

The State-Local Government Joint Account in Nigeria: Assessment of Facts and Realities

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ABSTRACT

In every emerging society, the position of the third tier system of government cannot be over emphasized. Local government as a unit and level of government at the grass roots has come to play significant transformative roles following its closeness to the people and their needs. In the long run, actualization of the development will likely be fraught if local government cannot effectively and efficiently discharge its bequeathed functions through the law establishing it without adequate funds at its disposal. However, it is the interest of the paper to appreciate adequately the essence of local government in addressing developmental challenges, its relationship with the state and disposition to her financial obligations. The study utilized qualitative method in generating its data; while using power theory as a framework of analysis. The findings of the study has significantly revealed that the weaknesses and challenges of local government in discharging its functions in the contemporary dispensations are holistically tied down to the joint account operation of a state and local government. This relationship had stripped local government its status and financial autonomy. Thus, for institutional transformation as it pertains to grass roots development and leadership transformation to be attained, the study recommended that local governments should have their own separate accounts upon which statutory allocations, grants and other payments shall be paid in for effective operations in the fused cum diffracted Nigeria society.

Keywords: Autonomy; Joint account; Inter-governmentalism; Leadership; Local government

INTRODUCTION

The local government as a unit of governance at the grassroots level with primary role of ventilating the developmental strides and transformation of lives of the people within its area of jurisdiction has in the recent times faced with intractable challenges. Conventionally, the law establishing the existence of local government carved for it, specific functions expected of it to deliver but the reverse is the case, following the operation of joint account with the state government. The phenomenon of joint account exercise between the tiers of government has conscripted local government and made it a mere appendage to the state government. The lack of financial autonomy of local government is a swift design to make the institution of third tier system impracticable. According to Nwabueze, he ostensibly argued that if the state government has the locus standi and constitutional power to establish local government and to define

its structure and functions, it clearly and necessarily imply that local government is a mere agency of a creation of the state government. The above depicts that local government has become a myth rather than a reality [1]. The appreciation of the complex nature and character of local government creation in post-colonial entities had shown how the constitution of the federal republic of Nigeria, has conferred power on both the national and state governments over the local government councils.

According to the 1999 constitution, section 7 confers adequate responsibilities on every state of the federation to essentially ensure the existence of democratically elected local government councils, under a law which provides for the establishment, structure, composition, finance and functions of such councils. It is noted that the fall outs in the achievements of the local councils' needs were as a result of financial matters reposed on

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state government over the local councils within its jurisdiction. The constitution of Federal Republic of Nigeria as amended states that the National Assembly shall make provisions for statutory allocations of public revenue to local governments councils in the federation and the house of Assembly of a state shall make provisions for statutory allocation of public revenue to local government councils within the state. The above implication implies that if the statutory allocations cease to come as when due, local government will find it extremely difficult in addressing its fundamental objectives and roles to localness. The third tier government which has the needs and aspirations of her citizens is supposed to be relieved from such an entanglement, made autonomous like other two tiers. It is based on this general backdrop that the study is divided into the following headings [2].

The nature and character of local government in developmental state of Nigeria

Extant literature in the field of local government and local administration are abounded; thus local government possesses problem of clarification. This is due to apparent lack in the level of precision in the use of the construct. According to the Guidelines for Reform of local government in Nigeria, it conceives local government as 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 substantial 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 complete the activities of the state and federal government in the areas and to ensure through active participation of the people and their traditional institutions that local initiatives and responses to the needs are maximized. The above exert could be explained that Local government has a legal existence and enjoys certain degree of autonomy. The nature of local government in Nigeria can be seen as an essential instrument of national or state government for the performance of certain basic services, which can best be decide upon and administered locally in the intimate knowledge of the needs, conditions and peculiarities of areas concerned. It unites the people in a defined area in a common organization whose functions are essentially complicate to those of the central government in the interest of the local residents of satisfaction of common community needs [3]. Consequently, its effectiveness is judged through the developments it generates, social amenities it provides, and to what extent it has catered satisfactorily for the happiness and general wellbeing of the communities it has established to serve. From the above, one can easily deduce the facts that local government as an essential and veritable instrument for performance of certain services and effectiveness is strictly judged through the available indicators of development and transformation indices. But, despite the available opportunities for the local council to deliver on the needful expectations and aspirations of its people, it has been crippled and made incapable through the institutionalization of state joint local government account.

