



State-Local Fiscal Relations and Rural Development in Taraba State

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Abstract

State-Local fiscal relation is an offshoot of Intergovernmental Relations (IGR) which primarily focuses on the interactions among different levels and types of governments. The main thrust of this paper is to examine State-Local fiscal relations and rural development. Although the local government is found wanting due to the meddling of other tiers of government on its activities, especially, the state government hence, the desirability for effective relations and not the 'master/servant relationship'. The study used primary and secondary data to achieve its objective. 361 copies of the questionnaires were administered to three (3) sampled local government from each of the three senatorial zones) with only 294 retrieved which represent 81% of total respondents. The data were presented in tabular and percentage frequency. Theory of Cooperative theory of IGR which was developed by Elazar is adopted as framework of analysis which centers on interactional (friendly), cooperative as well as mutual and symbiotic. The findings indicates that the traditional focus of IGR in Nigeria today is challenged because the political, financial and administrative autonomy of the 774 local governments is needed to enable the local governments achieve its objective for effective grassroots development. The Joint account should also be expunged to give the councils the breathing space to develop as well as the case of the sharing formula addressed while the Local Government seems to be corrupt and wasteful, the highhandedness of the governors who make the councils vulnerable and bullied must be checked by constitutional framework

Keywords: State-Local Fiscal Relations, Inter-governmental Relations, Local Government, Autonomy. Rural Development

Introduction

Inter-governmental relations are implemented at the international level in federalist countries such as Canada, Australia, Germany, the United States, Argentina, Brazil, South Africa, Namibia, and Nigeria, among others. Globally, federalism necessitates the combination of self and shared rule. It

accommodates multi-level governance that authorizes autonomous political units to perform its peculiar functions within a political structure (Adedire, 2014). This goes further to mean that sub-national government needs independence to function effectively. Depending on how federalism is defined, close to 40 per cent of the world's population live in federalist countries and there are approximately 33 federal countries around the

world, although this number varies over time (Charter Change, 2019). Local government has been acknowledged around the world as being critical to the quick development of localities where national and state governments may be unable to reach (Ogbonna and Ofuebe, 2021). Sadly enough, the state governments have continued to encroach upon what would have been the exclusive preserve of local governments thus, the persistent call for local government autonomy (Eme & Edwin, 2013). This is why Obiora (2012) contended that local government administrations are expected to play a pivotal role in the achievement of this objective. As a result, the Nigerian local government system has undergone modifications in order to become more responsive to the demands of the people, particularly at the local level with the 1976 Reform being the first significant step that ushered uniformity in structure and operations. The Act which established the state Joint Local Government Account (SJLGA) was passed in 1981 by the National Assembly under the President Shehu Shagari administration but the eventual domestication and implementation of the provisions of the Act by the states in the federation only took effect in the early years of the fourth republic which came onboard when state House of assemblies passed the SJLGA laws to give effects to that constitutional provisions, It is interesting to note that Section 7(6) of the Nigerian Constitution, as amended, provides for the statutory allocation of funds to Local Government Councils in a State from the Federation Account System, into which shall be paid all allocations to the Local Government Councils of the State from the Federation Account and 10% of the internally generated revenue of the State Government.

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Additionally, Section 162, Subsection 7 states that "each State shall pay to Local Government Councils of a States" and that "the amount standing to the credit of Local Government Councils of a States shall be distributed among the Local Government and in such manner as may be prescribed by the House of Assembly of the State." according to the Federal Republic of Nigeria's 1999 Constitution. The establishment of Taraba State in 1991 included 16 Local Government Areas. Given the fiscal tension over the years, particularly from 2015 to 2022, when Local Government Areas were perceived to be less effective than they were before 2015, because the relationship with the councils has not always been cordial. A joint state-local government account that the former controls, excessive state interference, unconstitutional removal of local government chairmen, a reduction in the tenure of office for local government chairmen, and what the states perceive to be an effort by the federal government to interact directly with local governments are all examples of the unhealthy fiscal relationship between the state and local governments (Cinjel, 2022). Therefore, this paper's main focus is to look at the influence of State-Local Fiscal Relations on rural development. The goal of this will be to look at the difficulties and the best course of action.

