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**THE FISCAL FEDERALISM AND LOCAL GOVERNMENT
ADMINISTRATION IN NIGERIA: A STUDY OF LAFIA LOCAL
GOVERNMENT OF NASARAWA STATE, NIGERIA (1999 - 2022)**

by

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Abstract

The research examine the nature and operation of physical federalism in Nigeria in relation to local government administration in general and Lafia local government in particular. In other words, it also examine the impacts of fiscal federalism on Lafia local government as a case study. In order to achieve this objective the study adopted primary and secondary data. Textbooks, journals, official documents, etc where consulted for secondary data. A questionnaire is the main source of primary data used for this study. The entire population of Lafia local government is the study population for the research. According to the 2006 population census, Lafia local government has a projected population of 452,414 in 2022. Therefore, The research used a sample size of 254 to draw respondents from the study population which included farmers, artisans, civil servants, politicians, businessmen, etc. In conclusion, fiscal federalism practiced in Nigeria as well as internal problems within the local government have impacted negatively on the progress of Lafia local government. It has affected the capacity and ability of the Lafia local government to provide the citizens with the needed infrastructure for socioeconomic development. Finally, the research recommended among others that: the allocation from the federal government to Lafia local government should be reviewed upward, also there should be transparency and accountability in all financial transactions and engagement of Lafia local government. Furthermore, bold steps must be taken including disciplinary and court actions on any local government official found to have mismanaged local government funds.

Keywords: Autonomy, Resource Allocation, Taxable Powers, Responsibility Assignment, Decentralization of Powers, Political Jurisdiction.

Introduction

Politics is about good governance and effective decision-making. Easton defined Politics as authoritative allocation of values. Politics according to Harol Laswell is defined as “who gets what, when and how in the society”.

Modern as well as old political systems are primarily concerned about the welfare of the people and how best to satisfy human needs. In the course of this, nation-states and political actors have

devised various means and strategies on how best to provide what they call good governance. Among the platforms or political arrangements developed to proffer solutions for effective governance is federalism. Modern States and political actors believe that the federal system of government provides the best platform in which people and citizens from diverse and rural backgrounds can survive and pursue their legitimate means of livelihood.

A fundamental mechanism of evaluating the level of civilization or civiness of modern political systems is the level and extent to which they are well organized. The political organization of states most often, reflects the structure of governmental authority, the level of administrative efficiency and the attendant power relations.

Federalism represents the form of government where the component units of a political organization participate in sharing powers and functions in a cooperative manner (Tamuno, 1998). It refers to a political system where there are at least two levels of power, a central government otherwise called the federal government, and the other units called variously by different states and regions etc. In the words of Wheare (1963), the foremost theorist of the classical concept of federalism in his seminal work, "Federal Government" argued that: By the federal principle, I mean the method of dividing powers so that general and regional governments are each within a sphere: coordinated and independent.

According to Wheare, the modern idea of what federal government is has been determined by the United States of America which he has picked as a model. He has so much been captured with the United States federalism which has led him to describe some constitutions as being quasi-federal because such constitutions do not provide the non-subordination of one unit of government to the central government.

Federalism as a form of government is pragmatic, dynamic, utilitarian and evolving. It can only strive for consultation, negotiation, compromise, bargaining and agreement between the constituent governments. It grows under a system of mutuality and interdependence (Fatile & Ade Juwon, 2009). Federalism represents a unique form of governmental arrangement, this is because it involves organization of the state in such a manner as to promote unity while at the same time preserving existing diversities within an overreaching national unity.

A federal system of government often arises from the desire of the people to form a union without necessarily losing their identities. This forms the basis of what scholars refer to as coming together federalism. Federalism would, therefore, seem to provide an attractive system of government, especially in the context of ethnic pluralism found in many African states. Federalism is generally accepted by many as necessary for managing the country's ethnic diversity as reflected in the practice, of "unity in diversity". Federalism in principle implies the construction of a system where consensus is reached between the current demands of the union and the territorial diversity within an emerging society. By the creation of a single political system within which central and provincial governments are assigned coordinated authority in a manner defining both the legal or political limit of equality or subordinate functions (Agbu, 2004).

Statement of the Problem

This study seeks to examine the relationship between fiscal federalism and local government administration in Nigeria with reference to Lafia Local government councils of Nasarawa State.

The nature and operation of fiscal federalism in Nigeria has not provided the local governments with enough and adequate resources that enable them to provide the needed human capital and infrastructural resources for the rural areas where most Nigerian population exists. In other words, the resources provided and available for the local government level as the third tier of government is not commensurate to the responsibilities assigned to them including Lafia local governments. In addition, fiscal federalism in Nigeria has concentrated revenue taxing powers to the central government leaving the local government with little powers of taxation which has further deteriorated the financial condition of the local governments including Lafia local government council.

In another development, local government administrations in Nigeria including the ones under study have not been able to adequately utilized the resources allocated to them from the national purse and the revenue generated within their respective spheres of influence. Other problems affecting local governments in Nigeria include poor and unqualified staffing, lack of transparency in governance and corruption among others. These problems culminated in the general backwardness, inefficiency and underdevelopment of local governments in Nigeria including Lafia local government.

