



State - Joint - Local Government Account (SJLGA) and the Challenges of Development among Local Government Areas in Nigeria: The Experience in Plateau State

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Abstract

The State-Joint-Local Government Account (SJLGA) is one of the facets of intergovernmental relation operating in Nigeria to facilitate the smooth practices of fiscal relation between the state and the Local government Areas. The basis of its operation was defined by the provisions of the Nigerian constitution. This work critically examines the operation of State Joint Local Government Account (SJLGA) and the challenges of development among local areas in Nigeria and Plateau State precisely. The study generated data from array of both published and unpublished materials such as text books, journal papers, newspapers, magazines, internet materials, seminar and conference papers among many others. The main instrument used to generate data was interview. In interpreting our data, the relationship between SJLGA in Plateau State and the challenges of development was established at both theoretical and empirical level. Empirically, we used a qualitative and historical method that was critical and analytical in providing descriptive and historical details. This was further complemented by descriptive and qualitative analysis. The study found that the operation of State Joint Local Government Account has brought more problems than blessing to the development of local government system in Nigeria and specifically Plateau State. Some of these problems include: loss of autonomy of local government, excessive deduction of local government allocation, poor performance, poor planning and unrealistic budgeting among many others. Recommendations such as local government autonomy, independent financial purse of local government units, need to abolish the caretaker system and many were proffered.

Keywords: SJLGA, Statutory Allocation, Development, State & Local Government

Introduction

The State- Joint – Local Government Account (SJLGA) in Nigeria was introduced in 1981 under the civilian regime of Shehu Shagari and its basis of operation was further defined by the provision of 1999 constitution of Nigeria (Noisiri, 2013). The basis of its formation was laid in section 162 of the 1999 constitution. The essence of its operation was to ensure that funds which were given or provided to the local government areas in the country are

judiciously used to transform the local government areas (Nweke, 2013). The intent

of its introduction is far from reach and this is because it has been used as a tool of domination and control by the state government across the federation. A lot of state governments in the federation have used the system to the disadvantages of the local government areas (Sati, 2016). This has rendered a lot of local government areas not only to be poor but weak in carrying out their designed assignment. The local government areas performances in most states with the introduction of the SJLGA were not only abysmal but non-productive (Oguna, 1999). The existing departments are mostly moribund and the expected functions of local government areas as

stipulated in the fourth schedule of the 1999 constitution were left aloof and undone (Lamidi, 2013).

The section 7 and 8 of the 1999 constitution (as amended) averred that Nigerian local government areas are to exist as separate tier and to be managed by a democratic elective structure to enable it carried out the outlined functions which the constitution spelt out in the fourth schedule (Ozundu, 2011). The provision of section 162 which fortified the existing and practice of the SJLGA on the State- Local Government Fiscal relation has brought more misery to the system; this has weakened the performance of the local government system in Nigeria. Section 162 of the 1999 constitution has contradicted the provision of section 7 and 8 of the same constitution and this for long has hindered the local government in carrying out its stipulated functions as spelt out in the fourth schedule of the constitution (Ojugbeli & Ojoh, 2014).

The SJLGA has further opened way to the growth of other abnormal practices which for long has affected the performance of the local government system in Nigeria. The introduction of the so-called care taker committee system is some of the malaise that comes with the SJLGA; it is just a subterfuge to manage the funds and other affairs of the local government at the expense of the democratic system defined in the constitution (Oguna, 1999). The SJLGA system has place the local government at the mercy of the state government and a lot of governors in the time past and even at present have misconstrued the application; they have been using the system in such a way that it will aid them to dominate the local government and makes the local

government more dependent on the state on virtually every sphere of its operation (Nweke, 2013).