Statement of problem

The implementation of the State Joint Local Government Account System in Nigeria is one of the purported fundamental challenges of State/Local interactions. The State Government is accused of making arbitrary

deductions from the local government's statutory funding, which has a knock-on effect on local council productivity and is believed to constitute a barrier to rural development. The "Joint Account" clause between the state and local government councils appears to pose a significant threat to the independence of those councils' finances. Because the federal government takes the largest portion, followed by the state, and the local government gets the smallest amount, the difficulty of finding an acceptable formula for allocating resources among Nigeria's three tiers of government has persisted. But how can the Federal and State receive 52.68% and 26.68% of the total money, respectively, while Local government receives 20.50%. to pay regular wages, prosecute vital infrastructure health centers, rural roads, offer pharmaceuticals, and portable drinking water as the government that is closer to the masses. The unfavorable revenue sharing formula has been a problem, causing stress and conflicts of interest, with no solution found. The issue of tax jurisdiction, which relates to which branch of government should collect what taxes over a certain area among the Federal, State, and Local Governments, is another difficult issue alongside the idea of derivation, need, natural interest, or landmass. Local governments continue to stagnate because they receive the least amount of tax income. Moreover, the quantity has occasionally decreased.

Delays in sending federal appropriations, which are sometimes blocked by the state government, have put considerable strain on the local government's ability to finance some important policies and programs. It is blatant dishonesty to practice federalism without using actual fiscal federalism. The local

government is recognized as the third tier of government under Section 7 of the 1999 Constitution, and is required by law to offer improved services to the general public. Yet, they are faced with financial difficulties from the state government. President Mohammadu Buhar recently stated in November 2022 that this is a concerning behavior that the center (federal government) should denounce. Scholars and administrators have previously discussed a variety of conflicts between the state and local governments, but nothing has been done to address how to resolve such tense interactions in Taraba state; this fills that vacuum. In light of this, the following list of specific research questions was proposed to direct the investigation:

Research Questions

The study attempts to provide answers to the following research questions;

- i. Does State-Joint Local Government Account affects rural development in Taraba State?
- ii. Does the Taraba State government release the monthly allocation to Local Government Areas regularly?
- iii. What are the possible measures that can be taken to ensure effective fiscal relations between the State government and Local governments in Taraba State?

Objectives of the study

The main objective of the study is to examine the State-Local fiscal relations and rural development in Taraba State. In view of the issues raised above, the specific objectives are to:

- i. Examine how State Joint Local Government Account affects rural development in Taraba State
- ii. Assess how frequent the Taraba State government releases the monthly allocation to Local Government Areas regularly?
- iii. Recommend possible measures that can be taken to ensure effective fiscal relations between the State government and Local governments in Taraba State?

Research Hypotheses

Based on the research questions, the following hypotheses were formulated:

Ho: Fiscal challenge has not significantly impacted on rural development in Taraba State

H1: The State Joint Local Government Account has affected rural development in Taraba State.

Significance of the study

This study has both empirical, theoretical. Theoretically, the work is significant because it has added to the gamut of literature base on State-Local fiscal relations, rural development and Local government autonomy in Nigeria. It will also serve as a framework for further researches on State-Local fiscal relationships. It will no doubt be able to provide scholars and practitioners of local government with new knowledge on the impact of State Joint Account on the administration of local government. Also, the study will serve as a source of secondary data for future researches on State-Local Fiscal relations in Nigeria.

Empirically, the findings will to a large extent present definite finding on the frosty fiscal Relationship that undermines Local Government autonomy. Practically, this study

will provide policy makers, practitioners of local government, opinion leaders, and experts with policy options on the best way to enthrone democratic governance at the grassroots level in order to enable the delivery of amenities to the people by their elected representatives that will be accountable to them. This is because the use of State Joint Account system has made it very difficult for the local governance to achieve the objective for which it was created.

Scope and Limitation of the Study

The scope covers State-Local fiscal relations and rural development in Taraba State from 2015-2012. The reason for the choice of this is because State-Local relations have experienced frosty relationship since the administration began because obtains today is not how Local government in the state were administered. The limitation of the study boils down to lack of access to records of monthly subventions to Local Government which could have added more flavours to the study. However, the challenge was surmounted by the responses generated from the questionnaire directed at staff of sampled Local government Areas.

Conceptual Clarification

The following essential concepts are clearly conceptualized in this study to contextualize their usage and meaning within the framework of this investigation. The purpose of clarifying concepts is to reduce misunderstanding in the use of terminology with many meanings and to facilitate logical flow of analysis. Key words such as democracy,

governance, democratic government, and corruption are used in this context.