Research Questions

The research seeks to ask the following questions:

- i. Has fiscal federalism in Nigeria provided enough funds for infrastructural and human capital development projects for local government?
- ii. Did Lafia local government councils utilize the funds for development projects?
- iii. Can the infrastructural and human capital development projects in Lafia local government councils be compared to the funds received.

Objective(s) of the Study

The following objectives are set to be achieved by this research:

- i. To ascertain the availability of funds provided to Lafia local government
- ii. To examine the financial capacity of Lafia local government councils
- iii. To ascertain the extent of financial utilization by Lafia local government councils.

Basic Assumptions

- Nigerian federalism has many weaknesses
- I. Lafia local government councils have not been provided with enough funds for infrastructural and human capital development projects
 - ii. Lafia local government councils have not adequately utilize the resources allocated to them for infrastructural and human capital development projects
 - iii. The infrastructural and human capital development projects obtained in Lafia local government council are not commensurate with the funds available to them during the period under study.

Methodology and Sources of Data

The research adopted both primary and secondary sources of data. Textbooks, journals etc were consulted for secondary data. A questionnaire is the main source of primary data used for the purpose of this study. The entire population of Lafia local government is the study population for the research. According to the 2006 population census, Lafia local government has a projected population of 452,414 in 2022, therefore the research used a sample size of 254 to draw respondents from the study population from among farmers, artisans, businessmen, civil

servants, and politicians.

Literature Review

Fiscal federalism describes the division of fiscal resources and responsibilities among the levels of government. According to Rose (1993) and Isaac (1986), intergovernmental fiscal relations refers to how the tiers of government in a federation relate with one another in the efforts to obtain the money or revenue needed to discharge the constitutional responsibilities assigned to them respectively. Put in another way, intergovernmental fiscal relations refer to the financial relationship between and among existing tiers of government. The focus is on the system of transfers or grants by which the federal government shares its revenue with state and local governments as the case may be. The system is what is generally referred to as revenue allocation. The issue of money or financial resources is considered to be very crucial in any federal set-up such that Rose (1993) asserts that "in a federation, money not only talks but it also shouts and screams". The foregoing statement not only points to the contentious nature of financial resources in any IGR system but also speaks volumes about the role of revenue rising ability of the respective tiers of government in the sustenance and strength of such a federal arrangement. Put in another way, the principle of fiscal independence and integrity is a sinequa-non for the survival and continual existence of any truly federal system of government. This being the case, each level of government (that is federal, state and local government) must as a rule possess a minimum source of independence and full control of revenue in order to enable it to discharge its constitutionally assigned responsibilities.

As a matter of fact, the greater the fiscal independence through internally generated revenues among the component states, the stronger the foundation of its federal system and the tighter the chances of the survival and continued existence of such a federation. It is therefore, very essential that each component unit of the federal government must not only strive to have identifiable independent sources of revenue but also that such independent sources should provide it with a solid base for its revenue needs and economic potentialities. This, of course, would significantly reduce the tendency of political tension arising from over-dependence on the allocation of revenue from the generally collected revenue. This will in effect increase the urge on the part of the states or local authorities to step up efforts to bake their cake rather than go cap-in hands waiting for the share from the centre. The basic reasons that necessitate the transfer of revenue resources from the higher to the lower levels of government in a federation are in the nature of the function and revenue resources of the three levels of government as well as the existence of variations in the revenue-raising capabilities of the lower levels of government. The fiscal relationship between and among the constituents of the federation can be explained in terms of three main theories, namely: the theory of fiscal jurisdiction, which concerns the functions expected to be performed by each level of government in the fiscal allocation: the theory of inter-jurisdictional cooperation, which refers to areas of shared responsibility by the national, state and local governments: and the theory of multi-jurisdictional community. In this case, each jurisdiction (state, region, or zone) will provide services whose benefits will accrue to people within its boundaries and so, should use only such sources of finance as will internalize the costs. These theories could serve as a guide to politics in the choice of these principles (May 1969).

The above discussion and literature on the ideal and practice of fiscal federalism has provided the essential ingredients on the ways and manners that all federations should exist as well as make provisions for revenue allocation and sharing principles. The literature from my own view has laid much emphasis on the need for local governments to be accorded priority on the revenue-rising ability in order to be able to perform their assigned functions and to preserve their

independence. It is very important that the scholars have identified fiscal federalism as a vital component of all federations and that local governments should be able to have revenue-raising powers, but the scholars could not identify instrumentality of the provisions of the constitution as the frame work that will provide the local governments with those revenue-raising powers. For example, the Nigerian constitution has centralized revenue-raising powers with only a few or little left for the local governments.

Theoretical Framework: Classical Theory of Federalism

Based on the study of the constitution and system of government obtained in the four classical federations namely, the United States of America, Switzerland, Canada, and the Commonwealth of Australia, the classical theory explains what federalism is. The outstanding exponents of the classical theory are A.V Dicey, Harrison Moore, K.C Wheare, Jethro Brown and others.