The situation in Plateau State is worse compared to other states; the performances of local government areas are so sympathetic and worrisome. The local government areas are rendered moribund (Cinjel, Danjuma & Sampati, 2020). The six (6) departments in the local government areas are not productive; they do not carried out functions that were defined to them in the fourth schedule of the constitution. Those functions that were stated in the constitution such as the establishment and provision of motor park, street light, slaughterhouse and slap, drainages, culvert, feeder roads, street creation, functional primary health care services among many others are far afield (Coker & Adams, 2014). These challenges of non-performance and retrogression were compounded by the operation of the SJLGA. Rural transformation and development which were the essence of the creation of the SJLGA are not only at their ebb but have been pushed aside. The Plateau State government capitalized on the SJLGA to dominate the activities of the local government areas (Cinjel, Danjuma & Sampati, 2020). The state government conducts local government polls at will and over favoured the caretaker committee system of management than the elective system. This development for long has constituted a serious threat to the development of the local government areas in Nigeria.

Statement of the Problem

Excessive deduction of local government funds is one of the basic problems that have

come with the operation of SJLGA. The excessive deduction of funds which are meant for local government has adverse effects on development and transformation of local government areas. The operation of the State Joint Local Government Account has led to high rate of deduction of statutory allocation of the local government by the state government. The state government uses the operation of the SJLGA mechanism to illegally deduct and misappropriate the funds which are to mean to help in accelerating development in local government areas.

Another problem which also prompted the study is the impact of the SJLGA on local government autonomy. The operation of SJLGA has undermined the autonomy of the local government. This is because it has made the local government to be highly dependent on the state. This development has encouraged a lot of states and Plateau State specifically to over intervene in the regulation of local government affairs, making the local government subservient and an appendage of the state government. This poses a major hindrance to the performance of the local government areas in the state.

It is against this backdrop that the following research questions were posited to guide the study:

- a. In what ways do the excessive deductions of fund affect development in local government areas in Plateau State?
- b. How do lacks of autonomy contribute to the challenges of development among local government in Plateau State?

The main objective of the study is to examine the operation of SJLGA and its adverse effect on the development of local government areas in Plateau State.

The specific objectives are to:

- i. Assess the effect of fund deduction on local government development.
- ii. Examine how SJLGA affects local autonomy and its performances.

Methodology

The study adopted the documentary research design. The research relied on secondary data drawn from arrays of published and unpublished materials relevant to the study such as books, journals, magazines, conferences and seminar papers and newspapers. Other sources of secondary data were reports and other quantitative publications related to the problems of the study. There were qualitative soft publications and entries in recognized and official websites. Being a non-experimental research, the use of qualitative descriptive analysis is employed for the analysis of the generated data. This will be done through careful analysis of the formulated questions in line with the reviewed literatures. Thus, under the findings and discussions, each discourse is based on the background assumption presented.

Review of Related Literature

(a) Concept of IRG, Fiscal Federalism, and Local Government System

Intergovernmental relation is as old as modern government. The term is now widely used among public officials and scholars alike. Yet its origin defies discovery and it has continued to lack systematic definition. There are difficulties in trying to explain the term IRG like most concepts in social science. The precise definition of IRG has

remained elusive. However, the fullest characterization of the concept as we have accepted today is credited to the work of Wheare (1962), Watts (2000), Williams (2001), Deil (2004) and many others who often relate IRG to choosing courses of action and assessing their practical effects.

In almost the same parlance, Ademolekun (2010) viewed intergovernmental relations as the interaction that take place among the different levels of government in a state. In line with this perception, Olugbemi (2015) sees IGR as a system of transactional-behaviour patterns among managers of hierarchical structure level of government in a state. The above definitions attempted to create a connection between interaction between level of government and how conflicts are managed. Their perception however did not point out features such mode of operation, finance and its functionality in other form of government than the federal system.

Boyega (2015) also opines that intergovernmental relations refer to the structure and processes of transacting among the levels of government in a political system. In this definition, there is also the assumption of symbolism among the level of government, which makes for relative success to be dependent on cooperative or prudent management of the related conflicts among the level of government

IRG therefore is a complex interrelationship among federal, state, local government that involve political, fiscal, programmatic and administrative processes in which higher – level of government shares revenue with lower level of government but with special

conditions that the lower units must meet to receive the financial aids.