State-Local Fiscal Relations

This is the financial relationship that exists between the state and local governments. The Governor frequently serves as the Chairman of the Local Government because of his selfish interest and issues directions as needed. The State Governors divert and occasionally mismanage the monthly allocations that are supposed to go to local governments (Togun, 2010 cited in Nwogwugwu & Olusesi, 2015). The 1999 constitution (as amended), mandated the federal government to channel resources from the federation account to the local government through the state government. This scenario has resulted in a master/servant relationship between state and local government.

Inter-Governmental Relations

Inter-governmental relations is an offshoot of federalism which outlines avenues through which each layer of government relay with each other with each having outlined functions. In this regard, Asaju, (2015), contended that, there are some basic features that distinguish a true federal system from other political system, namely: there should be at least two levels of government as well as the division of power and authority between the two (i.e. federal (central) and regional (state) governments]; Each of the level of government is coordinated and independent; Both the federal and state government derives their powers from the constitution which is not only written but also rigid; the supremacy of the constitution. Eze (2016) differently see inter-governmental relations as a series of legal, political and administrative relationship established among units of government and

which possess varying degrees of authority and jurisdiction autonomy.

Local Government

Olisa, et. al., (1990) defines local government as “a unit of government below the central, regional or state government established by law to exercise political authority, through a representative council within a defined area”. This definition did not stipulate the method of constitution of the representative council, that is, whether they should be selected or elected.

The guideline for the Reform of Local Government in Nigeria (1976:1) aptly captures the essential features of local government. According to the “Guidelines”, Local Government is:

Government at the local level exercised through representative council established by law to exercise specific powers within defined areas. These powers should give the councils substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and ensure, through active participation of the people and their traditional institutions that local initiatives and response to local needs are maximized.

Implicit in the above definition is the fact that local governments enjoy considerable autonomy in the preparation of annual estimates or budgets, the hiring, control and discipline of their own staff subject to a certain

upper limit and the execution of certain projects” (Ozor, 2003).

Inter-Governmental Fiscal Relations

Ejeh & Oropko (2014) conceptualized intergovernmental fiscal relations as the financial relationships that exist between tiers of government. The implication of their position is that tiers of government in a federal structure enter into financial relationships which are necessary for their survival. As powers are shared among tiers of government, responsibilities are shared and thus powers regarding to the sharing of the entire wealth and utilization of the funds of the country is equally shared among the tiers of government while Oni (2013) posited that intergovernmental fiscal relations suggest a legal arrangement describing the distribution of revenue among the different levels of government in a federal structure.

Wheare, (1963), cited in Ewetan, (2012) advanced that fiscal federalism demands that each level of government should have adequate resources to perform its functions without appealing to the other levels of government for financial assistance. The implications of Wheare’s assertion is that in fiscal federalism, each level of government should possess enough resources necessary for the performance of its duties, without depending on the aid of another level of government for the performance of such duties such as; Federal-state relations: Federal-State-Local Relations; Federal-Local Relations; State-State (Interstate) Relations; State-Local Relations; Local-Local Relations.

Rural development

Rural development as a concept according to Asaju, (2017) is defined as a deliberate policy intervention in the rural areas aimed at improving the well-being of the people, improve their productivity capacity so as to raise their income and to integrate the rural areas with national economy for self-reliant economic development. Rural communities in Taraba State cannot be said to be enjoying the necessary infrastructures that will change the living standard of the people. The people need the presence of this infrastructures so as to feel belonged. In this sense, rural development is to physically transform a backwards community to stages represented by symbolic presence of such structures as modern building or town halls, schools, hospitals, roads, and bridge, pipe borne water, electricity etc.

Revenue Allocation in Nigeria

According to Eme & Edwin, (2013), revenues are distributed to local government councils by the Joint Account Allocation Committee (JAAC). According to the Act, any sum that is determined by the committee at any moment for distribution from the sum that Local Government Councils have to their credit under the Joint. The Joint Account Allocation Committee (JAAC) shall divide funds among the local government councils in the following manner:

- a. 40% on the basis of equality
- b. 25% on the basis of population
- c. 20% on the basis of primary school enrollment
- d. 10% on the basis of internally generated revenue

e. 5% on the basis of landmass.