Professor A.D Dicey define a federal state as, "a political contrivance intended to reconcile national unity and power with the mainntainance of state rights" (Aaron, 1967). At the end of the 19th century, Lord Bryce in his book "American Common Wealth" described the federal and state governments as distinct and separate in their action. The system he said was like a great factory wherein two sets of machinery are at work, their revolving wheels apparently intermixed, their bands crossing one another, yet each set doing its own work without touching or hampering the other. Robert (1929) an eminent Australian scholar defines federalism thus: a form of government in which sovereignty or political power is divided between the central and local governments so that each of them within its own sphere is independent of the other.

A classical definition of "federal government" is also given by Garner. According to him, the federal government as contradistinguished from the unitary government is a system in which the totality of government power is divided and distributed by the national constitution on the organic act of parliament creating it between the central government and the government of individual states or other territorial subdivision of which the federation is composed (Garner 1955).

Wheare (1963), gave a traditional concept of federalism. He applied the following test in order to assess whether a constitution is federal or not. "The test which I applied for the federal government is then simply this. Does a system of government embody predominantly a division of power between general and regional authorities, each of which in its sphere is coordinated with the other and independent of them? if so, the government is federal".

The classical theorists held the "American model" as the ideal one. As Professor Neumann says, "As the British parliament has been the mother of parliaments so the United States has been the father of federalism". It was a general practice during the period to compare the different politics with that of America in order to designate them as federal. The classical theorists enunciated the following conditions for a federal system:

- a. A written constitution which lays down the powers to be exercised by the general and regional governments
- b. The constitution is to be so rigid that no one can amend the constitution by unilateral action and only by joint action of both governments can alteration be made in the division of powers.
- c. There is to be an independent judiciary to settle conflicts of jurisdiction between both governments.
- d. Both levels of government directly operate on the lives of the citizens: and

- e. There should be allocation of adequate sources of revenue for the government of each level, general and regional.

Fiscal Federalism In Nigeria

Fiscal Federalism has been part of Nigeria's controversial issues in the nation's democracy since independence. Ozo-Eson (2005) notes that the issue of fiscal federalism has long been an important and central feature of intergovernmental relations, and thus, has engaged various commissions and committees since the colonial days. Yet, this issue continues to be on the front burner of national discourse. For example, between 1948 and now, nine commissions, six military decrees, one act of parliament, and two supreme court judgments have been resorted to in defining and modifying fiscal interrelationships among the component units of the federation. The calls or demands for resource control demonstrate that this is still an unsettled issue. For example, the recent statement over this matter in the political reform conference and the walk-out by delegates from the south-south attest to this. The political Reform Conference, thus became inconclusive. All these attempts sought to define, redefine or interpret the framework for revenue sharing both vertical sharing and horizontal sharing.

Ozo-Eson (2005), divides historical development of Nigeria fiscal federalism into, one, pre-independence phases of intergovernmental fiscal relations, and two, post-independence phases of intergovernmental fiscal relations. The pre-independence phases of fiscal federalism is divided into three phases, the first phase, the second phase and the third phase. The first phase of the fiscal federalism in Nigeria occurred between 1948-1952 which was marked by a centralized financial arrangement where the excess in the budget of the central government was allocated to the regions on the basis of the Principle of derivation. The expenditure needs of the central government thus, took precedence. The second phase, which occurred between 1952-1954 introduced autonomous revenue and tax jurisdiction for the regional governments, and retained the principle of derivation/origin for the sharing of federally collected revenue. Finally, the third phase which occurred between 1954 and 1959, carried over the basic elements of the second phase including the derivation principle in the sharing of the federally collected revenue.

However, the 1999 constitution assigns exclusive tax powers to the central government such as customs and exercise duties, corporate income taxes like profits and capital gains, and royalties from mines and minerals like oil fields, oil mining, geological surveys and natural gas. The 1999 constitution empowers both the federal government and State governments to impose any tax or duty on capital gains, incomes or profits of persons other than companies; and documents or transactions, but the central government may decide whether to administer the imposition of the tax or leave it to the state governments to collect or administer. However, the constitution provides for tax harmonization, for if in any case, the federal allows the state governments to collect these Taxes, the federal government shall regulate the liability of persons to such tax or duty in such a manner as to ensure that such tax or duty is not levied on the same person by more than one state. Similarly, where the House of Assembly of a state makes a law providing for the collection of tax, fee or rate by a local government the state House of Assembly shall regulate the liability of persons to the tax, fee or rate in such a manner as to ensure that they are not levied on the same person in respect of the same by more than one local government (1999 Constitution of The Federal Republic of Nigeria). In addition, the 1999 constitution empowers the National Assembly at the federal level to make law providing for, the division of public revenue between the federal government and the state government among the states of the federation; between the state governments and local governments and among the local governments in the state. Two, grants or loans from an imposition of charges upon the consolidated revenue fund or any other

public funds of the federation or for the imposition of charges upon the revenue or assets of the federation for any matter even beyond the National Assembly's competencies.

