

LOCAL GOVERNMENT ADMINISTRATION IN
NIGERIA'S FOURTH REPUBLIC: TOWARDS SYNERGY
IN FINANCIAL AUTONOMY AND RURAL
TRANSFORMATION

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Abstract

The current attention on local government administration in Nigeria is a result of sensitive position it occupies in grass root development and in the consolidation of democracy. In Nigeria, local government administration had passed through different forms of government: military and civilian under which they had suffered series of neglect and abandonment. The paper reveals the laws made by the State houses of Assembly to align the State Joint Local government Account in order to control the finances of the councils. This of course limits the effectiveness of the local councils for creative financial management. The paper therefore argues that, if local government is autonomous and its allocation comes direct, local councils would be made effective and efficient in the performance of its constitutional roles to the people and would be a conducive work place that can give job satisfaction and attract skilled labour which it presently lacks and in turn can improve its performance. There is no doubt that local governments are in the best position to play a major role in rural transformation as the nearest government to the people; but this will depend on giving it a leeway, autonomy in decision-making and financial management for effective and result-oriented administration.

Keywords: Local Government Administration, Financial Autonomy, Rural Transformation, Grass Root, Democracy, 4th Republic

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1. Introduction

The need for the creation and existence of local governments in a governmental system has over the years, been one of the most frequently discussed issues in politico-administrative studies. Accompanying this discussion usually is the consideration of the challenges confronting the local governments in the performance of the functions that underscore the imperative for their creation (Chukwuemeka, Ugwuanyi, Ndubuisi-Okolo, & Onuoha, 2014). Globally, local government has been recognized as a veritable tool or framework for administering local and grassroot areas and for enhancing overall rural transformation (Andrews, 2012).

The utility of the local government as an agent of development cannot be over emphasised. Local government councils are created to extend the contour of governance and development to areas considered too remote to the state and federal governments influence. Statutory means for harnessing the human and material resources have been put in place to facilitate sustainable grassroots development. The achievement of this fundamental goal is dependent on the amount of resources through effective financial autonomy at the disposal of the local government and the prudence with which it is used (Otinche, 2014). As a result, the practice of entrenching the autonomy of local governments constitutionally is becoming popular international practice. Both federal and unitary states adopt this practice. In a federation, the approach somewhat elevates the local governments to a third tier status that makes them partners to the federal contract. This practice does not necessarily guarantee de facto autonomy to the local government system. The utility of the three tier federative structure in guaranteeing local government autonomy apparently rests in the manner of power allocation in the constitution and respect for those provisions by stakeholders. When powers are granted through another tier of government than the constitution itself, the granting authority often perceives the transfer of power as a loss of its own authority (Steytler, 2005). Following this introduction in section 2 was analysed conceptual framework. Section 3 was centred on an overview of local government financial autonomy in Nigeria. In section 4, local government autonomy and rural transformation: the interface was the subject of analysis. The paper was rounded up in section 5 with concluding remarks

2. Conceptual Framework

The concept of Local Government may be seen as *a segment of a constituent state or region of a nation state*, established by law to provide public services and regulate public affairs within its area of its jurisdiction (Ikelegbe, 2005: 38-9). Local government generally is conceived as a form of public administration which, in a majority of contexts, exists as the lowest tier of administration in a governmental system. Specifically, local government is a unit of government below the central, regional or state levels established by law to exercise political authority through a representative council within a defined geographical area (Olisa, et al 1990 cited in Chukwuemeka, et al, 2014). It is the third tier of government in a federal political system and legally distinct with relative level of autonomy (Adeola, 2012: 19 – 20). As observed by King (1988:3), the local government is universally found in modern polities, although it goes by various appellations. Its legitimacy lies in its *claim to represent the interests or wishes of the local inhabitants and to administer to their needs*. Founded on democratic ideals, it is required that they be given an opportunity to control their affairs at this level, especially since this is the point at which their interests and welfare are most likely to be directly affected.

It is important to note that the concept of the local government as a third-tier of governance is predicated on the principle of bringing the instrument of governance closer to the communities and harnessing the interests and aspirations of the local communities as an inputs-outputs analysis in governance. The local government also is an avenue through which the people can exercise their political rights through representatives at the local councils established by law to perform specific powers within their jurisdictions. The local government is a distinct legal entity and has power to raise its own revenue within its areas of jurisdiction as provided for in the constitution (Ahmad, Abubakar& Ahmad, 2013, Agagu, 2001) defined local government as *a government at the grass root level of administration meant for meeting peculiar grass root needs of the people*.