Intergovernmental Fiscal Relation connotes *Fiscal Federalism* and it has being defined in a lot of ways by different scholars. Abubakar (2014) defined IRG as a system of government where revenue and expenditures are shared among the tiers/ levels of government with peculiar variations in character and scope.

Isa (2015) stressed that fiscal federalism entails the existence in one country of more than one tier of government, each with different expenditure responsibilities and taxing power. He went further to buttressed that it is a form of federal set up with economic blending that is the allocation of tax, powers and expenditure responsibilities between the tiers of government in a federal political system.

Fiscal federalism therefore refers to the financial relationships that exist between or among independent units of government in a federal system. Fiscal federalism or the multi-unit financing of a government services addresses how best design government in a federal system. In theory, fiscal federalism must answer three fundamental economic questions. These are: (a) How do we attain the most equitable distribution of income (b) How do we maintain high employment while avoiding excessive inflation and (c) How do we distribute resources efficiently.

The term *Local Government* has been conceived and being defined in different ways by both the scholars and the practitioners in the field. According to the United Nations Division of Public Administration (2010), Local Government is

a political division of a nation (or in a federal system, a state) which is constituted by law and has substantial control of local affairs, including the powers to impose taxes or exact labour for prescribed purpose. The governing body of such an entity is elected or otherwise selected. The definition has been review by a number of scholars who have also expatiated on it. Common example is Whaleh (2010) who stated that:

Each unit of Local Government in any system is assumed to possess the following characteristics, a given territory and population, an institutional structure....a separate legal identity, a range of power and functions authorized by delegation from the appropriate central or intermediate legislature and lastly within the ambit of such delegation, autonomy subject always to the test of reasonableness.

In agreement with the notion, Oyediran and Agabaye (2008) sees Local Government as a government in which popular participation both in the choice of decision makers and in the decision making process is conducted by local bodies which while recognizing the supremacy of the central government and is able and willing to accept responsibilities for its decision.

(b) Nigerian's Constitution and Local System in Nigeria

Right from the time of the creation of local government system in Nigeria, The constitutions of Nigeria do not seem to value the local government system. The colonial government and most of the independent constitutions focuses on national and regional relationship. The first constitution that aids the ground for the

creation of local government in Nigeria is the 1979 constitution. Later, the 1989 and the 1999 constitution also supported the existence of the local government as the third tier of government in the Nigerian Federal Structure. The 1999 constitution define local government as separate tier and that will be managed by democratic elective structure and under the tutelage of other tiers such as the state and the national government (Abubakar, 2014).

Section 7 of the 1999 constitution (as amended) stressed:

The system of local government by democratically elected local government councils is under the constitution guaranteed; and accordingly, the government of every state shall subject to section 8 of this constitution ensure their existence under a law which provides for the establishment, structure, composition, finance and function of such councils.

The 1999 constitution of Nigeria tend to give excessive powers to the national and state government at the expenses of the local government areas. The constitution in section 4 and 5 defines the legislative and executive powers of both national and state government (Abubakar, 2014). The same constitution makes provisions for their establishment, composition, powers, election, summoning and their dissolution. But this is not clearly spelt out with respect to the local government areas. The constitution did not spell out the composition of the local government councils (Oyediran & Agabaye, 2008). Each state has its local government council's composition and their stipulated year of duration unlike how it is clearly stated in the case of the state and the national government. Section 8 of the constitution

further worsened the situation by stating that government of every state shall ensure the existing of the local government areas under its jurisdiction with respect to powers such as structure, establishment, composition, finance and functions of the local government areas.

These practices have clearly subsumed the local government as an administrative unit than a separate tier of government (Ezeji, 2010). Section 8 of the 1999 constitution had tied the local government areas under the state and that is why the state or every state of the federation conducts election at the local government areas. The state governors established their own electoral commission and mostly ensure that whoever they want emerged as the winner (Cinjel, Danjuma & Sampati, 2020). This is because the constitution has provided enough grounds for them to not only to interfere but control virtually every sphere of operation of the local government areas.