The nature and conditions of the financial relations in any federal system are crucial to the continuous existence of such a system (Badmus, 1999). Fiscal matters transcend the purview of economics. They have in most cases, especially in plural societies, assumed political, religious and social dimensions. Allotment of money according to James (1973), in the Fiscal Crisis of the State, reflects social and economic conflicts between classes and groups. Others have similarly recognized fiscal and budgetary matters as a kind of code for the political economy of the society. It is in recognition of the foregoing that members of Revenue Allocation Commission should not act independently of the realities on the ground. A historical evaluation of the outcomes of the commissions set up on revenue allocation in Nigeria has revealed results found lacking in an integrative ethos of Justice. This had been at the root of the imminent flaw in the logic of revenue allocation since the period of the Nigerian Civil War.

The Nigerian nation, a polyglot composition of over 250 different ethnic groups, was convulsed at independence by the presence of competitive regional and ethnic blocs of population, and this rendered the issue of revenue allocation one of uncommon intensity (Joseph, 1991).

In my own view, the issue of multi-ethnicity and different groupings is the main reason for the adoption of federalism in the first place and therefore, should be the basis for resolving fiscal dichotomy. In other words, fiscal federalism should not be a too contentious matter in Nigeria since the federal system in operation is a product of federalism in other parts of the world that are also multi-cultural in nature and have effectively and efficiently resolved a larger percentage of crisis and contentious matters arising from revenue allocation, expenditure assignment or fiscal issues. For Nigeria, the problem is a systemic one that has a defined solution due to lack of political will and other sentiments.

The Impacts of Fiscal Federalism on Local Government Administration in Nigeria

Fiscal Federalism is concerned with “understanding which functions and instruments are best centralized and which are best placed in the sphere of decentralized levels of governments” (Dates, 1999). In other words, it is the study of how competence (expenditure side) and fiscal instruments (revenue side) are allocated across different vertical layers of the administration. An important part of its subject matter is the system of transfer payments or grants by which a central government shares its revenues with lower levels of government.

Fiscal Federalism is characterized by the fiscal relations between central and lower levels of government. That is, it is manifest in the financial aspects of the devolution of authority from the national to the regional and local levels. Fiscal Federalism covers two interconnected areas. The first is the division of competence in decision-making about public expenditures and public revenues between the different levels of government (national, regional and local). The second is the degree of freedom of decision-making enjoyed by regional or local authorities in the assessment of local taxes as well as in the determination of their expenditures (Kebner-Skreb, 2009).

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. Sharma (2005) perceives Fiscal Federalism as a set of guiding principles, a guiding concept that helps in designing financial relations between the national and sub-national levels of

government, decentralization on the other hand as a process of applying such principles.

Fiscal Federalism refers to the allocation of tax-raising powers and expenditure responsibilities between levels of government (Akindele & Olaopa, 2002). Fiscal Federalism concerns the division of public sector functions and finances among different tiers of government (Ozo-Eson, 2005). In undertaking this division, the emphasis is on the need to focus on the necessity for improving the performance of the public sector and the provision of their services by ensuring a proper alignment of responsibilities and fiscal instruments.

Adejare (1997) affirms that fiscal matters transcend the purview of economics. They have done this in most cases, especially in pluralistic societies with assumed political, religious and social dimensions and their inherent conflicting situations. The issue of fiscal federalism is an intrinsic element in a federation that is dependent on, but not synonymous with fiscal decentralization. While bringing out the differences between the two complimentary but different concepts of fiscal federalism and fiscal decentralization, Sharma (1995) opines that fiscal federalism constitutes a set of guiding principles, a guiding concept that helps in designing financial relations between the national and sub-national levels of government: Fiscal decentralization on the other hand, is a process of applying such principles.

In summary, the tread of the principles of fiscal federalism pre-supposed the fundamental importance of improved public sector performances geared towards accountability and responsibility with the deliberate intention of improving governance at all strata of government.

In Nigeria, the allocation of expenditure responsibilities and tax jurisdiction has raised fewer contentions compared to the issue of intergovernmental revenue redistribution. One can agree with Phillips (1971) that "the vital problem of federal finance in Nigeria is not so much that of allocating taxing powers, as of allocating the revenue produced by federal taxes between the various governments of the federation". The issue of revenue allocation and sharing in Nigeria has been a topic of discussion over the years and is a topical issue that is discussed in the policy parlance. Even in the current dispensation, the problem of how to share resources has generated a lot of heat which is almost suffocating the whole nation. The debate on Nigeria's fiscal relations hinges on the fundamental questions of who gets what of the national cake, when and how. This is fundamental given that Nigeria has a monolithic economy, it gets over 80 percent of its revenue from crude oil: by virtue of the constitutional provision, this revenue must be disbursed to the three tiers of government. Agitations are rife, reactions and demonstrations are also witnessed and therefore people have taken up arms in order to get that share through the use of force. Some of these agitations include negligence of the states with the major sources of revenue in the development of physical infrastructural, employment opportunities, revenue sharing and opportunities in the appointment to varying positions in public offices, etc.