Intergovernmentalism and politics of autonomization of local government in Nigeria

The concept of inter governmentalism or better still inter governmental relations refers to all the complex and inter dependent relations among various spheres of government as well as the co-ordination of public polices among national, provincial and local government through programme reporting requirements, grants-in-aid, the planning and budgeting process and information communication among officials. Implicit here is that, every tier of government has been identified and their financial relation is clearly noted. This is because finance is very pertinent to combat the developing challenges affecting all the tiers of government and local government in particular. Intergovernmental relations as interaction that take place among the different levels of government exist within a state. Also, it comprises of all the permutation and combinations of relations among the units of government in a federal system.

On the financial relations to local government, the position and functions of an auditor general for the local government of a state is detrimental to the struggle for granting autonomy to local government by state and the federal governments and; distort thorough active participation of the people and their traditional institutions in local initiatives. In Nigeria, the practice of intergovernmental relations is streamed lined in to central-state-local, central-state, state-local and inter local relations; and fiscal relations is central. According to the constitution of the federal republic of Nigeria section 7 as amended; states that the house of assembly of a state shall make provisions for statutory allocation of public revenue to local government councils within the state. Also, the state wields greater level of control over the financial resources of the local government [4]. The office of auditor general which is answerable to the state governor is adequately responsible to the control of the monies accruable the local governments within the state. This depicts that the attainment for the autonomy of local governments is a serious issue to be granted on a platter of gold.

The essence of the institution of the local government and service delivery

The position of local government in both prismatic and developed societies cannot be really over emphasized. As a unit of governance and a veritable instrument, local government in Nigeria had continued to discharge its functions to realization of its fundamental philosophy and objectives despite odds. The essence of the third tier government has been viewed from different perspectives. One of the school thoughts on the essence of local government associated with it the functions of local government as were contained in the (documents) establishing it; while the other schools of thought argued that the essence of local government can only be presumed on the academic standard theories. However, the understanding and appreciation of the essence of local government will be evaluated through the schools of thought. The function or essence of local government include; the democratic participatory school, the efficiency services and the holistic integrationist school. The democratic participatory school of thought was propounded by

scholars like J.S. Mills, Roberts Dahl, Jeremy Bentham etc. According to the theorists, they maintained and argued vehemently that local government functions to bring about democracy and to afford opportunities for political participation to the citizens as well as to educate and socialize him politically. They succinctly supported their stands by arguing that the institution of third tier government is superior to the other levels of government since it is only at level of the local self-government that individual can really participate in his own government and so government is truly democratic [5]. Appreciating the variables and indicators of the democratic participatory school, the institutions of local government functions as a political educator and breeder of better societies.

Furthermore, the efficiency service delivery theory is instrumentation to essence of local government. According to its proponents, local government is a veritable instrument for efficient service delivery at the grassroots. It strongly believes in a high level performance and holds that the essential function of local government is not to bring about political participation or some other form of political education, but to provide services and must be judged by its success in providing the services. It is argued that because of its closeness to an area, local government can provide certain services for more efficiently than the central government. Moreover, on the holistic integrationist approach, local government in the contemporary millennium has continued to exist to make and contribute its own quota, thereby helping to achieve national integration national, evolution and national consciousness. Theorizing on the essence of local government Gabriel Almond and Powell adopted capabilities approach as the essential junctions of local government.

Developmental challenges and state persistence intervention in local government affairs

Following the emergence of the 1999 constitution of the federal republic of Nigeria; the position and functions of the third tier government has been clearly spelt to reflect the local government reforms of 1976. Critics had observed the abysmal space occupied by local government in Nigeria. Accordingly, the 1999 constitution was systematically designed and bequeathed to the people by the then military oligarchy. This implies that the 1999 constitution is not a true reflection of the demands, yearnings and aspirations of the people. This is not only restricted to the needs of people but extends to the position of local government in discharging its numerous functions as were contained in the constitution. However, with the designed gap created by the constitution on local government in Nigeria has been construed as a mere appendage of former at the mercies of the state government and national government [6]. Many state governments had in the recent past, reduced the tenure of the local council to suit their selfish aggrandizement.

