



Fiscal Federalism and Performance of the Local Government on Basic Infrastructural Development in Enugu State

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The study examined the Fiscal Federalism and Performance of the Local Government on Basic Infrastructural Development in Enugu State, Nigeria. Specifically, the study sought to: ascertain the effect of Fiscal Federalism on the provision of primary health care services; examine the effect of Fiscal Federalism on the provision of portable water supply and determine the effect of Fiscal Federalism on the provision of rural electrification Programme by the local government administration in Enugu State. The study adopted a descriptive survey design. The researcher made use of primary and secondary data sources. The population of the study was 820,200. The sample size of 625 was determined through the use Taro Yamane formula. Chi-square test was used to test the hypotheses. The finding revealed that Fiscal Federalism had a positive effect on the provision of primary health care services by the local government administration in Enugu State (based on the F_{2cal} value of 357.230 and P-value of 0.00), that Fiscal Federalism has a positive effect on the provision of portable water supply by the local government administration in Enugu State (based on the F_{2cal} value of 258.945 and P-value of 0.60,) and that Fiscal Federalism has a positive effect on the provision of rural electrification Programme by the local government administration in Enugu State (based on the F_{2cal} value of 181.629 and P-value of 0.00).. The study concluded that Fiscal Federalism affected on the ability of local government administration in Enugu State to deliver basic primary health services, portable water supply and rural electrification Programme in Enugu State. The study recommended among others that the local governments' sources of revenue/revenue jurisdiction should be increased by the effort of both federal and state government to enable them carry out their constitutional responsibilities without fear or favour local governments could help to provide basic infrastructural facilities rural infrastructures such as feeder roads, health center etc.

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ABSTRACT

Keywords: Fiscal Federalism, Performance, Local Government, Basic Infrastructural Development

1. Introduction

The most important function of a legitimate and responsible government at all levels is to bring about socio-economic development through adequate provision of socio-economic infrastructure for the citizenry. The fiscal arrangement within the federation should be able to provide a veritable ground for the federating units to enable them to discharge their constitutional responsibilities effectively (Olabode & Ajibade, 2019). The Nigerian federal system plays a preeminent role in the distributive process. The truth is that the development of a distributive approach to federalism in Nigeria represents the political corollary and institutional response to the country's economic statism and ethnic pluralism. In the view of Olulu & Udeorah (2018), Nigeria is a plural country that can be aptly classified as a federal state. The dismal performance of the public sector since the first half of the 1980s has brought to the front burner the issue of fiscal federalism which has remained dominant and most contentious in Nigeria's polity, especially at the local government level (Ewetan, 2015). Fiscal federalism means the division of government functions and financial relations among levels of government. It also refers to the principles of government that defined the allocation of fiscal power and responsibilities to the various tiers of government, while fiscal decentralization is the actual practice of the principle of fiscal federalism. It is expected that fiscal federalism would rather serve as a tool for local government administration in Nigeria to provide infrastructural development.

Local governments all over the world are the closest tier of government to the people. This government deals and interacts with the citizens at the grassroots. Nigeria also, as a nation is not left out. The local government in Nigeria plays a role in the development of the nation. Local governments in Nigeria should have benefited more from fiscal federalism which would aid the accomplishment of these roles. Granting expanding financial jurisdiction, and sufficient revenue sharing formula to local governments in Nigeria would serve as an aid for the socio-economic development of the nation (Ebiziem & Obi, 2015). But the experience in Nigeria shows that local governments have not been able to embark on infrastructural development in their areas or domains without appealing to the higher levels of government namely, federal and states. This is a result of unmatched functional responsibilities with financial strength or capabilities and restricted revenue jurisdiction by the local government among others (Duruibe, Akujuobi, Nwabeke & Emenalom, 2019).

Since the majority of the local councils in Enugu State lack the capacity to raise Internally Generated Revenue (IGR) to a reasonable level, due to skewed revenue sharing formula and limited tax jurisdiction, it has to depend upon the federal allocation for her performance as it relates to the provision basic health care services, portable water supply as well rural electricity project (Shiyanbade, 2016). The inability of the councils therefore to generate revenue meant for its continued functions and operations had largely contributed to its total reliance and dependence upon the federal statutory allocation to remain relevant as a tier of government in the Nigeria federal system. The lack of adequate funds affects the operation of the local councils, invariably painting a very ugly picture of the system. The provision of 20% for local governments in the revenue allocation formula of the federation's account remains a tragic reminder of the lack of political will to appropriately address the problem of local representations and effective delivery of services. As the government that has the most direct and immediate impact on the people, (Fatile, Fajonyomi & Adejuwon, 2017). it stands to reason that adequate funding should ordinarily be guaranteed for this tier of government. Many local governments in Enugu State are rural-based and naturally have limited capacity for internally generated revenue. This justifies the need to examine the fiscal federalism and performance of the local government on basic infrastructural development in Enugu State

Statement of the Problem

The issue of fiscal relations has been a "constant and important fiscal policy consideration in Nigeria since the country. Fiscal federalism is a very essential ingredient for the sustainability of any federation as it promotes fiscal devolution of authorities to the sub-national governments and gives them financial independence to raise revenue and spend such accordingly. It is expected that the fiscal relations will benefit the three tiers of government, however, the local government system has systematically schemed out of things in the process of revenue collection, tax jurisdiction, revenue sharing system, etc. Perhaps the most important issue in fiscal federalism is the revenue allocation formula, which involves the sharing of national revenue among the various tiers of government and the distribution of revenue among the states and local governments.