The Crises and Challenges of Fiscal Federalism in Nigeria

The success of a federal system depends on an acceptable distribution of resources and functions among the three levels of government so that efficiency in the use of scarce resources is encouraged while reducing inequality in the treatment of individuals among different states. The dynamics of federalism make it imperative for nations operating federal systems of government to review periodically and come out with equitable and workable tax systems and revenue allocation principles in such federations. From the Nigerian perspective, several attempts were made in the direction of achieving a harmonious sharing formula of its national economic resources among the component units of the federation. Despite all these efforts, there are still

inherent challenges and issues that are posing serious problems to Nigerian federalism. Among these critical issues are over-dependence on oil revenue, conflicts over revenue allocation formula, agitation for resource control, external debt overcharge, macro-economic instability, distress in the domestic financial system, lack of political stability and leadership ineffectiveness among others.

The phenomenon of oil exploration made oil to be the mainstay of the Nigerian economy and placed her as the world's seventh-largest explorer. This development made oil the central issue in fiscal federalism. In the last nine years, Nigeria has earned over 250 billion dollars in revenue from oil (Sagay, 2008).

It is paradoxical, however, that the exploration of oil in Nigeria and its high-yielding revenue has impacted negatively on the Nigerian economy. Thus, it qualifies the situation to be referred to as a 'resource curse'. It led to the undermining of the development of the hitherto buoyant agricultural sector and other viable sectors such as industry, mining and human capital development. Consequently, over-dependence on oil revenue made the states and local governments depend on the funds from the federation account. This in a way, created a master-servant relationship between the federal government and the component units and has eroded the autonomy of the federating units.

Again, the nature of intergovernmental fiscal relations in the nations practicing federalism is essential to the survival of the country. In several states of the world, the issue of revenue sharing is always contentious in nature. According to Olalokun (1979), in most, if not all federal countries, one of the most constant sources of intergovernmental wrangles centers on the problem of securing adequate financial resources on the part of the lower levels of government to discharge essential political and constitutional responsibilities.

Furthermore, the external indebtedness of the country and inability to meet external debt service obligations had been a major constraint to the fresh flow of foreign investments into the country while the distress in the domestic banking system constitutes a distinctive challenge to the much-needed growth in the private savings and investments.

In view of the foregoing points, Ajibola (2008) identified the following as the major challenges of fiscal federalism in Nigeria:-

- A mismatch between revenue sources and functions of the various tiers of government. The revenue allocation to the lower tiers of government is lower in comparison to the enormous duties expected of them. This has actually retarded meaningful infrastructural development in the country.
- Dwindling revenue due to a reduction in the country's exports and fluctuations in the prices of the nation's commodities in the international market.
- Economic and financial mismanagement which is reflected in corruption and financial impropriety of government functionaries have actually affected development in Nigeria.
- The sharing of federally revenues largely reflects political applications rather than economic considerations.
- Rapid increase in fiscal units thereby reducing the funds allocated to the states and local governments.

It is aptly acknowledged that the driving force behind federalism in principle as a concept and a form of government is the principle of autonomy, the absence of hierarchical authorities and the absence of centralism. The federal government in Nigeria, in most cases, unilaterally spends or decides the modes and methods of spending. A case in point is the excess crude account which

some states are challenging as unconstitutional. “The states are also demanding direct payment of excess crude earnings into the federation account and the refund of about 546.37 billion naira” (Yusuf, 2008).

Results and Discussion of Findings

This section presents the analysis of the data collected from the survey. Two Hundred and fifty-four (254) questionnaires were administered to respondents while Eight (KI) Key Informants were interviewed with the help of a research assistant. The quantitative data (questionnaire) was presented in tables and percentages. The qualitative data was transcribed based on the responses of the respondents. The data were analyzed to measure the Fiscal Federalism and Local Government Administration in Nigeria: A case study of Lafia Local Government Area of Nasarawa State, Nigeria.

Socio-Demographic Data

This section contains the socio-demographic characteristics of the respondents such as Age, Sex, Marital Status, Educational Attainment and Occupation. The description of these variables is presented in Tables 1 to 5.

Table 1: Occupation of the respondents

Occupation of respondents	Frequency	Percentage
Farmer	20	8
Civil Servant	92	36
Politician	57	22
Artisan	45	18
Business	40	16
Total	254	100

Source: Field Survey, 2023

Table 1 presents the results of the occupation of the respondents. The results reveal that 8 per cent of the total samples are farmers, 36 per cent are civil servants, 22 per cent are politicians, 18 per cent are artisans and 16 per cent are business people. This shows that greater percentage of the sample presented in Table 1 are civil servants.

Table 2: Marital status of the respondents

Marital Status of Respondents	Frequency	Percentage
Married	225	89
Not Married	29	11
Total	254	100

Source: Field Survey, 2023

Table 2 presents the results of the marital Status of respondents. The results reveal that 89 per cent of the total samples are married and 11 per cent are not married. This shows that a greater percentage of the sample presented in Table 2 are married.