This is not limited to total sack of council chairmen as witness in Ondo State, Nigeria under the watch of the then governor, chief Olusegun Mimiko. The deliberate picking and installation of caretaker and transitional council chairmen had worsened the

situation. Based on this, the later becomes and an automated teller vending machine for siphoning the treasure of the local government. It is no longer making news that the state government has continued to unabated to divert the monies needed for the development of the council areas with the state. The swift diversion and deductions of funds and other statutory allocations to the local government by the state through the instrumentality of state local government joint account has been a serious hurdle that has continued to thwart the efforts of local government in addressing its challenges in developing its jurisdiction. However, many states through the connivance of the state chief of staff, chief accountant and commissioner of finance had double their planned repetition in deducting the monthly allocations to the local government within the jurisdiction [7]. For instance, in Enugu State, during the political regimes of the former governor, Chimaroke Nnamani, local government councils were made to smell hell in delivering developmental services as a result of the holy alliance between the governor and the seventeen council chairmen.

The chairmen of the councils were mandate and forcefully made to sign prepared claims and document that some amount of money meant for their respective local governments were adequately collected by the later. But the fact remains that the council chairmen were denied to collect in full the statutory allocation due to the seventeen local governments in the state [8]. Addressing the developmental challenges and institutional transformation through the local government, the inability of the local councils' ineffectiveness to bring about development was as a result of the joint account operation with the state government.

He noted that in Ondo state under the then governor Olusegun Agagu, there was perceived holy alliance between the state government and the local councils in the state where the former constituted Joint Action Committee (JAC) which made the federal allocations to local government first deposited in to a particular account before calling for committee meeting. This was a systematic design by the state to clear ways to high jack local councils' allocation and a times releases instrumentally at its will (Table 1).

Year	1999	2000	2001	2002	2003	2004	2005	Total
North east	12.7	14.6	14.6	13.2	12.6	12.6	12.6	92.9
North west	24.3	28.3	30.3	26.6	25.1	25.4	25.5	185.7
North central	15.9	14.7	15	15.4	16.4	16	16.8	110.2
South east	12	10.7	10.2	11.8	12.1	12.1	12.1	81
South west	18.6	16	14.9	17.2	18.1	18.1	18.1	121
South south	16.4	15.8	14.7	15.7	15.7	15.8	15.9	110

Table 1: Statutory allocation to local government areas according to the six geo-political zones (1999-2005) percentages (%).

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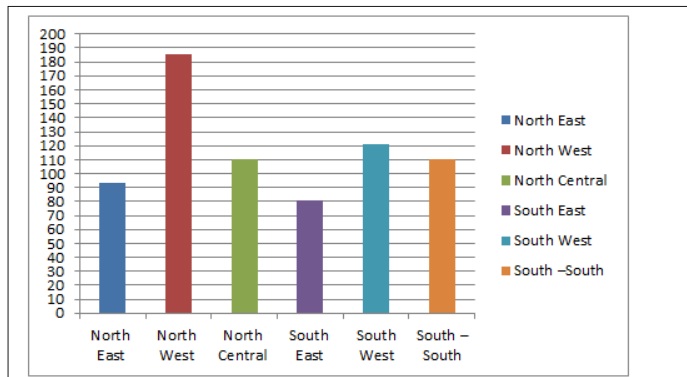


Figure 1: Bar chart showing the statutory allocation to the six geo-political zones, 1999-2005.

The above table 1 shows the total statutory allocations through 1999-2005. They showed that 92.9% of revenue accrued to the North east region within the period. The North West and North Central got 185.7% and 110.2% respectively. On the other hand, South East got 81% while, South West and South-South got 121% and 110 % respectively [9]. But, available empirical indicators on ground had shown that despite huge statutory allocations accruable to governments in the country, the local councils had continued to witness perpetual challenges in development which could be traced to its joint account operation with state government (Figure 1).