From the above definitions, the major features of local government include:

- ✓ Operates at the local or grassroots level.
- ✓ Operates within a defined geographical area.

- ✓ Has a relative autonomy or independence.
- ✓ Has a range of constitutionally delineated functions to perform.
- ✓ Has its council composed of elected representatives?

The local government as the tier of government is unfairly treated by the first and second tier of government because it has not been allowed full autonomy, a view that is contrary to the various definitions asserted above. At a glance, we can assess as shown in Table 1, the states, their local governments, area occupied and population density. It can however be seen the aberration committed by the military administration in the lopsided number of local governments granted some states such as Kano and Katsina without any economic rationality; a situation which has translated into inability to generate enough internal revenue, making such states and local governments completely dependent on Federal Government allocation. The lopsided arrangement has also made some states persistently demanding for additional local government areas.

Table 1: Population of Local Governments and States in Nigeria

State	Area {sq km}	population	No. of LGAs	State	Area {sq km}	population	No. of LGAs
Abia	4,900	2,845,380	17	Kano	20,280	9,401,288	44
Adamawa	38,700	3,178,950	21	katsina	23,561	5,801,584	34
Akwaibom	6,900	3,902,051	31	Kebbi	36,985	3,256,541	21
Anambra	4,865	4,177,828	21	Kogi	27,747	3,314,043	21
Bauchi	49,119	4,653,066	20	Kwara	35,705	2,365,353	16
Bayelsa	9,059	1,704,515	8	Lagos	3,671	9,113,605	20
Benue	30,800	4,253,641	23	Nasarawa	28,735	1,869,377	13
Borno	72,609	4,171,104	27	Niger	68,925	3,954,772	25
Cross river	21,787	2,892,988	18	Ogun	16,400	3,751,140	20
Delta	17,108	4,112,445	25	Ondo	15,820	3,460,877	18
Ebonyi	6,400	2,176,947	13	Osun	9,026	3,416,959	30
Edo	19,187	3,233,366	18	Oyo	26,500	5,580,894	33
Ekiti	5,435	2,398,957	16	plateau	27,147	3,206,531	17
Enugu	7,534	3,267,837	17	Rivers	10,575	5,198,716	23
FCT	7,607	1,406,239	6	Sokoto	27,825	3,702,676	23
Gombe	17,100	2,365,040	11	Taraba	56,282	2,294,800	16
Imo	5,288	3,927,563	27	Imo	46,609	2,321,339	17

NBS, 2010

2. 1. What is Local Government Autonomy?

Autonomy means self-governing, and comes from a Greek word meaning independent. It is used to distinguish the active independence of organisms and intellects distinguish it from the sort of independence rocks and planets have, and that places more emphasis on self-governance. A system is autonomous if and only if the organization of internal aspects of system processes is the dominant factor in the system's self-preservation, making both it and the processes that contribute to autonomy functional. Autonomy is a special type of cohesion. Its distinguishing feature is that cohesion is maintained actively through the contribution of component processes to the continued existence of the system, either directly, or through intermediate processes. In the specific case of Nigeria, local government autonomy entails that the local governments as federating units should not exist as an appendage of either the state or federal government (Abada, 2007). This means that local government autonomy is realized in a situation where it is not constitutionally bound to accept dictation or directive from another government tier (Adeyemo, 2005).

Local Government autonomy is the freedom to the Local Governments to exercise authority within the confines of the law or constitution. This is to enable them to discharge legally or constitutionally assigned responsibilities satisfactorily, but without undue interference or restraint from within or higher authority. This definition argues for adequate autonomy for LGs within the law for the purpose of performance, which actually guarantees it. Without performance, the law or constitution may not be able to guarantee even adequate autonomy for LGs as the people yearn for development. Autonomy operated within a democracy must be limited as indeed democracy limits the use of power (Imhanlahimi and Ikeanyibe, 2008).