The 1999 constitution has defined the power of the president, the four years of the president's tenure and his inter-relationship with the organs and tiers of government. This is equally the same with the state and the state governors (Chukwu & Ogban, 2011). The governors do stay in office for four years and the same applies to the state house of assembly of the federation. The composition of the National Assembly is defined (senate is 109 and the house of representative is 360 whereas in the case of the local government areas, the 3 years tenure of the chairman and the 2 years of the councilors are not in any way stipulated in the provisions of the constitution (Abubakar, 2014). The states of the federation uses the centripetal power

bestowed on them to determine the composition of councils in the local government areas. When and how election is to be conducted in the local government councils is the sole power of the state government (Agba, Ocheni & Nnamani, 2014). This justified why most of the governors prefer to practice the care taker committee system over the democratic elective system that the constitution had defined. The committee system gains more recognition because of the sharp contraction in section 7 and 8 of the 1999 constitution. The same section in the same constitution provides for a democratic structure and at the same section of the same constitution place the local government areas under the state and this is at the disadvantages of the local government areas (Abubakar, 2014).

The 1999 constitution mandate the state to control the finance of the local government areas through the SJLGA. This has undermined the powers of the local government areas. Section 162 (6) stressed:

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

The essence of the creation of the provision was to ensure that all funds allocated to the local government areas are judiciously used to bring room for transformation and development but this is far from accomplishment (Ekwoma & Noisiri, 2014). Most, if not all states of the federation capitalize on the provision and the financial power which the constitution enshrined to it over the local government to divert and

deduct funds which were meant for the local government areas (Ekwoma & Noisiri, 2014). These practices have weakened the performance of the local government system in Nigeria. The creation and upgrade of most division as local government areas in 1976 were being done on the ground of factors such as elite consideration, political interest, ethnic and religious sentiment, and other primordial elements (Nweke, 2013). The issue of viability and capacity of self-sustenance were negated and as such, most of the local government areas depend solidly on the statutory allocation which the constitution has tied them at the mercy of the state (Cinjel, Danjuma & Sampati, 2020).

The other source of income which the constitution provide was that each state shall give to its local government area 10 percent of internally generated revenue but this provision is not only under look but negated. Section 162 (7) stressed that:

Each state shall pay to local government councils in its area of jurisdiction such portion of its total revenue on such terms and in such areas as may be prescribed by the National Assembly. The amount standing to the credit of local government councils of a state shall be distributed among the local government councils of that state on such term and in such manner as may be prescribed by the House of Assemble of the state.

The National Assembly (Senate and House of representative) and the State House of Assembly had prescribed that 10% of the state internally generated revenue should be given to the local government areas but this not in practice in most state (Agbani & Ugwoke, 2014). This menace exist because most state of the federation just like the

local government areas, do not have the financial buoyancy and thus, depend basically on the statutory allocation monthly sent to them to survive. Thus, the function which the fourth schedule of the 1999 constitution enshrined on the local government areas remained only in their written form as against real life practices (Nweke, 2013).

(c) SJLGA and the Question of Development among LGAs in Plateau State

The operation of state joint-local government account (SJLGA) gained its basis of practice in 1981, during the second republic. It was initiated by Shehu Shagari administration under the act of the National Assembly called *Allocation of Revenue Act*. SJLGA operation was further fortified by section 162 (6) of the 1999 constitution. The essence of its creation was to enable room for judicious use of funds in the local government areas and for other actions such as rural transformation and development (Lamdi, 2013). The essence of its establishment has been distorted and for long defeated. State and their respective governors have exploited the practice to their advantage. The mechanism has rather been used as a tool to dominate the local government areas. The same constitution provides functions for the local government areas to carry out (Coker & Adams, 2014). The fourth schedule of the 199 constitution provides that:

The main functions of a local government councils are: (a) The consideration and making of recommendations to a state commission on economic planning (b) Collection of rates, radio, and television licenses (c) Establishing and maintenance of cemeteries,

burial grounds, homes for the destitute.(d) Licensing of bicycles, trucks, canoes, wheel barrow and carts (e) Establishment and maintenance of roads, streets, street lights, drainages, parks, garden, slaughter houses, motor parks, public convenience.....