LGA	Gross allocation	Total deduction	Net allocation
Abadam	437.1	165(37.7%)	272.1
Askira/uba	504	325 (64.5%)	179.1
Barna	627	300(47.8%)	327.2
Banjo	390	156(40.0%)	234
Biu	558	303.4(54.4%)	252
Chibok	361	185.4(51.4%)	175.4
Damboh	631	293(46.3%)	339
Dikwa	444	207.2(46.7%)	236.4
Gilbio	410	143.1(35.0%)	266.3
Guzamala	420	161.2(35.0%)	259
Gwoza	540	314(58.1%)	226.3
Hawul	500	356(71.2%)	144.2
Jere	7532	339.4(49.5%)	414
Kaga	431.2	213.4(49.5%)	218
Kala culge	343.1	167.3(48.8%)	176
Konduga	646.1	293(45.3%)	353.1
Kukawa	501	207(41.4%)	294
Kwaya ku sav	364	198(54.4%)	166

Mafa	419	183(43.6%)	236.3
Magumeri	487.1	142.4(39.5%)	295
Mmc	993	599.3(60.3%)	323.4
Marte	457	209(45.7%)	248
Mobbar	450.3	171(37.9%)	280
Monguno	441	207(47.6%)	234
Ngala	473	212.2(44.9%)	261
Ngaazai	385	150(38.9%)	235.1
Shani	421	189.1(44.9%)	252
Total	13388.1	6440(48.4%)	6876.8

Table 2: Deduction from local government funds by Borno state government, between march 2002-march 2003 (dollar) millions.

S/N	L.G	Month	Net allocation (Million Naira)	Total deduction and source (Million Naira)	Net amount received by local government (Million Naira)
1	Aninri	April, 2002	26, 541, 156	17,13, 484(65%)	9, 430.36 (35%)
2	Enugu north	April, 2002	2, 78, 959	24, 42, 553(88%)	3, 438, 40 4038(12%)
3	Nsukka	April, 2002	3, 33, 900	33, 39, 05(100%)	0.00(0%)
1	Aninri	May, 2002	4, 76, 395	37, 91, 53(79.6%)	9, 75, 58(20.4%)
2	Enugu north	May, 2002	4, 99, 9, 512	46, 192, 034(54%)	3,778,403 55(12%)
3	Nsukka	May,2002	5, 99, 76, 727	59, 70, 251(99%)	236, 45(0.4%)
1	Aninri	April, 2003	4, 25, 63, 411	20, 971, 204(42%)	21, 92, 207(7%)
2	Enugu north	April, 2003	4, 85, 57, 799	26, 554, 763(54%)	19, 03, 036(39%)
1	Aninri	Dec. 2003	4, 61, 55, 568	16, 153, 504(55%)	30, 031, 55(65%)
2	Enugu north	Aug. 2004	5, 21, 88, 601	32, 172, 620(61%)	29, 115, 786(39%)
1	Aninri	Oct. 2004	5, 00, 32, 361	20, 242, 031(40%)	29, 790, 329(59%)
2	Enugu north	Oct. 2004	5, 65, 6, 345	32, 607, 600(54%)	23, 95, 744(42%)
1	Aninri	Jan. 2005	5, 92, 9, 081	26, 361, 596(44%)	32, 931, 484(55%)
2	Enugu north	Jan. 2005	6, 70, 85, 540	40, 774, 125(60%)	26, 311, 415(39%)

Table 3: Deduction of funds by government of Enugu state on selected local councils, april, 2002-september, 2005.

The above table 2 shows the total statutory allocations through 1999-2005. They showed that 92.9% of revenue accrued to the North east region within the period. The North West and North Central got 185.7% and 110.2% respectively. On the other hand, South East got 81% while, South West and South-South.

Summarily, table 3 shows the deductions of funds by government of Enugu State on three selected local council between April 2002 to September, 2007 indicates that in April 2002, the net allocations made available to them was N326, 971, 121.63, while total amount received as net allocation after the deductions on N74, 935, 042 amounting to 253% was N12, 869, 076.21 which represented by 47%. Also, in May 2002, the total amount of N157, 603, 635.67 was supposed to be made available but through the instrumentation of joint account the three local governments were able to receive as their net allocation of N13, 740, 460.39 after the deduction of 233.4% representing N143, 863, 101.11 (Table 3). Furthermore, it is pertinent to recall that, between the months of April, 2003, December 2003 and August 2004, the whooping sum of N144, 644, 975.14, N177, 285, 954.41 and N167, 246, 226.25 respectively were supposed to be accrued to the three council areas, but after placing deductions of 42.3%, 54.7% and 67.6% the left over amount to the three local government as their net allocation were N42, 328, 582.21, N94, 699, 250.98 and N75, 745, 782.48 respectively [10].