In summary, autonomy requires non-equilibrium conditions, internal dynamical differentiation, hierarchical and interactive process organization, incomplete closure, openness to the world, openness to infrastructural inputs, the existence of autonomy, like any cohesion, is identical to the corresponding process closure, and is not something complementary to, or over and above.

2. 2. Fiscal Policy and Local Government Administration in Nigeria

Fiscal policy is undoubtedly one of the most important tools used by government to achieve macroeconomic stability of the economy of most developing countries (Siyam and Adebayo, 2005). Local government is the most dynamic, innovative, and organizationally diverse level of government. Every modern state has been formed by the coming together of many local units. This means that each citizen has local loyalty. Since it is practically impossible for the central government to control every detail of the segments forming the state, it is necessary that local governments are established to attend to the details of local administration, giving full weight to local preferences and prejudices on every issue.

Federalism creates dependable fiscal relations between the federal, state and local government. The federal government controls high yielding revenue heads and allocates the average and low yielding revenue heads to the state and local government respectively. The local government is created to bridge the gap in lines of political communication and development between the centre (federal and state government) and the periphery (rural communities) (Otinche, 2014). According to Orewa, (1983:96), it has been generally agreed that no central government can satisfactorily conduct administration wholly from the capital through civil servants, based at the headquarters. Thus, the need for a form of decentralization, according to him, such as will enable the government to reach out to the people at the local level, becomes imperative.

It is important to note that considering the country's federalism and constitution there can never be an absolute autonomy because of the interdependence of the three levels of government and this brings into focus the intergovernmental relations of local government autonomy. The federal, state and local governments rule over the same population. If they are to achieve the purpose of their creation and not to waste the meagre resources at their disposal, there must be a definition of the boundaries or arena of operation of each of them. In essence, when one talks of local government autonomy in Nigerian's polity, it refers to the relative independence of local government control by both the state and federal governments. Therefore, it is the nature and structure of transactions or interactions between the three levels of government that reveals the degree of local government autonomy (Adeyemo, 2005).

Local government administration in Nigeria since the exit of the imperial powers from Nigeria, the country has been grappling with the issue of local government administration in Nigeria. Local

Government Administration in Nigeria has spanned through decades of successive administrations with a lot of changes that are very controversial. The controversies surrounding local government administration in Nigeria are enormous, but the most paramount of all is the autonomy of local government (Awortu, 2013).

3. An Overview of Local Government Financial Autonomy in Nigeria

The scholarly discourse and investigation in constitutional studies and federalism, particularly in respect of local government autonomy, is engendered mainly by the overbearing powers of the state and sometimes lack of elected executive chairmen at the grassroots. State encroachment into local government affairs and their total control of the local councils by appointed committees who are loyalist to the State Governors has thus triggered research works aimed at reversing such encroachment given the immense role that can be played in grassroots politics by the local government (Agunyai, Ebirim&Odeyemi, 2013).

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Local autonomy is in dilemma in all contemporary societies. In Great Britain where local government is well established and relatively free, the prevailing central government's power to monitor, if not control their activities suggest that local government autonomy is gradually being whittled down. However, in most federal systems, the political imperatives of federalism recommend exclusive allocation of certain functions to specific levels of government, an ideal case for autonomy in action. In a number of countries, including Nigeria, local autonomy is actually philosophical purpose for the establishment of local government.

Local Government fiscal autonomy is derived from the fiscal federalism as is operated in the Nigerian federation. Fiscal federalism is the transfer of functions, resources and authority to peripheral levels of government. It also relates to the *disposition of tax powers*, retention of revenue and methods adopted in sharing centrally collected revenue in accordance with the constitutional responsibilities of all levels of government (Osakwe, 1999:524). While Nwabueze (1983) sees the autonomy under the federal system as each tier of government enjoying a separate existence and independence from the control of the other governments. It is an autonomy which requires not just the legal and physical existence of an apparatus of government like a legislative assembly, governor, court etc., but that each government must exist not as an appendage of another government but as autonomous entity in the sense of being able to exercise its own will in the conduct of its affairs free from direction of another government.