The lack of autonomy associated with the creation of local government areas as spelt out in section 7 and 8 and the dominance of LGAs by the state through the mechanism of SJLGA and others vices that emanated with the practice of the system has crippled the performance of the local government areas. The local government areas in Nigeria operated as more of administration units, being controlled by the state (Lamdi, 2013).The rationale of their creation has faded away unlike their counterparts in other countries operating the federal system like Canada, U.S, India and many others. Developmental functions and services such as road constructions, construction of culverts, drainages and public convenience, home for the destitute and many others as spelt out in the constitution are pseudo in practice (Cinjel, Danjuma & Sampati, 2020). The departments in most of the LGAs are moribund and only look lively during the times that salaries are to be paid.

The situation is worse in Plateau State and this has made a lot of persons and some, even the educated ones to erroneously presume that the local government council is just structure where those that work there, goes to their time to time and more frequent at the end of the month when salaries are to be paid (Coker & Adams, 2014). The functions which are meant to be carried by the local government councils are being carried by the private groups such as Non-

Governmental Organizations (NGOs), Charitable Organization(Cos), religious institution and other philanthropic individuals and organizations(Coker & Adams,2014). The state of facilities such as roads, drainage culvert, local government structure (guest house, park, garden, machines, market structures and many other) are highly dilapidated, some partly ruined and some have decayed. In an interview section on 23 of September, 2019, Sati (a one-time counselor) has this to say: The condition of local government areas in Plateau State are high sympathetic and bothersome. I was told that it cut across a lot of LGAs of the federation. A cursory visit at the council will discourage you. The state government with its full knowledge that our local government councils are not viable still diverts and over deducts funds which were allocated to these council's areas. They take advantage of the SJLGA to deprive the local government areas the chance to carry out meaningful projects. Worse of it was how the state dominate the LGAs through the practice of the caretaker committee management. In the system, there is no accountability and the committees are only stooge implanted to pay salaries and maintain the extant structures.

The above expression is in tandem with the realities on ground. The local government areas do not in any way carried out any meaningful project to the people. Most of the state governors tend to practice the caretaker committee management over the democratic elective structure and when elective structure surfaced, they only last for short period of time (Lamdi, 2013). This and other abuses that are so common in the local government system have prevented it from carrying out the function which the constitution had enshrined on it. There were a lot of debates in 2003 and 2009 during the civilian administration of Olusegun

Obasanjo and Good Luck Jonathan on whether to scrap the existing of the local government system in Nigeria due to their non-performance and lack of productivity (Ekwoma & Noisiri, 2014). These debates were mostly countered and rebuffed because there were no strong nexus between the rationale of their creation and the defect which the Nigeria constitution grafted it in the course of its practice. Other spectators have analyzed its success by comparing it with the practice in other federating societies like U.S.A, India, Canada, and other third world countries such as Ghana, Tanzania, Kenya and many others (Ekwoma & Noisiri, 2014).

The nature and operation of local government areas in Plateau State is worsening on a daily basis. The conditions of living in rural areas that were meant to be transformed by the local government system in Nigeria are highly worrisome. Development is one-sided and mostly concentrated in the urban areas (the headquarters) (Cinjel, Danjuma & Sampati, 2020). Most of the local government areas are still backward. Social amenities such as pipe-borne water, electricity and good roads that are to link the town to the rural areas, healthcare services and many others are mostly not in existence. In local government areas where such services are present, they are limited and mostly epileptic in their function (Cinjel, Danjuma & Sampati, 2020).