However, there are several deductions allowed by the Joint Account Law and listed as "First-Line-Charges" under which include:

- Gross salary for the Local Government Education Authority
- Total Education Fund payable - Local Government Education Authority Overhead
- Amount from the Pension Fund.
- Training budget
- Traditional authorities

There is the need for the polity to have constitutionally backed sharing indices for the Federal (FG), States and Local Government Councils (LGCs). The Revenue Mobilisation Allocation and Fiscal Commission (RMAFC) is constitutionally mandated to fashion out the revenue sharing formula among the tiers of government. Revenue Allocation Formula in 1992 was bequeathed to democratic government in 1999. has the following features: FG 48.5%, State 24%, LGCs 20% and Special fund 7.5% (which was distributed: FCT 1%, Ecology 2%, Stabilisation 1.5% and Natural Resources 3%).

As an option, former President Obasanjo through an Executive Order gave FG 56%, States 24% and LGCs 20%. But later reviewed with some adjustments by fraction where the FG had 54.68%, States 24.72% and LGCs 20.60% because of public outcry (Onuigbo & Innocent 2015).

Theoretical Framework

The study adopts the Cooperative theory of Inter-Governmental relations propounded by Elazar in 1987 cited in Cinjel, (2022). The theory basically pushes towards the need for a complementary role among levels of government prior to the great depression period preceding the First World War. The theory basically advanced that the tiers of government (levels/organs) should have a paternalistic relationship. The tenets of the theory outlined that:

- i. Relationship should be interactional (friendly)
- ii. There should be cooperative relationship amongst the various tiers of government
- iii. Governmental relationship should be mutual and symbiotic.

The theory is apt for this paper because it exemplified the process of simplifying tensions. The application of the theory is rooted in the fact that inter-governmental relationship in Nigeria has never been without friction especially fiscal relations that has to do with revenue/ tax generation, and federal allocation to various tiers of government. Monthly subvention to local government on Nigeria has been highly contentious because of the 20.60 percentage allotted to the local government and the need for rural development while the federal and state government takes the lion share.

Instead of the state and local government having an interactional, cooperative and mutual relationships, the opposite has often times been the case. This unhealthy relationship has to an extent hampered the vibrancy of local government administration and in effect, rural development. It is instructive to note the

aforementioned friction can be resolved if distinction is applied in conflict resolution where joint goal is pursued for national interest. The need for collaboration is needful to ensure that local government are given a sense of belonging through Aid, local grant, financial advices and project intervention to cushion the effect of poverty at the local level.

The effects of State /Local Government Joint Account System on rural development

Under the 1999 Constitution of Nigeria, the SJLGA is a special account maintained by each state government “into which shall be paid allocations to the local government councils of the state from the Federation Account and from the Government of the State” (Section 162 (6), 1999 Constitution of Nigeria). The Account is meant to be a mechanism that can implement the notion of ‘fiscal federalism’ at the local government level in Nigeria. Section 162 of the Constitution also provides for how public revenue shall be collected and distributed among the three tiers of government in the country. Despite the advantage of pairing the local governments with the states, the disadvantage of the concept far outweighed the advantages because local governments have turned out to be ineffective due to shortage of funds and the withholding of their allocations by the state government.

Most state Governors through impunity in the name of state joint local government account have converted local governments to a gold mine and their interference became abysmal and detrimental to local government productivity most especially in the area of grassroots

development. Onah, (2004) & Ezeani, (2012) observes that the interference in the local government statutory allocations by the state governments reasonably accounts for the inability of the local governments to initiate and execute development programs or projects. This is evident in Taraba state given the negligence of the council by the state government.

State Governors and Rural Development

Political interference: by state governors deliberately create problems for local governments so that they can underperform in their statutory functions. Often times, many state governors plant or sponsor their stooges to become local government chairmen. This is similar to political godfathers who sponsor local government chairmen and councilors. The governors do this to enable them have every access to the finances of local government councils. The idea is that by influencing the choice of local government chairmen, it would be easier for the governors to manipulate and have say on how local government money is deployed.