Provision for the financial autonomy of the local government: Section 162 of the 1999 constitution provides for the financial autonomy of the local governments as it stipulates, specifically, in paragraph 3 thus; Any amount standing to the credit of the Federation Account shall be distributed among the federal and state governments and the local governments on such terms and in such manner as may be prescribed by the National Assembly. The constitution, however, further provides in paragraph 5 thus;

The amount standing to the credit of local government councils in the federation account shall also be allocated to the states for the benefit of their local government councils on such terms and in such manners as may be prescribed by the National Assembly.

Further and for the purpose of remitting the statutory allocation to the local government councils, the constitution in paragraph 6 provides thus;

*Each state shall maintain a special account to be called **State Joint Local Government Account** into which shall be paid all allocations to the local government councils of the state from the Federation Account and from the government of the State.*

Section 162(8) further provides that the amount standing to the credit of local government councils of the state shall be distributed among the local government councils of that state on such terms and in such manners as may be prescribed by the House of Assembly of the state. These provisions, however, notwithstanding, state governments in various ways and degrees interfere in the autonomy of the local governments (Ugwuany, 2014).

The financial autonomy of the local governments is being severely interfered in by the state governments principally through the instrumentality of the State Joint Local Government Account. Andrews, (2012) and Ogban (2011) observe that state governments use the State Joint Local Government Account (SJLGA) mechanism to make local government appendages of the state. Odo (2003), Okolie and Eze (2001), Oguntuase (2012) and ALGON (1999), observe too that the state governments have turned the State Joint Local Government Account into an instrument to manipulate and control the local governments. For instance, in Enugu state under the regime of Governor Chimaroke Nnamani, between 1999 and 2007, the control of the State Joint Local Government Account by the state government was so total that local governments in the state were only *dashed* peanuts from their statutory allocations. There were equally cases of over deduction in respect of certain expenses made by the state on behalf of the local governments.

The interference in the local government financial autonomy by the state governments is made easily possible as a result of the subordination of the local governments to the states through the provision in section 162, paragraph 6 for the establishment and operation of State Joint Local Government Account. Indeed, the provision of the State Joint Local Government Account does not allow for direct funding of local government from the Federation account which would have formed a realistic basis for the realization of the local government financial autonomy. Infact, as Anikeze (2012) observes, the operation of State Joint Local Government Account ties the councils to the apron strings of the state governments. The undue control and appropriation of the local government fund in the State Joint Local Government Account, therefore, contradicts the spirit of the constitution for its provision (Ugwuany, 2014).

Local Government autonomy in whatever way the concept is understood cannot contribute or enhance the revenue generation efforts of Local Governments in Nigeria. It is necessary to note

that the two important aspects of the local government autonomy are the political/administrative/autonomy and the financial autonomy. These aspects of the autonomy are envisaged to guarantee effective running of the local government and to enhance its ability to perform assigned constitutional functions. It is also important to state that there are other various issues in the political/administrative and financial autonomy like the freedom to recruit and manage their own staff, the freedom to generate revenue within their assigned sources and to determine and authorize their annual budgets. The political autonomy of the local government as the above provisions sought to guarantee is equated to grassroot democracy aimed at bringing governance closer to the rural and grassroot populace and giving the vast majority of the people in a local government area the fullest opportunity to participate in determining their own destiny within the limits of the law that established it (Ugwuany, 2014).

The financial autonomy which direct allocation from the Federation Account sought to confer on the local governments has been severely undermined as a result of various deductions and diversions of funds intended for local government. State governments have instead used the SJLGA mechanism (or Account) to hold local governments hostage and make them appendages of the State. In practice, the *operation of the SJLGA has denied local Governments their financial autonomy*(Okafor, 2010: 128).

Local government autonomy is thwarted and misplaced in Nigeria because of poor practice of federalism as stipulated in the constitution. Constitutional practices of federalism in Nigeria have been very difficult and unrealistic because of selfish interest of the political elites. Federalism is the constitutional division of powers between and among the tiers of governments (federal, state and local government) in a country, this goes to show that each of the tiers of government has its own power and functions bequeathed to each of them by the constitution, but is the constitution followed and adhered to in this regard? Observations have shown that the powers of the local governments in Nigeria are subject to the approval of the state. In the same vein, Adeyeye (2005) opined that the Nigerian Federalism remains a formidable problem is evident in the various contradictions of military rule and the decrees they have spurned.

