

Fiscal Autonomy and Local Government Administration in Nigeria: A Study of Abeokuta South Local Government Council

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ABSTRACT

Governments all over the world have adopted the term fiscal autonomy as an important discourse. Granting full financial autonomy to local governments will enhance in her delivery of services. This paper presents an analysis on fiscal autonomy and local government administration in Nigeria with focus on Abeokuta south local government. The study adopted survey research design. Eighty five respondents formed the sample for the study. Questionnaires were properly scrutinized and analyzed. With responds from sampled respondents, the study observes that granting full financial autonomy to local governments will prevent the encroachment of State governments into local government affairs among other findings. The paper therefore concludes and recommends suggestion proffered to tackle the issue of local government fiscal autonomy in Nigeria.

Keywords: Local; Fiscal; Administration; Government; Autonomy

INTRODUCTION

Local governments all over the world is the closet tier of government to the people. This government deals and interacts with the citizens at the grassroots. However, Nigeria as a nation is not left out. Local governments in Nigeria plays a role towards the development of the nation. With theses frontier role played towards the nation's development, local governments in Nigeria should be granted financial autonomy which would aid the accomplishment of these roles. Granting a total financial autonomy to local governments in Nigeria would serve as an aid for the socio-economic development of the nation (Ebiziem & Obi, 2015). Ever since the creation of local government in Nigeria, there has been a constant and continuous call for local government financial autonomy. Interestingly, past governments in Nigeria had joined in the campaign for local government financial autonomy although full autonomy has not been granted to the local governments in this regard (Eme, & Izueke, 2013). In line with the 1979 local governments' reforms guidelines, it is clear that state governments have continually encroached into the fiscal affairs of the local governments. This reform states clearly that local governments should be granted full power over local governance including a constant development in its finances as a tier of government that is closer to the people.

As a way to strengthen local government fiscal autonomy, the federal government ensured the features of the local government by enacting it into the 1979 constitution of the federal republic of Nigeria. Section 7 sub-section 1 of the 1979 constitution states that "the system of democratically elected local government councils is under this constitution guaranteed".

The provisions of this constitution were aimed at protecting the interest of local governments in Nigeria from undue interferences from other tiers of government so as to play the frontier role in the development of the nation.

However with researchers from practioners and scholars it was discovered that it is difficult to realize the local government fiscal autonomy in Nigeria. It is against this background that this study tends to examine the challenges of actualizing fiscal autonomy at the local government level in Nigeria.

OBJECTIVE OF THE STUDY

The broad objective of this study is to critically examine fiscal autonomy and local government administration of Ogun State using Abeokuta South Local Government Council as a focus.

- Assess the extent to which lack of fiscal autonomy affects local government administration in Ogun State using Abeokuta South as a study.

- Identify the effect of fiscal autonomy and its implications on local government administration with reference to Abeokuta South Local Government Council.

METHODOLOGY

The study adopted survey research design. Eighty five respondents formed the sample for the study. The sample had diversity in terms of age, sex, educational qualifications, length of service and positions among other variables. Questionnaire items were sourced through the respondents.

CONCEPTUAL CLARIFICATIONS

Concept of Fiscal Autonomy

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, 2012).

In line with the current reforms, the defunct Centre for Democratic Studies (CDS) defines local government autonomy as, “the relative discretion which local government enjoy in the regulation of their own affairs”. According to Tukur (2012), fiscal federalism is all about fiscal equity and financial independence among the federating units. The extents to which local governments are free from the control of the state and federal government in the management of their local affairs” (Adeyemo, 2005).

While Nwabueze (1984) 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.

Local government autonomy can also be defined as “the freedom of the local government to recruit and manage its own staff, raise and manage its own finances, make bye-laws and

policies, and discharge its functions as provided by law without interference from the higher governments (Ogunna, 2011, quoted in Okafor, 2010). This includes the political, financial and administrative autonomy. Financial autonomy of local government entails the “freedom to impose local taxation, generate revenue within its assigned sources, allocate its financial and material resources, determine and authorize its annual budgets without external interference” (Okafor, 2010), fiscal autonomy is therefore the bedrock and most important aspect of local government autonomy.

Concept of Local Government Administration

The United Nations Division of Public Administration defines local government as a political sub-division of a nation constituted by law and vested with substantial control of local affairs including the power to impose tax or to extract labour for specific purposes. The Guidelines for Local Government Reforms (1976) defines local government as the government at the local level exercised through representative councils that are established by laws to exercise certain powers with the defined areas (Okon, 2006). The Above definitions vests more powers and responsibilities on the Local Governments in exercising those functions and powers which the constitution thrusts on them. Similarly, Adamolekun (1883 in Ekpe, 2006) emphasizes that a local government council must be able to exercise substantial control over local affairs as well as the staff and institutional functional powers to initiate and direct the provision of services and to determine and implement projects on its own. Local government can be defined as government at the grassroots level exercised through representative councils set up by law to carry out certain responsibilities within the area covered. In the past, different measures were put in place to encourage local people’s participation in politics through the delivery of essential services to the local people. The 1999 Constitution of the Federal Republic of Nigeria as amended made various provisions for executive, legislature and judiciary. The constitution specifies how the power should be separated among these three arms of government. Section 7(i) of the 1999 constitution states that the local government system is under this constitution. Their existence under a law provides for the establishment, structures, composition, finance and function of such councils. Section 7(3) stated that it is