Worrisome is President Muhammadu Buhari's recent stance on state governors in Nigeria suppressing local government development. The President made this statement at a gathering for students from the Kuru campus of the National Institute for Policy and Strategic Studies' Senior Executive Course 44 (2022). That:

It boggles the mind how some state governors would collect funds on behalf of council in their states, only to send half of that allocation to the council chairman, who would further deplete the remittance by additional theft of public funds. Such conduct was really

reprehensible and exemplifies the extent of corruption in the nation. Speaking from personal experience, as the Chief Executive of a state and an educated and qualified lawyer, I can speak to how local governments were treated and what they did. Let's assume that the amount of money going to state governments from the federal government is N100 million. The chairman will receive N50 million along with a letter acknowledging receipt of N100 million, which he will sign. The governor will keep the remaining funds and distribute it to anyone he pleased. The local government chairman will then choose how much he needs pay in compensation, and development is doomed. The salary payments will be made, and the remaining funds will be placed in his pocket. This is what is taking place. It's sad that this is happening in Nigeria. You cannot claim that the perpetrator of this misconduct was uneducated despite the fact that he was a licensed attorney with years of expertise. Therefore, it comes down to conscience, no matter where we are. As a leader, you sit here knowing how much the nation has given up to educate you and prepare you for leadership. The most important factor is personal. May God help us (The Punch, 2 December, 2022).

The rules passed by the State houses of Assembly to implement the State Joint Local Government Account (SJLGA) most have necessitated the ugly situation pointed out by the president who promised to tame corruption upon resumption of office in 2015. Laws are frequently skewed in favor of certain interests, aggravating the councils' already precarious financial situations. More so, state government members serve as the Joint Account Committee's principal officers, under

the direction of the State Chief Executives, with little to no oversight from the State Legislature.

The Council Chairmen, who are the statutory proprietors of the fund as the chief financial executives of their Local Governments, have little to no authority over it while the Joint Account Allocation Committee did not even have representation for the majority of Local Government Councils (JAAC) because prior to sharing, the Council, which serves as the main accounting officer of each Local Government, was never informed of the amount that accrued to its councils each month from the Federation Account.

The FAAC made significant source deductions from each Local Government Council's allocations under the guise of joint projects or other fabricated justifications which often leads to complains. The council chairmen who had the guts to speak out against the unjustified reductions in their councils' statutory funding State Governors threatened anybody who dared to question the joint account allocation committee's (JAAC) actions, and some even had their jobs removed from them for questioning the dubious operations. The SJLGA provisions have been utilized by state governments, who are constitutionally mandated to support local government councils, to hold local governments hostage and reduce them to mere appendages of the state, effectively depriving the local government councils their financial independence (Okafor, 2010). It is however crystal clear that the State Government, acting through the Joint Account Committee, not

only withheld some of the Revenue Allocations that were due to Local Government Councils in the States, but also occasionally completely withheld them.

Empirical Literature Review

Ikeanyibe, et al., (2019) conducted a study on Model and determinants of state-local governments' relations in Nigeria. The study investigated not only the factors that determine state-local relations in Nigeria but also examine the extent to which constitutionalisation of local government as a third tier government has or has not helped to ensure cooperative and interdependent state-local relations. The study suggests that the lower forms of IGR in a federation (e.g. the state-local IGR), largely depend on the super-structure, which is that between the federal government and the lower tiers. The implication is that the level of autonomy enjoyed by local governments largely depends on the level of autonomy the states themselves enjoy

A study by Anayochukwu¹, G &, Anayochukwu, V., (2021) examines critically the opportunities and problems, which confront the Nigerian local government system in its efforts to establish itself as a true tier of government. The objective of the study was to investigate the level of autonomy in Nigeria local government system, and proffer solutions. The findings revealed that there were constitutional loopholes or contradiction that tends to provide the impetus for the unscrupulous state of officials to nurse the inordinate desire for hedging in the local government left, right and center.

Ecoma & Ecoma (2018) evaluated fiscal federalism and good governance in Nigeria since Independence. Since it is fundamentally true that the challenges of fiscal federalism are enormous in Nigeria, the paper attempted to look into the importance of fiscal federalism for good governance in Nigeria. The study noticed that the principle of fiscal autonomy and fiscal integrity are paramount aspects of the survival and continued existence of a truly federating system of government but replete with challenges of fiscal federalism could be in form of a mismatch between revenue sources and functions of the various tiers of government and recommended that the distribution of revenue should encourage each State and Local Government to improve internal revenue generation, as well as the devolution of fiscal power and responsibilities to component units.