The local government as a third tier of government in Nigeria and as enshrined in the constitution is ostensibly meant to serve as are institutional framework for effective service

delivery to the grassroots and for the overall national development. However, to effectively perform the developmental functions, they need to have substantial level of both political/administrative and financial autonomy. The 1999 constitution made provisions to enhance or guarantee such autonomy. Unfortunately, however, the provisions for the autonomy as were provided in the constitution have been found inadequate in scope and specificity and the autonomy is, consequently, being substantially and in several ways interfered in by the state governments.

The figures in Table 2 show the true picture of revenue sources of local government. Though this record shows 2010, most of the state's internal revenue is very insignificant, while Table 3 shows how the federation account is disbursed among the three tiers of governments. But, local governments as can be seen in Table 4 is handicapped by the lack of real autonomy especially in their finances as the amount of fund coming from the state is small compared to other sources of revenues.

Table 2: Revenue Sources of Local Government in 2010

Revenue Sources	Amount	%
Federation Account	529,315.00	49.5
State Allocation	19,735.70	1.8
Value added Tax	157,378.60	14.7
Internal revenue	26,064.20	2.5
Grants and others	336,871.70	31.5
Total	1,069,365.30	100.0

Source: Central bank of Nigeria

Table 3: Vertical Allocation of Nigeria Government Revenues since 1981

Period	% share going to			
	Federal government	State government	Local government	Special funds
*1981	55	35	10	-
1989	50	30	15	5
1993	48.5	24	20	7.5
1994	48.5	24	20	7.5
1992-1999	48.5	24	20	7.5
May 2002	56	24	20	-
March 2004 till date	**52.68	26.72	20.60	-
Current Bill under consideration at the National Assembly	53.69	31.10	15.21	-

Source: Central Bank of Nigeria

*Revenue Act of 1981

4. Local Government Autonomy and Rural Transformation: The Interface

Since independence in 1960, Nigeria, like most other third world countries, has been grappling with the problem of underdevelopment. The ability to attain a holistic and all-sectoral development, after fifty four years, however, could be said to have been circumscribed by the parochial conception of development policies and strategies.

The struggle for local government autonomy in Nigeria has been a recurring issue. It is as old as the history of Nigeria colonial state. There has been controversy over the years on the issue of autonomy and how it affects local governments in Nigeria. The concept of autonomy and its application has been a subject of debate among scholars. Obikeze and Nnamdi (2010:58) observed that the connotations underpins of the term autonomy are a major source of confusion which scholars of local government administration have severally attempted to clarify. Local government autonomy means the supremacy of byelaws made by a local body within a framework determined by the central and state government. The will of the local government as expressed by the bye-laws is supreme of national guideline. This has to do with the degree of discretionary power assigned to it by a superior instrument of government in terms of functions, finance, administration and political matters (Obikeze&Nnamdi, 2010, Nwabueze, 1983) digressed in his view of local government autonomy. He opined that: "Autonomy in a federal system means that each government enjoys a separate existence and independence from the control of another government. Following the direction of Nwabueze (1983) observed that local autonomy is primarily concerned with the issue of responsibilities, resource control and discretion conferred on the local authorities. To that extent, discretion and responsibility is the fulcrum of the local government.

4 .2. Local Government Administration in Nigeria: Fourth Republic in Perspective

The local Government system in Nigeria holds a critical role in the consolidation of democracy in the country. But because of the ambiguities in its status and responsibilities as enshrined in the 1999 Constitution, and the hue and cry that attended the generally poor performance of operators of the local government system between 1999 to date, it has continued to dominate the centre-stage of national discourses and certainly has been a serious source of concern to policy makers and analysts alike (Mohammed, 2009).

The current attention on local government administration in Nigeria is a result of sensitive position it occupies in grass root development. This governmental system is not new in Nigeria society, as it is old as the country itself. It started with traditional institution and passed through series of reforms and transformations during the colonial imperialism and the period of self-government. One notable thing about this system of administration ever since independence is that the societal consciousness about it is mostly aroused during democratic dispensation. The reason for this is not far-fetched. The grass root people have long list expectations due to its closeness. They are of the opinion that through this government they can easily reap the dividend of democracy (Babalola&Akinlade, 2013).

