guided the test of hypothesis one.**

Testing of hypothesis using chi-square  $\chi^2 = \frac{(o-e)^2}{e}$   
 Level of significance used is 0.05 The degree of freedom is (k – 1)

Where k = number of rows

$$= 4 - 1$$

$$= 3$$

The critical value = 3.81

**Table 4.18:** Analysis of Hypothesis 1

Options	o	e	o-e	(o-e)	$\frac{(o-e)^2}{e}$
Strongly agree	150	93.75	56.25	3164.063	33.75

Agree	75	93.75	-18.75	351.5625	3.75
Disagree	45	93.75	-48.75	2376.563	25.35
Strongly disagree	90	93.75	-3.75	14.0625	0.15
<b>Total</b>	<b>375</b>				<b>63</b>

**Source:** Field survey, 2024

**Decision:** Since the calculated value of  $X^2$  is greater than the critical value  $X^2$ ,  $63 > 3.81$  the null hypothesis was rejected and the alternative hypothesis was accepted, that care taker committee system is not viable in Awka North Local Government Council.

### Test of hypothesis two

(2) Fiscal imbalance has affected performance of Awka North Local Government Council.

**Table 4.20** was used to test the hypothesis.

Options	Frequency	Percentage
Strongly agree	225	60%
Agree	60	16%
Disagree	45	12%
Strongly disagree	45	12%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

Testing of hypothesis using chi-square  $X^2 = \frac{(o-e)^2}{e}$

Level of significance used is 0.05

The degree of freedom is  $(k - 1)$

Where

k = number of rows

Therefore

$$= 4 - 1$$

$$= 3$$

The critical value = 3.81

**Table 4.21:** Analysis of Hypothesis 2

Options	o	e	o-e	(o-e)	$\frac{(o-e)^2}{e}$
Strongly agree	225	93.75	131.25	17226.56	183.75
Agree	60	93.75	-33.75	1139.063	12.15
Disagree	45	93.75	-48.75	2376.563	25.35
Strongly disagree	45	93.75	-48.75	2376.563	25.35
Total	375				246.6

**Source:** Field survey, 2024

**Decision:** Since the calculated value of  $X^2$  is greater than the critical value  $X^2$ ,  $246.6 > 3.81$  the null hypothesis will be rejected and the alternative hypothesis will be accepted we therefore conclude that imperfection in the 1999 constitution of Nigeria has hampered proper fiscal federalism in Nigeria. This also adversely affected rural development in Nnewi North Local Government Council.

(3) Lopsidedness in revenue allocation in Nigeria has hampered fiscal federalism policy in Nigeria.

**Table 4.9 was used to test the hypothesis**

Options	Frequency	Percentage
To a very highly extent	225	60%
To a highly extent	75	20%
To a low extent	45	12%
To very low extent	30	8%
<b>Total</b>	<b>375</b>	<b>100%</b>

**Source:** Field survey, 2024

Testing of hypothesis using chi-square  $X^2 = \frac{(o-e)^2}{e}$

Level of significance used is 0.05

The degree of freedom is  $(k - 1)$

Where  $k =$  number of rows

$$= 4 - 1$$

$$= 3$$

The critical value = 3.81

**Table 4.21: Analysis of Hypothesis 2**

Options	<b>o</b>	<b>e</b>	<b>o-e</b>	<b>(o-e)</b>	<b>(o-e)<sup>2</sup> e</b>
To a very highly extent	225	93.75	131.25	17226.56	183.75
To a highly extent	75	93.75	-18.75	351.5625	3.75
To a low extent	45	93.75	-48.75	2376.563	25.35
To very low extent	30	93.75	-63.75	4064.063	43.35
Total	375				256.2

**Source:** Field survey, 2024

**Decision:** Since the calculated value of  $X^2$  is greater than the critical value  $X^2$ ,  $256.2 > 3.81$  the null hypothesis was rejected and the alternative hypothesis was accepted. We therefore conclude that imbalance in revenue allocation to Awka North Local Government Council has hampered performance of the Local Government in community development. cal Government Council.

### 5. Findings and Recommendations

1. Care taker committee system of local government administration has vitiated local government administration and impaired development of Awka North Local Government Area.
2. Fiscal imbalance which is amplified by Anambra State Government giving out hand out to the local government councils instead of their direct allocation has affected the performance of Awka North Local Government Council.

### 5.3 Recommendations

1. Care taker committee system of local government in Anambra State should be abolished and the state government should abide by the 1976 local government reform and 1999 constitution. Thus, they should henceforth conduct elections for those aspiring for local government elective offices.
2. The Anambra State Government should re-address the issue of fiscal imbalance. Funds meant for the local government should not be tampered with by the State Government. With the Supreme Court ruling of 2024 empowering the local government to receive direct allocation from the Federation Account is a bold relief. Therefore, the imbalance which has constitute an imbroglio is likely to be addressed.

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