Methodology

This study adopted the survey design which involves the collection of both primary and secondary sources of data. The choice of survey is based on the reasons that it is; Cost effective: extensive: flexible and dependable. The population of the study is 6200 which comprises of staff of three sampled Local Government Areas from each of the three zones; North (Jalingo; 1045), South (Wukari; 2957), Central (Bali2, 198). Krejcie & Morgan (1970) statistical tool is used to determine the sample size. A purposive sampling technique was used to select respondents. A population size of 6,000 has a corresponding sample size of 361 at 95% confidence level and 5 % margin of error as

stated above using the formula. In this regard, the sample size for this study is 361.

Reliability of the Instrument

In an attempt to measure reliability of the research instrument, the questionnaire was subjected to a pilot test by distributing 20 copies of the instrument to people in Jalingo local government area based on convenience method. The Cronbach's Alpha for internal consistency of the items of the questionnaire was conducted using the reliability procedure in Statistical Package for Social Sciences version 25. The values of α range from 0 – 1 hence, the closer the value of α to 1, the more accepted the reliability of the data (Fisher, 2010).

According to George and Mallery (2003), the rule of thumb that is generally acceptable is The result indicated that the instrument had a good internal consistency based on the Cronbach Alpha Coefficient value reported at 0.856. This implied that the questionnaire was validated as reliable.

as follows:

$\alpha \geq 0.9$ = Excellent (High – Stakes testing)

$0.7 \leq \alpha < 0.9$ = Good (Low – Stakes testing)

$0.6 \leq \alpha < 0.7$ = (Acceptable)

$0.5 \leq \alpha < 0.6$ = (Poor)

$\alpha < 0.5$ = Unacceptable

The test to determine the internal consistency of the research instrument was conducted on the retrieved questionnaire with the aid of the Cronbach Alpha Reliability procedure

Table 3.1: Reliability Statistics

Cronbach's Alpha	Number of Items
.856	20

Source: Field Study, 2022

Hypothesis Testing and Interpretation

Regression coefficient

Table 4.8: The Regression Coefficient on the effects of the State-Local fiscal relations and rural development in Taraba State

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.866 ^a	.750	.748	.37241	1.861

a. Predictors: (Constant), SJA, FC
b. Dependent Variable: Rural Development

In accordance with table 4.8 above, the coefficient of determination stands at 0.750 which signifies that 75 percent of the dependent variable (rural development) can be predicted by independent variables (Fiscal challenge and State Joint Local Government Account). This is with an accuracy of 75% considered reliable and effective. It was also found in a research conducted by (Warrell & Jacobsen, 2014) that having a respectable R^2 of 0.50 and above in a study means that, variables are rightly selected and measured hence, the model is not miss-specified.

R square ranges between 0 and 1 where $R^2 = 1$ indicates that the model exactly explained the variability in Y, on the other hand when $R^2 = 0$ indicates that the model does not explain any variability in Y and R^2 value of 0.5 is usually

considered effective or respectable relationship (Warrell & Jacobsen, 2014).

The adjusted R square is 0.748 which shows that model is more than 0.60. The Durbin-Watson value shows no auto correlation among the selected respondents for this study as the value falls in a range of 1.5-2.5. Therefore Additional analysis will be on coefficients where the range of alpha value of 0.05, 0.001 or 0.01 is used to explain the significant of the variable.

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	120.847	2	60.424	435.678	.000 ^b
	Residual	40.358	291	.139		
	Total	161.206	293			

a. Dependent Variable: Rural Development						
b. Predictors: (Constant), SJA, FC						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.145	.070		2.084	.038
	FST	.181	.036	.203	5.003	.000
	SJA	.541	.148	.331	17.604	.000
a. Dependent Variable: Rural Development						

As shown on the table above, the beta coefficient value of Fiscal challenge (C) is .203 with a significant value of 0.000 which is lower than 0.05, hence, Fiscal challenge (FC) is found to have a positive significant effect on rural development. This implies that when all other factors are held constant, a unit increase in Fiscal challenge increases rural development by 20.3 percent.

Furthermore, State Joint Local Government Account beta coefficient value stand at .331 with a significant value of 0.000 which is lower than 0.05, we infer therefore, that State Joint Local Government Account is found to have a positive significant effect on rural development. This implies that when all other factors are constant, a unit increase in State Joint Local Government Account increases rural development by 33.1 percent.