Plateau State has 17 local government areas and only four out of the 17 stand out different from others in terms of rural transformation and development. Jos-North, Jos-South local government areas enjoy the privilege of their location (Lamdi, 2013). Their headquarters of the state is

situated within the two local government areas and with this; they have a lot of utilities and access to social amenities (Coker & Adams, 2014). Barki Ladi and Pankshin benefit from the situation of higher institution and other government agencies such as airport, prison and federal road safety commission (Cinjel, Danjuma & Sampati, 2020). The other 13 local government areas are still remote and primordial in their outlook. Roads linking the local government areas are depilated and characterized by potholes, and not suitable for driving. Typical example can be seen in the case of Shendam and Qua'an Pan, Shendam and Langtang North, Riyom and Barkin Ladi among many others (Cinjel, Danjuma & Sampati, 2020). Electricity supply is grossly inadequate and this is unattractive to the business communities and foreign investors.

Social services like street lighting which the constitution saddled on the Local government areas do not exist in these areas (Lamdi, 2013). The provision of other social services such as public convenience, slaughter houses, culvert, drainages, rural road, equipment in primary health care centres, houses to destitute, boreholes and pipe-borne water among many others which the fourth schedule of the constitution enshrined on the local government areas to do are all not in existence in most of the local government areas in Plateau State (Cinjel, Danjuma & Sampati, 2020). This anomaly gains ground as a result of the ills associated with the operation of the SJLGA.

Theoretical Underpinning

Domino theory was adopted as the theoretical underpinning of the study. The theory was propounded in 1978 by a former

U.S president – Dwight Eisenhower and in 1961. It was adopted in IGR in 1987 by Wright and was further developed by other scholars such as Morton (2002) Kennedy (2003) and Eliza (2004). The theory states that in the relationship that exist between state and local government, the state government dominate the local government just like how the national government dominate the state in a centripetal federalism that Nigeria is practicing. The domination is made possible by the power of the purse of the national and as well the state government granted by the constitutional stipulation.

The domination is further made possible by the allocation of important consideration to the state at the expense of the local government areas. The theorists stressed that the relationship between the state and their localities are characterized by the following:

- a. There is no constitutional powers for local self-government
- b. Local government are just like the creation of the state and can be controlled
- c. Local government may exercise only those powers expressly granted to it to act upon.
- d. Local governments are more like tenant at the will of the state despite its existence as tier of its own.

The theory has the following tenets:

- a. Relationship among the level of government are determined by the constitution
- b. The state has dominant power in the interpretation of the constitutional stipulation

- c. It is also assume that the constitution determines everything but in real life this assumption is not tenable
- d. The local government depends totally on decisions that are nationwide in scope and arrived at by super ordinate level.

The theory is applicable to the study in three (3) dimension and these are:(a) the constitutional imposition of the State-Joint-Local Government Account,(b) the over usage of the committee system at the expenses of the democratic elective structure and (c) the pseudo existence of local government autonomy.

The essence of the creation or the establishment of the State- Joint Local Government Account (SJLGA) was to promote a smooth and efficient fiscal relation between the state and the local government that will bring room to good governance, productivity, development and transformation. But this is not the case (Noisiri, 2013). The SJLGA has caused more harm than good. It has further contributes to the encumbrances often encountered by the Local Government areas in Nigeria. These malaises mostly manifested its ugly head in the Local Government system in the form of room for misappropriation; fund (internally generated) diversion, non-performance, poor roads and weak provisioning of facilities such as health care service and other social services (Noisiri, 2013).