Table 3: Educational attainment of the respondents

Educational Attainment of respondents	Frequency	Percentage
Primary school	16	6
Secondary school	11	5
Diploma/NCE	95	37
Degree/HND	95	37
Masters/PhD	37	15
Total	254	100

Source: Field Survey, 2023

Table 3 presents the results of the educational attainment of respondents. The results reveal that 6 per cent of the total samples attained primary school, 5 per cent attained secondary school, 37 per cent attained diploma/NCE and degree/HND and 15 per cent attained masters/PhD. This shows that a greater percentage of the sample presented in Table 3 attained both diploma/NCE and degree/HND.

Table 4: Age distribution of the respondents

Age of respondents	Frequency	Percentage
18-25	61	23
26-39	127	50
40-55	32	13
56-60	32	13
61-75	2	1
Total	254	100

Source: Field Survey, 2023

Table 4 presented the age distribution of the respondents, the table revealed that 23 per cent of the respondents were between the ages of 18 to 25, 50 per cent were between 26 to 39, 13 per cent was actually a bracket percentage for the age distribution (40- 55 and 56 – 60 years) of the respondents followed by those between 61-75 years which represents 1 per cent of the total age of the respondents. Those from 26 to 39 years has the lion per cent of the total sample, confirming that, those between the ages of 26-39 have the majority in civil service when compared with the data in Table 1.

Table 5: Sex of the respondents

Sex of respondents	Frequency	Percentage
Male	218	86
Female	36	14
Total	254	100

Source: Field Survey, 2023

Table 5 presented the age distribution of the respondents, the table revealed that 86 per cent of the samples of the respondents were male while 14 per cent of them were female. Hence, the table further indicates that the study concentrated on greater percentage of women as respondents.

Responses on the Fiscal Federalism and Local Government Administration in Nigeria: A Case Study of Lafia Local Government Area of Nasarawa State, Nigeria.

This section contains questions on the Fiscal Federalism and Local Government Administration in Nigeria: A case study of Lafia Local Government Area of Nasarawa State, Nigeria.

Table 6: The revenue allocated to Lafia Local Government is low compared to the duties expected of the Local Government

Response	Frequency	Percentage
Yes	236	93
Not Sure	10	4
No	8	3

Source: Field Survey, 2022

Table 6 shows 93 per cent of the respondents agreeing that the revenue allocated to Lafia Local Government is low compared to the duties expected of the Local Government, while 4 per cent were not sure and 3 per cent did not agree.

Table 7: Proliferation or creation of more states and local government in Nigeria has significantly reduced the funds allocated to Lafia Local Government for the performance of its function

Response	Frequency	Percentage
Yes	244	96
Not Sure	6	2
No	4	2

Source: Field Survey, 2022

Table 7 shows 96 per cent of the respondents confirming that the proliferation or creation of more states and local government in Nigeria has significantly reduced the funds allocated to Lafia Local Government for the performance of its function, while 2 were not sure and 2 disagreed.

Table 8: Mismanagement of resources by the local government officials is among the leading causes of backwardness of Lafia Local Government

Response	Frequency	Percentage
Yes	229	90
Not Sure	20	8
No	5	2

Source: Field Survey, 2022

Table 8 shows 90 per cent of the respondents agreed that the mismanagement of resources by the local government officials is among the leading causes of backwardness of Lafia Local Government, 8 per cent were not sure, while 2 respondents disagreed.

Table 9: Lack of a suitable and acceptable formula for distribution of fiscal resources among the tiers of government affects the progress and development of Lafia Local Government.

Response	Frequency	Percentage
Yes	240	94
Not Sure	9	4
No	5	2

Source: Field Survey, 2022

Table 9 presents respondents' responses on the lack of a suitable and acceptable formula for the distribution of fiscal resources among the tiers of government affects the progress and development of Lafia Local Government where 94 per cent of the respondents agreed, 4 per cent were not sure and 2 per cent did not agree.

Table 10: Political application rather than economic consideration in the sharing of federal revenue where population and other economic data are manipulated has a negative impact on the development of Lafia Local Government.

Response	Frequency	Percentage
Yes	245	96
Not Sure	6	3
No	3	1

Source: Field Survey, 2022

Table 10 reveals 96 per cent agreeing that the political application rather than economic consideration in the sharing of federal revenue where population and other economic data are manipulated has a negative impact on the development of Lafia Local Government, while 3 per cent were not sure and 1 per cent disagreed.

Table 11: Lafia Local Government is unable to harness and utilize other revenue sources for the development of its localities.

Response	Frequency	Percentage
Yes	245	96
Not Sure	6	3
No	3	1

Source: Field Survey, 2022

Table 11 reveals 96 per cent agreeing that Lafia Local Government is unable to harness and utilize other revenue sources for the development of its localities, while 3 per cent were not sure and 1 per cent disagreed.