Discussion of Major findings

The findings of this study revealed that the intent of the creation of the State/Local Joint Account was good as it was meant to control the excesses of the Local Government Chairmen in the first place. However, Local

Governments in Taraba State have been stifled by state governments using the instrumentality of joint account thereby; starving them of monthly subventions those poses fiscal challenge for rural development. This finding is incongruent with the position of President Mohammadu Buhari that state governors are engaging in corrupt practices by denying the councils of their funds (The Punch 2 November, 2022). The position of Abdullahi, A., et al, (2018) and Onah (2007) also corroborated this view that the amount of financial resources available to a level of government in a federation determines the degree of power it wields in its relationship with other tiers (s).

Local governments in Taraba state today do not receive regular salary mostly due to the mischievous attitude of the Ministry for Local Government and Chieftaincy Affairs under the directive of the governor. They are owed between three and four months. State Joint Local Government Account, therefore, provides the framework where local government funds are channeled to the coffers

of State Government. This is in line with the submission of Okpata (2005) that the 'Joint Account' gives the state government 'the leeway for financial manipulations of the local governments'. It should be noted that the failure of the constitution to prescribe an elaborate, explicit and standard procedure for administration of State Joint Local Government Account was exploited by the state government to manipulate the Joint Account in a manner that impeded the financial autonomy of local government Councils. This finding is similar to Abdullahi, A., et al., (2018) who reported that Nigerian local governments generally have not been up and doing in terms of efficient and effective social service delivery to the grassroots which is evident from poor and deteriorating public school buildings, poor market facilities and above all is the dilapidated healthcare centers ranging from basic modern equipment, basic infrastructural facilities, hygienic environment and up to lack of sufficient number of personnel nurses, doctors and lab attendants that could attend to the needs of people because of high degree of external influence and interference by the state government which have rendered their performance woeful (Agba, 2006, Olusola, 2011).

The nature of IGR between State and Local Government does not reflect the letters of the constitution. It is more or less Master-Servant relations in which the Local Government subsists at the mercy of the State Governments as an appendage. It is government like others with functions constitutionally set aside for it to perform. The Local Government has however been turned into the status of a

servant of the State Government through abuse of supervisory powers.

Summary

Local government in Taraba state has been at the receiving end of fiscal deficit to state government highhandedness and lack of frequent payment of monthly salaries to the extent of being owed for three or four months as the case may be. This paper has shown that intergovernmental relations in Nigeria has steadily grown in theory but decline in practice as a means employed by governments in delivering services to the citizen. There is no doubt that local government councils are in the best position to play a major role in the grassroots development of our society but such aim have been stifled by state governors who are strongly against Local Government autonomy. State--Local fiscal relations in Taraba state is a very frosty one given the dominant role of the state over LGAs. State-Local relationship as pointed out by Ayode (2008) is of principle and an agent. However, mostly during the civilian administration or democratic era, government fund from federal to local level are constitutionally channeled to the local government through the state government but many local governments complained of lack of such from the state thus, unable to pay regular salaries, this is why LGAs are owed for months.

Conclusion

This paper has tried to examine the current position of local government in Taraba state and as well established that the system is

currently entwined between federal and state powers that have left the local government with little or no decisional financial autonomy. The 1999 constitution has not really helped the matter as it did not give any meaningful constitutional role to local governments in the national development pursuit. The two sections that are related to local government, section 7 and the fourth schedule, are inadequate in terms of the role that a third tier of government is expected to perform in a democratic system

Recommendations

To achieve full autonomy and viability of the local government in Nigeria, there is need for necessary measures such as:

- i. It is necessary that local governments should be allowed full autonomy to function as a government with minimal control from the state governments. What obtains today is a practice that suffocates LGAs and render them ineffective due to undue interference from the state
- ii. The joint account has placed the councils in bondage thus, should be abolished or expunged from

the constitution to forestall financial abuse by state government which has left the local governments at the mercy of the state. .

- iii. The illegal capture of local government is orchestrated by the state governor, tolerated by state legislators, and perpetuated by its local beneficiaries. These elites habitually rig local elections in favour of the party in power and by extension, stifle rural development.
- iv. The state government should strictly adhere to fiscal transparency, accountability and constitutional provisions on fiscal relations so as to ensure prompt payment of salaries to LGAs.
- v. Efforts should be made to ensure a radical review of the functions of the local government in the constitution. Such review should take cognizance of the responsibilities of the local government and ensure that the funds meant for the local government are released to them on time.

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