responsibility of a local government council to participate in economic planning and development of the local government area. Local government is referred to as a government that operates at the lowest level of government that are established by the law. Therefore, local government should be seen as government that closer to the people at the grassroots which major duty is the satisfaction of the people in terms of their needs and aspirations. Local governments all over the world are expected to be financially autonomous in exercising her constitutional rights and powers thereby bringing development and accountability to the citizens.

DATA PRESENTATION AND ANALYSES

The section presents the demographic information based on the structured questionnaire and questionnaire focuses on the respondent’s view on Fiscal Autonomy and Local Government administration.

Table1.1. *Questionnaire Distribution and Retrieval*

Questionnaire	Frequency	Percentage (%)
Retrieved	70	83
Un-retrieved	15	17
Total	85	100

Source: *Field Survey (2019)*

Table 1.1 shows that 85 questionnaire were administered to the respondents, out of which 70 representing 83% were correctly filled and returned, 15 questionnaire representing 17% were not returned. By implication, the percentage of the unreturned copies of questionnaire (17%) is considered insignificant. 83% is considered significant and reliable to anchor the presentation and analysis of this study.

Demographic Information

This section of the paper presents the demographic information of respondents. The information is the Age, Educational Qualification, Position and Length of Service of respondents in the study. The distributions of data are presented in tables and figures below:

Table1.2. *Frequency distribution by Respondent's Age*

Age	Frequency	Percentage (%)
21-30	12	17.0
31-40	18	26.0
41-50	28	40.0
51 and Above	12	17.0
Total	70	100.0

Source: *Field Survey (2019)*

Table 1.2 shows the age distribution of the respondents. From the responses 17% of the respondents is below 21-30 years of age, 26% of the respondents belong to age group 31-40, 40% percent of the respondents are within the age group of 41-50 while 17% of respondents falls between the age of 51 years and above.

Table1.3. *Frequency distribution of Respondents by Educational Qualification*

Educational Qualification	Frequency	Percentage (%)
HND/Bsc	35	50.0
MBA/MSC	25	35.0
Others	10	15.0
Total	70	100

Source: *Field Survey (2019)*

Educational qualifications of respondents are shown in Table 1.3. It reflected that 50% of the respondents are HND/Bsc holders; 35% of them had MBA/Msc Degrees while 15% of the respondents have other qualifications.

Table1.4. *Frequency distribution on Length of Service*

Working Experience	Frequency	Percentage (%)
<5Years	20	29.0
6-10Years	19	28.0
11-15Years	15	21.0
16 Years and above	16	22.0
Total	70	100

Source: *Field Survey (2019)*

Table 1.4 shows that 29% of the respondents have been working for less that 5years, 28% have been working for 6-10years. Also 21% of respondents have been working for 11-15years while 22% have more than 16 years working experience.

Table1.5. *Frequency distribution of Positions*

Grade Level	Frequency	Percentage (%)
Junior Cadre	45	65.0
Senior Cadre	25	35.0
Total	70	100

Source: *Field Survey (2019)*

Table 1.5 represents the staff in the junior and senior cadre. The above table shows that 65% are on the junior cadre while 35% are on the senior cadre.

Data Presentation on Fiscal Autonomy and Local Government Administration

This section of the questionnaire focuses on the respondent's view on fiscal autonomy and local government administration.

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Table2.1. *There is need for fiscal autonomy at Local Government Level in Abeokuta South Local Government Council*

Responses	Frequency	Percentage (%)
Strongly Disagree	5	7.0
Disagree	8	11.0
Undecided	9	13.0
Agree	20	29.0
Strongly Agree	28	40.0
Total	70	100

Source: Field Survey (2019)

Table 2.1 indicates that 7% of respondent strongly disagree that there is need for fiscal autonomy at local government level while 11% disagree, 13% were undecided while 29% agreed and another 40% strongly agree. The analysis implies that majority of the respondents 40% agree that fiscal autonomy is needed at Abeokuta South Local Government Council.

Table2.2. *Inadequate Local Government Finance are impediments to effective and efficient service delivery in Abeokuta South Local Government Council*

Responses	Frequency	Percentage (%)
Strongly Disagree	-	-
Disagree	6	9.0
Undecided	5	7.0
Agree	20	29.0
Strongly Agree	39	55.0
Total	70	100

Source: Field Survey (2019)

Table 2.2 shows that none of the respondents strongly disagree that inadequate local government finance are impediments to effective and efficient service delivery at Abeokuta South Local Government Council; 9% disagreed; 7% were undecided while 29% of the respondents agree and 55% strongly agree. These responses present heavy evidence of how inadequate finance has impeded efficient and effective service delivery at Abeokuta South Local Government Council.