Table 12: The 1999 constitution has reduced the capacity and autonomy of Lafia local government to operate as an independent level of government for progress and efficiency.

Response	Frequency	Percentage
Yes	250	97
Not Sure	3	2
No	1	1

Source: Field Survey, 2022

Table 12 reveals 97 per cent agreeing that the 1999 constitution has reduced the capacity and autonomy of Lafia local government to operate as an independent level of government for progress and efficiency, while 2 per cent were not sure and 1 per cent disagreed

Table 13: Lafia local government had remained underdeveloped with poor infrastructural and human capital development despite many years of fiscal interventions and revenue generation.

Response	Frequency	Percentage
Yes	248	98
Not Sure	3	1
No	3	1

Source: Field Survey, 2022

Results from Table 13 present responses on how the Lafia local government had remained underdeveloped with poor infrastructural and human capital development despite many years of fiscal interventions and revenue generation. As clearly shown, 98 per cent agreed that Lafia local government had remained underdeveloped with poor infrastructural and human capital development despite many years of fiscal interventions and revenue generation, then 1 per cent were not sure and 1 per cent disagreed.

Table 14: Lafia local government is not left out in the lack of transparency and accountability in governance and financial transactions among local government officials in Nigeria.

Response	Frequency	Percentage
Yes	250	97
Not Sure	3	2
No	1	1

Source: Field Survey, 2022

Result from table 14 presents responses on how Lafia local government is not left out in the lack of transparency and accountability in governance and financial transactions among local government officials in Nigeria. As clearly shown, 97 per cent agreed that Lafia local government is not left out in the lack of transparency and accountability in governance and financial transactions among local government officials in Nigeria, then 2 per cent were not sure and 1 per cent disagreed.

Table 15: State Local government joint account should be abolished in order to facilitate and enhance prudent management of resources in Lafia local government.

Response	Frequency	Percentage
Yes	249	97
Not Sure	1	1
No	4	2

Source: Field Survey, 2022

Result from table 15 presents responses on how the State and Local government joint account should be abolished in order to facilitate and enhance prudent management of resources in Lafia local government. As clearly shown, 97 per cent agreed that State and Local government joint account should be abolished in order to facilitate and enhance prudent management of resources in Lafia local government, then 1 per cent were not sure and 2 per cent disagreed.

Table 16: Political instability where local government officials are dissolved willingly by the governor and state assembly has eroded the power and capacity of local governments to function effectively including Lafia Local Government.

Response	Frequency	Percentage
Yes	246	96
Not Sure	1	1
No	7	3

Source: Field Survey, 2022

Result from table 16 presents responses on how Political instability where local government officials are dissolved willingly by the governor and state assembly has eroded the power and capacity of local governments to function effectively including Lafia Local Government. As clearly shown, 96 per cent agreed that Political instability where local government officials are dissolved willingly by the governor and state assembly has eroded the power and capacity of local governments to function effectively including Lafia Local Government, then 1 per cent were not sure and 3 per cent disagreed.

Table 17: Centralization of most taxable powers to the central government has denied Lafia Local government the revenue base to be able to accomplish its assigned responsibilities.

Response	Frequency	Percentage
Yes	249	97
Not Sure	1	1
No	4	2

Source: Field Survey, 2022

Results from Table 17 present responses on how the Centralization of most taxable powers to the central government has denied Lafia Local government the revenue base to be able to accomplish its assigned responsibilities. As clearly shown, 97 per cent agreed that the Centralization of most taxable powers to the central government has denied Lafia Local government the revenue base to be able to accomplish its assigned responsibilities, then 1 per cent were not sure and 2 per cent disagreed.

Table 18: The selection process of local government officials must be democratic, credible and fair if the Lafia local government is to be responsible for the demands of the people

Response	Frequency	Percentage
Yes	252	98
Not Sure	1	1
No	1	1

Source: Field Survey, 2022

Result from table 18 presents responses on how the Selection process of local government official must be democratic, credible and fair if Lafia local government is to be responsible for the demands of the people. As clearly shown, 98 per cent agreed that Selection process of local government officials must be democratic, credible and fair if Lafia local government is to be responsible for the demands of the people, then 1 per cent were not sure and 1 per cent disagreed.

Table 19: Poor and unqualified staffing have retarded the progress and development of Lafia local government.

Response	Frequency	Percentage
Yes	248	97
Not Sure	5	2
No	1	1

Source: Field Survey, 2022

Result from Table 19 presents responses on how Poor and unqualified staffing have retarded the progress and development of Lafia local government. As clearly shown, 97 per cent agreed that Poor and unqualified staffing has retarded the progress and development of Lafia local government, then 2 per cent were not sure and 1 per cent disagreed.

Table 20: How can you rate Lafia local government in terms of provision of infrastructural and human capital development?

Response	Frequency	Percentage
High	2	1
Low	72	28
Weak	60	24
Poor	120	47

Source: Field Survey, 2022

Results from Table 20 present responses on how can you rate Lafia local government in terms of provision of the infrastructural and human capital development. As clearly shown, in this case, 1 per cent of the respondents chose high, 28 per cent chose low, 24 per cent chose weak and 47 per cent chose poor.