The fiscal relationship in Plateau State and its local government areas are operated on master-servant model. This gain access and recognition with the help of the over emphasis on the care taker management

system at the expenses of the elected democratic structure which the 1999 Nigerian constitution has stipulated. In this kind of fiscal relation, the state dominates and controls the finance and every sphere of operation of the local government area (Ekwoma & Noisiri, 2014). The imposition of the caretaker system on the local government areas has adverse effects on the performance of the local government. The six (6) departments in the local government areas in Plateau State are moribund. Most of the offices are dusty, machines are out of function, grasses spread across the environment and Staff only appears once in a blue moon (Ekwoma & Noisiri, 2014). The services which are expected of the six departments are not only insufficient but the employees are as well are not committed in carrying out their functions. The caretaker management only paid workers salaries and do not have a say on aspect related finances and project execution (Coker & Adams, 2014).

The pseudo nature of autonomy which the Nigeria Local Government areas are operating is only in written. Section 162 of the 1999 constitution of Nigeria provides ground for the operation of SJLGA and this clear shows that Local Government are more of an attached and lower level which the states have dominant powers to control them; this is not only its fiscal policies but in others facet such as mode of governance, management of resources and many others (Ozundu, 2011).

Results and Discussion

- (a) The operation of the State-Joint-Local Government Account has led to high rate of deduction of statutory allocation of the Local

Government by the states government. The State Government used the State Joint Local Government Account as a mechanism to illegally deduct and misappropriate the local funds which were meant for service delivery. According to Uzundu (2015) "under the State/Local Government Joint Account, only salaries and overheads cost of between three to five million naira are mostly released to the Local Government Councils while the bulk of the funds are retained by the State". In the same vein, Noisiri (cited in Ojugbeli and Oje, 2014) posited that "analyst however contend that nothing seem to be working at the councils because they are either starved of funds or short changed by State Governments through the Joint Allocation Committee. Some Chief Executives cry over illegal deductions from their allocations by the State Government." That was why the State Chapter of the Nigerian Union of Local Government Employees (NULGE) craved for the separation of the account and this is as a result of the over-deduction by the State Government (Otober cited in Ojugbli and Ojo, 2014). In the same vein, Community Watchdog (2015) reported that President Buhari, queried State Governors on mismanagement of Local Government fund from 2011 to 2015 which statistics has estimated as about ₦165 billion at average of ₦5 billion per Local Government Council. The table below shows how

State Government deducted the
Local Government Statutory

Account/Revenue in different years
in Plateau State.

Table 1: The total deductions at source from LG Funds by Plateau State Government (March 2014-March, 2015) (Billions).

LG	Gross	Total Deduction	Net Allocation
Jos North	437.1	165 (37.7%)	272.1
Jos South	504	325 (64.5%)	179
Bassa	627	300 (47.81%)	327.2
Jos East	390	156 (40.0%)	234
BarkinLadi	444	207.7 (46.0%)	236.4
Riyom	410	143.1 (35.0%)	266.3
Kanke	420	161.2 (35.0%)	259
Pankshin	540	314 (58.1%)	226.3
Mangu	550	356 (71.2%)	144.2
Wase	753.2	339.4 (45.1%)	414
Langtang South	31.2	213.4 (49.5%)	218
Langtang North	343.1	167.3 (48.8%)	176
Shendam	646.1	293 (45.3%)	353.1
Mikang	501	207.3(41.4%)	294
Kanam	364	198 (54.4%)	166
Quaan Pan	419	183 43.6%)	236.3
Bokkos	487.1	192.4(39.5%)	295

Source: Plateau State Account Allocation Committee report (2016) Ministry of Finance

The result from the table above shows that there exists a huge deduction of the Local Government Statutory Allocation coming from the Federal Account in Nigeria. The table Show that 17 Local Governments in Plateau State have experienced a huge deduction of their statutory allocation (from March 2014-March 2015) which ranges from 35.7% and above. It is also observed that during that period 16 local government have experienced 45% deduction and above. Furthermore, we observed that the least total deduction was 35% (in Riyom and Kanke, local government). In addition, between 2014 and 2015, out of the total amount of revenue allocated to the local government (N 13.3bn), the state governments deducted 48.8% of the funds which is almost half of the total revenue allocated to the LGs. So this implies that operation of SJLGA has encouraged a lot of deduction by the state government. The state government made this possible by devising laws and measures to legalize these deductions.