The local government administration in Nigeria had passed through different forms of government with which they had suffered series of neglect and abandonment. Under the military rule, local government was cleverly proliferated which make the number of the local government areas in Nigeria today increase to 774. This is to ensure the closeness of the people to the government. Notwithstanding, this governmental level always operates below constitutional expectation as a result of undue interferences by both the state and federal governments (Babalola, et al., 2013). The steps taken by some civilian governors in the current republic to balance the undue proliferation of local government had met with great controversy. As noted by Adeola (2008: 14), *whereas, Lagos acclaimed as one of the most populous states with over 10 million people had 20 local government areas, Kano in the same bracket had 44...no wonder, that Lagos state led a pack of four states which created new local governments; a measure that resulted into serious controversy during Obasanjo,s administration.*

The state Joint Local Government Account (SJLGA) was initially introduced in the Nigerian federation as far back as 1981 during the second Republic administration of

President Shehu Shagari. Conscious of the fact that the Nigerian economy is a mono economy where over 80% of both the federal, state and local governments revenues come from their shares of the oil wealth, the administration ostensibly wanted to create a platform where both the federal and state governments could play some roles in funding and monitoring the local government revenue earnings and expenditure to ensure their success in rural development.

Under the 1999 Constitution of federal republic of Nigeria, the Federation Account has been the focal pool from which the three tiers of government in Nigeria derive their monthly allocation which is expected to be judiciously utilized in addressing socio-economic development of their localities. The State Joint Local Government Account SJLGA is a special account maintained by each state government “into which shall be paid allocations to the local government councils of the state from the Federation Account and from the Government of the State” (Section 162(6), 1999 Constitution of Nigeria).

Table 4: Summary of Local Governments(1) Finances

	1993	1999	2000	2004	2005	2006	2007	2008	2009
CURRENT REVENUE	19,874.5	60,800.6	151,877.3	468,295.2	577,219.1	674,255.7	832,300.0	1,387,871.03	1,069,365.3
Federation account	18,316.4	43,870.3	118,589.4	375,656.3	439,000.3	550,796.3	568,300.0	722,258.6	529,315.0
State allocation	253.1	419.8	1,923.1	3,625.7	3,243.9	3,434.8	3,000.0	3,317.4	19,753.7
Value added tax	-	9,559.8	13,908.7	45,985.2	55,793.6	75,920.0	105,100.0	135,921.3	157,378.6
Internal revenue	1,035.6	4,683.8	7,152.9	22,407.8	24,442.5	23,225.1	21,300.0	22,731.4	26,064.2
Grant & others (2)	269.4	2,266.9	10,303.2	20,620.2	21,138.8	20,879.5	134,600.0	503,642.6	336,871.7
RECURRENT EXPENDITURE	13,966.5	41,613.9	93,899.9	295,654.7	374,514.6	389,181.2	683,600.0	1,140,100.0	704,610.0
Current Surplus + deficit -	5,908.0	19,186.7	57,977.4	172,640.5	222,704.5	276,074.5	148,700.0	247,771.3	364,755.2
CAPITAL EXPENDITURE	5,508.8	18,827.3	59,964.9	165,395.9	213,463.2	267,656.7	143,800.0	247,800.0	363,003.7
TOTAL EXPENDITURE	19,475.3	60,441.2	153,864.4	461,050.6	587,977.8	665,838.0	827,400.0	1,387,900.0	1,067,613.7
Overall surplus	399.2	359.4	{1,987.5}	7,244.6	9,241.3	8,417.8	4,900.0	{28.8}	1,751.6
Financing	{399.2}	{359.4}	1,987.5	{7,244.6}	{9,241.3}	{8,417.8}	{4,900.0}	28.8	{1,751.6}
{a} loans	39.9	259.6	3,734.6	-	-	-	2,800.0	-	6,076.2
{b} opening cash balance	-	2,499.4	3,356.0	8,741.4	51,707.2	{20,560.1}	37,300.0	-	38,453.4
{c} other funds	{439.1}	{3,118.4}	{5,103.1}	{15,959.0}	{60,948.5}	12,142.3	{45,000.0}	28.8	{46,281.2}

Source: Central Bank of Nigeria 1 Provisional figures

2. Includes Stabilization Fund, Gen. Ecology and share of Excess Oil Revenue in 2007 and 2008 and Budget Augmentation

The State Joint Local Government Account is designed to be a mechanism for the implementation of the notion of *fiscal federalism* at the local government level in Nigeria. The Nigerian constitution provides for the provision of The State Joint Local Government Account in order to control the activities of local government by the state so as to enhance good governance at the grassroots level. In practice, the relationship between state and local government is more of domination and hijacking of local government functions by state governments rather than serving as moderator/mediator, despite the fact that local governments were created in order to bring governance closer to the people yet state local government joint account do not enable this.