Table 21: Lafia local government has no adequate independence to decide on critical issues that concern the welfare and progress of its citizens.

Response	Frequency	Percentage
Yes	251	98
Not Sure	2	1
No	1	1

Source: Field Survey, 2022

Result from Table 21 presents responses on how Lafia local government has no adequate independence to decide on critical issues that concern the welfare and progress of its citizens. As clearly shown, 98 per cent agreed that Lafia local government has no adequate independence to decide on critical issues that concern the welfare and progress of its citizens, then 1 per cent were not sure and 1 per cent disagreed.

Table 22: The federal government determines what constitutes revenue allocation and how it would be shared among the federating units without the consent of local governments including Lafia Local government.

Response	Frequency	Percentage
Yes	250	97
Not Sure	1	1
No	3	2

Source: Field Survey, 2022

Results from Table 22 present responses on how the federal government determines what constitutes revenue allocation and how it would be shared among the federating units without the consent of local governments including Lafia Local government. As clearly shown, 97 per cent agreed that the federal government determines what constitutes revenue allocation and how it would be shared among the federating units without the consent of local governments including Lafia Local government, then 1 per cent were not sure and 2 per cent disagreed.

Table 23: So many deductions are made from the total revenue collected by the federal government before the rest are distributed to the local government most of which are illegal deductions.

Response	Frequency	Percentage
Yes	251	98
Not Sure	2	1
No	1	1

Source: Field Survey, 2022

Result from Table 23 present responses on how many deductions are made from the total revenue collected by the federal government before the rest are distributed to the local government most of which are illegal deductions. As clearly shown, 98 per cent agreed that so many deductions are made from the total revenue collected by the federal government before the rest are distributed to the local government most of which are illegal deductions, then 1 per cent were not sure and 1 per cent disagreed.

Result from Table 23 present responses on how many deductions are made from the total revenue collected by the federal government before the rest are distributed to the local government most of which are illegal deductions. As clearly shown, 98 per cent agreed that so many deductions are made from the total revenue collected by the federal government before the rest are distributed to the local government most of which are illegal deductions, then 1 per cent were not sure and 1 per cent disagreed.

Discussion of Findings

The analysis of data collected from surveys and key informant interviews in Lafia Local Government Area of Nasarawa State, Nigeria, provides insights into the dynamics of fiscal federalism and local government administration. The study's socio-demographic characteristics reveal a predominantly civil servant demographic, indicating a substantial representation of this sector. Additionally, the majority of respondents were married, with a notable proportion possessing diploma/NCE and degree/HND qualifications, underscoring the importance of education in the sample population. The age distribution reflects a significant presence of individuals aged between 26 to 39, particularly prevalent among civil servants.

Regarding perceptions on fiscal issues, the majority of respondents expressed concerns over inadequate revenue allocation to Lafia Local Government, attributing it to the proliferation of states and local governments, mismanagement of resources, and the lack of a suitable distribution formula. Furthermore, there's a consensus on the negative impact of political manipulation on revenue sharing and the inability of local governments to harness alternative revenue sources. The study also highlights dissatisfaction with the constitutional framework, political instability, and centralized control over revenue allocation, all contributing to the underdevelopment of Lafia Local Government.

In terms of governance and accountability, respondents overwhelmingly agree on the lack of transparency and accountability among local government officials. There's widespread support for the abolition of State-Local Government joint accounts to enhance resource management. Additionally, concerns are raised about the democratic selection of officials and the adverse effects of poor staffing on development efforts. The study reflects on the perceived inadequacies in infrastructural and human capital development, with a significant portion of respondents rating Lafia Local Government poorly in these aspects. Moreover, the lack of autonomy and decision-making power for local governments, coupled with illegal revenue deductions by the federal government, further exacerbates the challenges faced by Lafia Local Government in fulfilling its mandates.

Conclusion

The analysis underscores the intricate interplay between fiscal federalism, governance structures, and local development dynamics in Lafia Local Government. The findings highlight systemic issues such as revenue allocation mechanisms, political interference, and governance shortcomings that impede progress and hinder effective service delivery. Addressing these challenges requires concerted efforts to reform fiscal policies, enhance transparency and accountability, empower local governments, and ensure equitable distribution of resources to foster sustainable development and address the needs of citizens effectively.

Recommendations:

- The allocation from the federal government to Lafia local government is grossly inadequate and it therefore requires upward review.

- The chairmen and management teams of local governments including that of Lafia should be shielded from the negative influence of state executive and legislature.
- There should be transparency and accountability in all financial transactions and engagements of Lafia local government.
- The powers of Lafia local government to raise taxes should be increased to accommodate other sources hijacked by the federal and state governments
- Bold steps must be taken including disciplinary and court actions on any local government official found to have mismanaged local government funds.
- Staffing of local governments including Lafia local government must be composed of qualified and trained personnel.

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