(b) In the course of the study, it was found out that the practice of the SJLGA has prevented the local government areas in Plateau State from rendering effective services to the people; and this pose a major hindrance to performance of local government areas. This also flows with the perception of Ojugbeli & Ojo (2017) who also averred that the excessive deduction of local government funds by most of the state governments have damaging effects on the existence of Local Government as the third tiers of government. As the third tier of government, the local government has some functions and responsibilities to perform as stipulated in the 1999 constitution. All these functions cannot be effectively performed without adequate financial base. The huge deductions by the state governments have crippled the performance of local government.

- (c) In the course of the study, we found that the operations of state joint local government account has led to the increase in the underdevelopment of most local government areas in Plateau State. This is also in line with the study of Ezeji (2017) who stressed that, “allowing the state Joint Local Government Account to still exist is antithetical to the much desired sustainable development at the local level.” The deduction of the statutory allocation, meant for the local government in Plateau State makes the achievement of development very difficult. This has contributed to increase in poor infrastructures, low standard of living, low human resources development and many others. This is why Ogunna (2006) posited that “for the local government to serve as a powerful instrument for rapid rural transformation, it should possess a solid financial base.” The hope for rapid and sustained development at the grassroots is a mirage because of Joint-State- Local Government Accounts

Conclusion

The essence of the establishment of the state-Joint-Local government Account in Nigeria is to encourage room for the judicious use of fund given to local government areas and as well promotes development at the grass root level. The intention of its creation for long has been distorted by sumptuous of anomalies such as the contradiction in the provision of the constitution; most especially section 162,7&

8 and acts such as lack of autonomy to the local government as the third tier and the imposition of the so-called caretaker committee system. These practices has deprived the local government system the chances of growth and development which it was created to provide.

The incidence in Plateau state is worrisome and highly sympathetic. The over deduction of the fund which were meant for local government areas has become a tradition by the state government and has impacted negatively on the performance of the local government areas in the state. The function stipulated by the constitution in the fourth schedule were mostly left undone; the environment were not only unattractive but the six existing department in the local government only provides epileptics services. The role of the local government such as the construction of feeder roads, culverts, drainages, slaughter houses, street lights and many others have been shifted to the communities and NGOs.

The operation of SJLGA has done more harm than good to the local government system in Nigeria. The practice has negatively affects the transformation of the rural areas. Instead of fostering room for development, it has tied the local government at the mercy of the state government and as well opened room for vices such as inappropriate deduction, diversion, embezzlement, poor performance and poor service delivery in the local government system in Nigeria

Recommendations

The following recommendations were proffer:

- a. There is the need for the abolition of the state joint local Government account. This

should be done by amending some of the sections of the constitution (most especially section 162 (1)-(6).)

b. In a situation where the state joint local government account cannot be abolished, there is need to adopt a policy or law that would help to punish any erring state governor that abuse the statutory allocation of local government.

c. There should be a separate independent agencies empowered by the law to inspect the spending of local government fund in order to ensure accountability and transparency.

d. The Nigerian constitution should define in practical terms the federal system or layout which the country is operating. Is it centripetal or centrifugal federalism? The kind of federalism defined in the constitution is self-contradictory. Section 162 and section 3 were not at par with each

other. The joint account and the podium for the practice of elective structure at the Local Government level

e. The elusive theory and culture of local government autonomy need to be implanted and well ingrained in the Nigeria Local Government System. This will enable Local Government Areas to be self-directing, sovereign, and self-governing. With this, the specified functions in the schedule 7 of the 1999(as amended) constitution would be carried out in practical term and application.

f. The Local Government System in Nigeria needs to be captured in the electoral reform. This would help to check the rate at which most state determine when and how election are to be conducted in the local Government Area. When the power is extended to INEC, the excess of the state government will be checked and controlled as it is practiced in developed societies.

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