The States Joint Local Government Account has made the Nigerian local government financially handicaps as some local government cannot afford to settled their running costs, pay 18,000 minimum wage, finance developmental projects. All these and many more have subjected the people in the rural areas to abject poverty because the resources do not reach those expected poor people. The local government system was so greatly undermined to some extent that it cannot effectively play its role as agent of development at the grassroots, in spite of huge monthly allocations from the Federation Account. Some state governors who withhold huge chunks of council funds undermine the local government system in Nigeria through State Joint Local Government Account. The degree of external influence and intrusion in local government affairs by their state government is worrisome and needs re-evaluation (Ahmad, Abubakar and Ahmad, 2013).

Since the inception of the system of local government in Nigeria, there had been persistent clamour for the autonomy of the local government as the third tier of governance in the federation. It is interesting to note that even the federal government has in recent times joined in championing the course of local government autonomy. In the forward of the guidelines for the 1979 local government reforms, it was clearly remarked that, “the states have continued to encroach upon what would have been the exclusive preserve of local governments. With this reform, the local government was granted the power of grassroots governance with apparent improvement in the autonomy as the third tier of government in the country.

The federal government provides financial reliefs to local government councils in Nigeria in recognition of the challenges facing them. The indecent control over local government funds by state governments predate the present era. The allocation from the Federation Account into the State Joint Local Government Account is disbursed by state governors on a master-servant basis. This has weakened the development efforts of local government councils in Nigeria. Indeed, a cursory look at the financial profile of Local Government Council in Nigeria from 1999 to 2014 might enable us to draw a line of distinction between what was allocated by the federal government and what local government council actually got between the periods under review.

The removal from office of elected council chairmen by state governors is undemocratic but connected with the mode of election of council chairmen into offices. The cost of the election of local government chairmen is borne by state governors who eventually turned local government councils into an appendage of the governor's office. Many governors prefer to work with Caretaker Committees whose expenditure ceiling is very low (Azuatalam, 2010). The need to exercise control over local government finances informed the advocacy for the retention of the State Joint Local Government Account in the 1999 Constitution by state governors. Probably, there should also be a Federal-State Joint Account where the federal government controls the finances of the state government to enable state governors feel the impact of fiscal centralism (Otinche, 2014).

Table 5: Total Revenue and IGR for States in Nigeria {2007-2011}

S/N	STATE	TOTAL REVENUE	IGR {#' bn}	IGR AS % OF TOTAL REVENUE
1.	Lagos	1944.6	741.3	36.7
2.	Sokoto	382.0	83.6	21.9
3.	Ogun	338.6	67.9	20.1
4.	Abia	390.1	70.2	18.0
5.	Oyo	354.6	54.8	15.5
6.	Rivers	1724.1	258.0	15.0
7.	Osun	256.2	38.2	14.9
8.	Edo	342.6	49.5	14.4
9.	Kwara	278.9	37.8	13.6
10.	Gombe	283.3	35.8	12.6
11.	Kogi	262.8	32.8	12.5
12.	Kano	422.8	49.5	11.7
13.	Kaduna	418.3	45.0	10.8

14.	Borno	280.2	26.8	9.6
15.	Anambra	292.5	27.8	9.5
16.	Zamfara	268.8	25.0	9.3
17.	Cross river	311.0	28.4	9.3
18.	Benue	296.5	27.2	9.2
19.	Jigawa	311.2	28.4	9.1
20.	Niger	284.2	24.9	8.8
21.	Imo	295.9	25.8	8.7
22.	Delta	916.7	74.4	8.1
23.	Ekiti	201.0	15.9	7.9
24.	Enugu	217.2	17.0	7.8
25.	Kebbi	235.7	17.8	7.6
26.	Ondo	472.2	35.5	7.5
27.	Plateau	231.8	16.6	7.2
28.	Nassarawa	193.4	12.7	6.6
29.	Adamawa	251.5	15.8	6.3
30.	Katsina	226.6	13.2	5.8
31.	Taraba	240.0	13.0	5.4
32.	Ebonyi	183.8	9.4	5.1
33.	Akwaibom	1103.2	54.9	5.0
34.	Baushi	349.8	12.7	3.6
35.	Yobe	202.4	6.7	3.3
36.	Bayelsa	728.5	23.7	3.3
	Total	15493.0	2091.4	13.5