Table2.3. *The granting of full autonomy to the Local Government Councils enhances her service delivery in Nigeria*

Responses	Frequency	Percentage (%)
Strongly Disagree	-	-
Disagree	5	7.0
Undecided	5	7.0
Agree	10	14.0
Strongly Agree	50	72.0
Total	70	100

Source: Field Survey (2019)

The table above shows that none of respondents strongly disagree to the statement that the granting of full autonomy to the local government councils will enhance her service delivery; 7% disagree; another 7% were undecided while 14% and 72% agree and strongly agree respectively to the statement.

Table2.4. *Lack of fiscal autonomy on Local Governments has effects on Abeokuta South Local Government Service Delivery*

Responses	Frequency	Percentage (%)
Strongly Disagree	13	18.0
Disagree	12	17.0
Undecided	-	-
Agree	15	22.0
Strongly Agree	30	43.0
Total	70	100

Source: Field Survey (2019)

Table 2.4 shows that 18% of the respondents strongly disagree that lack of fiscal autonomy on local governments has effect on the delivery of services at Abeokuta South Local Government; 17% disagree that lack of fiscal autonomy on local governments has effect on the delivery of services at Abeokuta South Local Government while 22% of the respondents agree and 43% strongly agree to the above statement.

Table2.5. *There are problems of Local Government Finance in Abeokuta South Local Government Council*

Responses	Frequency	Percentage (%)
Strongly Disagree	3	4.0
Disagree	12	17.0
Undecided	14	20.0
Agree	23	33.0
Strongly Agree	18	26.0
Total	70	100

Source: Field Survey (2019)

Table 2.5 shows that 4% of the respondents strongly disagree that Abeokuta South Local Government Council is faced with the problem of finance; 17% of the respondents disagree; 20% of the respondents were undecided about the statement while 33% agree and 26% strongly agree. The majority of the respondents 33% agree to the statement.

Table2.6. *Fiscal Autonomy in Local Governments will prevent encroachment of State Government into Local Government Councils Affairs*

Responses	Frequency	Percentage (%)
Strongly Disagree	2	3.0
Disagree	11	15.0
Undecided	10	14.0

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Agree	35	50.0
Strongly Agree	12	18.0
Total	70	100

Source: *Field Survey (2019)*

The table above shows that about 3% of respondent strongly disagree that fiscal autonomy in local governments will prevent encroachment of State government into local government councils affairs; while 15% disagree to the statement while 14% were undecided; 50% agree and another 18% strongly agree to the above.

Table 2.7. *Local Government Councils are likely to face the challenge of Political God-fatherism if granted Fiscal Autonomy*

Responses	Frequency	Percentage (%)
Strongly Disagree	5	7.0
Disagree	21	30.0
Undecided	9	13.0
Agree	21	30.0
Strongly Agree	14	20.0
Total	70	100

Source: *Field Survey (2019)*

From table 2.7, 7% of the respondents strongly disagree that local government councils are likely to face the challenge of political god-fatherism if granted fiscal autonomy; 30% of them disagree to it; 13% were undecided while 30% agree and another 20% strongly agree to the statement.

Summary of Findings

The Study revealed the following;

- Fiscal autonomy of local governments will prevent encroachment of State governments into local government council's affairs.
- Lack of fiscal autonomy on local governments has effect on the delivery of services rendered.
- Granting of full autonomy to the local government councils will enhance her service delivery.

CONCLUSION

The Nigerian federation is a three tier structure which saddles each level of government with responsibilities. It is saddening to note that these responsibilities are performed by mostly only transfers from federal government and to an extent by the states and thereby not allowing the local councils to enjoy the deserved political and administrative autonomy because there cannot be absolute autonomy without fiscal autonomy.

In view of the above explanation where by fiscal power is not decentralized but centralized and there is no fiscal autonomy enjoyed by local governments, the pattern of inter-governmental relations in Nigeria is not in tune with true federalism.

The lacks of administrative independence and fiscal autonomy by local governments have exposed the duplicity of the so called decentralization and inter-governmental relations in Nigerian federalism. There is the need to review the vertical sharing formula such that it can reflect a decentralized fiscal system. Also to be reviewed and restructured is the fiscal dependency of the local governments on the federal and state governments. Finally, the government at all levels, particularly the local government must be ready to diversify and embark on policy reforms with respect to revenue generation and mobilization. The local governments should wield their powers and legal authority to impose taxes rather than to depend heavily on federal and state governments' grants or allocations.

RECOMMENDATIONS

The Following Recommendations Have Been Proffered

- A high level of autonomy should be enshrined in Nigerian Constitution for Local Governments thereby recognizing them as the Third Tier of government in Nigeria.
- Local government creation should be handled by National Assembly on the recommendations of the State Governments.
- Local governments' share of national revenue should be increased from the present 20% to 50%, while the State and Federal Governments should receive 30% and 20% respectively. The reason is that more development efforts should now be focus on rural transformation to forestall rural-urban migration
- The Federal allocation meant for local governments should be remitted to them directly.

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