In addition, between October 2004, January 2005 and April 2006 the three local government received as their net amount the sum of N77, 664, 133.48 (163.7%), N86, 231, 392.26 (127.6%) and N84, 901, 395.26 (11.4%) after deduction respectively, while in the actual sense, their respective net allocations amount to N175, 672, 046.85, N208, 415, 289.57 and N231, 305, 094.73 respectively. Also, looking at the allocations on the months of September 2006, January 2007 and April 2007 respectively, the three local governments were supposed to get N443, 514, 651.01, N219, 103, 464.08 and N245, 051, 575.52 on the identified months respectively [11]. But, the issue remains that after the claims and deductions, the total amounts accruable to the local government as their net amount for the months were N80, 320, 550.13, N89, 076, 267.13 and N47, 841, 688.23 representing 56.2% for the month of September 2006 1.25.4% for the month of January 2007 and 61.3% for the month of April, 2007 respectively.

The implication from the above tables indicates that the more local government tries to addressing its developmental challenges, the more local government problems become more problematic. The local councils in Nigeria had in the first time became conscripted and thwarted through the instrumentation and operation of joint account. It is only when local governments are released from the apron string called joint account, development in the rural areas by the local council becomes policy statements, illusion and myths.

Theoretical framework of analysis

Appropriately, the paper utilized power theory. The power theory in the field of political science was propounded and developed by Hans Morgenthau. Other advocates of the theory include Thompson, Kennan, Wolfers, Schuman, Spykman etc.

The fundamental philosophy and proposition of power theory is that the "interest" is defined in terms of power. However, analyzing the interactions and interrelatedness of various tiers of government, the exercise of power for appropriation of values and resources always set in. According to Oyovbaire, power is the outcome of interaction between federal and state government in terms of their freedom for, or constraints or, political action. For power relations to exist there must be object for conflict of interest or value between two or more persons or groups [12]. This implies that the monthly allocations and claims accruable to the local government which have to be lodged in the joint account of both state and the local government becomes the object for clash of interest and called for exercise of power. Accordingly, the power is always premised on the tenets of the realist school of thought which sees the various tiers of government as the major actors in fiscal arrangements. The state government through the institution of joint account with the local government within jurisdiction has continued unceasingly lording unwarranted power over the control of the accruable allocations and funds made available to the local government.

METHODOLOGY

The nature of fiscal relationship amongst the various levels and tiers of government in Nigeria has always continued to be appropriated and underscored through scholarship. This has necessitated the adoption of different designs in the collection of data. However, the study utilizes qualitative method; and data were generated through secondary sources. Descriptive qualitative was adequately employed for the analysis of data generated. Arising from an adequate investigation to the nature and position of the third tier government in delivering of quality services to the people; it has been significantly identified as findings, the associated problems and hurdles surrounding local government encounters in discharging its numerous functions to the locales; are holistically tie down to the nature of local government composition, the established fiscal relations and inadequacy of the constitution in granting local government the needed autonomy like other levels of government in federal arrangement.

RESULTS

The results arising from the findings of the study are; there is no way that local government could rise and deliver beyond its expectations following the existence of fiscal arrangement which has conscripted her from exercising the needful. Also, the associated politicking of autonomization of local government may later give way for scrapping the institution of local government if adequate care is not taking.

CONCLUSION AND RECOMMENDATION

The study is an investigation to the position of local government in Nigeria in delivering needful services to the people at the grass roots level. Also, it appropriates the fiscal relations among the various levels of government in the developmental state of

Nigeria, the relationship between the local government and the other tiers of government. The study discovered that the inability of various local governments in Nigeria to deliver based on the constitutional provisions were as a result of fiscal arrangement and the operation of joint account with the state government. The result reveals that local government will definitely find it extremely difficult in meeting up with the expectations and aspirations of the locales in delivering quality services to them. Arising from the results of findings of the study, the paper recommends the following. It is high time the institution of local government in Nigeria become autonomous. This implies that the autonomization of local authority in the use of available financial resources will help in delivering the needed safety frames and nets for the locales. The local government like every other tiers or levels of government should have its own separate accounts upon which statutory allocations and other payments shall be made. The various tiers of government should adequately engage in the spirit of equality in partnership. This will help in the consolidation of the dividend of democracy to every units and levels of government in the country. Also, the instrumentation of restructuring should be extended to the local government to accommodate yearnings and aspiration of the locales for better polity.

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