Sources: Central Bank of Nigeria {2007-2011} Annual Reports

4. 3.The Implications of the Joint Account System on Local Government Fiscal Autonomy

The paper reveals the laws made by the State houses of Assembly to bring the State Joint Local government Account (SJLGA) into force are usually tilted to favour ends thereby compounding the already distressed financial positions of the councils. The key officers of the Joint Account Committee set up by the State governor are state government representatives who function on the directive of the State Chief Executives with little or no control from the Council Chairmen who are the statutory owners of the fund as the chief accounting officers of their Local Governments.

Most of the Local Government councils were not even represented in the Joint Account Allocation Committee (JAAC). The Council who are the chief accounting officers of their respective Local Governments were never briefed as to how much accrued to their councils monthly from the Federation Account before sharing. Substantial amounts of the allocations

from FAAC to each of the Local Government Councils were deducted at source in the name of Joint projects or any other contrived reasons.

The council chairmen who picked up the courage to protest over the unwarranted deductions from their councils' statutory allocation were threatened and some were even sacked from their positions for daring to query the activities of the joint Account Allocation Committee (JAAC) by the State Governors. State governments that are constitutionally required to fund local government councils have instead used the State Joint Local Government Account (SJLGA) provisions to hold local governments' hostage and make them mere appendages of the state thereby practically denying the local government councils their financial autonomy (Okafor, 2010).

The State Joint Local Government Account has placed the local government councils in a political bondage. Fiscal autonomy is the fountain of political autonomy. The paper advocates the abolition of the State Joint Local Government Account in order put an end to the political slavery associated with it (Otinche, 2014).

5. Concluding Remarks

There is no doubt that local governments are in the best position to play a major role in rural transformation. As the nearest government to the people, much is expected of it hence the need for an effective and result-oriented administration. In Nigeria, for example, inter-governmental pressure would mean the relationship existing between the various levels of government from the federal, state to the Local government level (Usman, 2013). The local government plays pivotal roles in grassroots development. It is necessary to enhance the fiscal capacity of the local government to stimulate grass root development.

Over the years there have been a lot of challenges facing local government administration in Nigeria but in recent times the issue of autonomy for local government has increased the tension. There is the need for autonomy to be granted to local governments in Nigeria but the constitutional Provision and state governments are vehemently opposing such Efforts (Awortu, 2013).

The local government autonomy is largely being interfered in and this has militated significantly against the capability of the local governments to operate effectively and contribute to national development. There is need while amending the relevant portions of the constitution to couch it in such away that should there be any need for a governor to set up a caretaker committee where there is a vacuum as result of the necessity of an act of God; that such committees should last for a very short period and would not be able to have multiple subsequent appointments. In order words, the provision should be able to avoid repeated appointments of committees at the end of the tenure of the incumbent. There should be provision, limiting the length of time a caretaker committee should last, before a democratically conducted election is held.

The State Joint Local Government Account (SJLGA) has placed the local government councils in a political bondage. Fiscal autonomy is the fountain of political autonomy. The paper advocates the abolition of the State Joint Local Government Account in order put an end to the political slavery associated with it. The regular auditing of local government account as well as the strict enforcement of the rules and regulations governing fiscal policy at the local government by independent auditors is recommended to promote fiscal discipline.

Local government system can only perform effectively when it has autonomy. State and Federal government should stop wielding undue influence over the local government. It should be given the opportunity to perform independently with minimum control. Joint projects and account between state and local government should be discarded. State should contribute their statutory allocation monthly allocation to the local government rather than milking it to increase the financial base of the state. This situation will enable local government to use their resource for effective development of their local area as well as meeting the constitutional expectation of the local people.

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