The degree of local autonomy that exists at any time has critical implications for the ability of the local governments to generate and utilize revenue for infrastructural development purposes. Normally, local governments mobilize their funds from external and internal sources, but the major source is external. The revenue from the internal sources appears inadequate for the local governments to carry out their functions and responsibilities. This insufficient fund creates fundamental problems for local government administrators in Enugu State. The most severe problem facing public institutions in Nigeria is the fiscal one, particularly in local government. This has impeded the ability of the local government in Enugu state to provide basic infrastructure to the rural communities.

The monthly allocations that are expected to be given to local government administration in Enugu State are diverted and sometimes mismanaged by the State Governors. Under the 1999 constitution of Nigeria, as amended, allocations from a federation account are channeled to the local government through the state government. This scenario created a dependency situation than an independent one between the local and state governments. In view of this, intergovernmental relations at state – local and local-state are functions of the diversity of the state. It is important to note the fiscal relationship between State and local governments in Nigeria can be described as a “master-servant relationship” rather than a partner in governance. This resulted in massive deprivation of basic health services, portable water supply as well rural electricity project to the local people.

Objectives of the Study

The broad objective of the study is to examine the Fiscal Federalism and Performance of the Local Government on basic Infrastructural Development in Enugu State. The specific objectives of the study were to:

- i. Ascertain the effect of fiscal federalism on the provision of Primary Health Care services by the Local Government Administration in Enugu State;
- ii. Examine the effect of fiscal federalism on the provision of Portable Water Supply by the Local Government Administration in Enugu State;
- iii. Determine the effect of fiscal federalism on the provision of Rural Electricity Programme by the Local Government Administration in Enugu State.

Research Questions

The following research questions were posed for the study.

- i. What effect does fiscal federalism have on the provision of Primary Health Care services by the Local Government Administration in Enugu State?
- ii. What is the effect of the fiscal federalism on the provision of Portable Water Supply by the Local Government Administration in Enugu State?
- iii. How does the fiscal federalism affect the provision of Rural Electricity Programme by the Local Government Administration in Enugu State?

Statement of Hypotheses

The following null hypotheses were formulated to guide the study.

- i. Fiscal federalism has no positive effect on the provision of Primary Health Care services by the Local Government Administration in Enugu State.
- ii. Fiscal federalism has no positive effect on the provision of Portable Water Supply by the Local Government Administration in Enugu State.
- iii. Fiscal federalism has no positive effect on the provision of Rural Electricity Programme by the Local Government Administration in Enugu State.

Scope of the Study

The study is focused on fiscal federalism and the performance of the local government on basic infrastructural development in Enugu State. The geographical coverage includes one selected local government areas in each senatorial district of Enugu State. The LGAs were: Enugu North, Udi and Uzo-Uwani LGAs. The choice of the local government was based on the fact that they represent Urban, Semi-urban, and rural settings. The unit of analysis was based on fiscal federalism affect infrastructural development which is proxied by primary health care, portable water supply and rural electricity programme

2. Literature Review

2.1 Conceptual Review

Fiscal Federalism

Fiscal federalism is a by-product of federalism. Federalism is a political concept in which power to govern is shared between national, and subnational governments creating what is often called a federation (Olulu and Udeorah, 2018). It is a political theory that is divergent in concept, varied in ecology, and dynamic in practice. The concept of federalism implies that each tier of government is coordinated and independent in its delimited sphere of authority and should also have appropriate taxing powers to exploit its independent sources of revenue. Fiscal federalism demands that each level of government should have adequate resources to perform its functions without appealing to the other level of government for financial assistance.

Olabode & Ajibade (2019) are of the view that Fiscal federalism is the transfer of functions, resources and authority to peripheral levels of government. It also relates to the “disposition of tax powers,” retention of revenue and methods adopted in sharing centrally collected revenue in accordance with the constitutional responsibilities of all levels of government. For any federation to be sustained there must be fiscal decentralization and financial autonomy. Fiscal decentralization means delegating decision-making to lower levels of government instead of concentrating it at the centre (Michael, 2015). Each level of government, therefore, should be free to take decisions and allocate resources according to its own priorities in its own area of jurisdiction. In addition, the federating units should be able to act independently on matters within their own jurisdiction. Fiscal federalism connotes a set of guiding principles or concept that helps in designing financial relations between the national and subnational levels of government, while fiscal decentralisation is the process of applying such principles. The fiscal relationships among the components of the federation explained the functions expected to be performed by each level of government in the fiscal allocation, interjurisdictional cooperation, that is the shared responsibility by the national, state and local governments, and the multijurisdictional 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 (Dee, 2018).

Basic Infrastructure

Infrastructure development is the construction of basic foundational services in order to stimulate economic growth and quality of life improvement. Most advanced economies have gone through periods of intensive infrastructure building that have improved the efficiency and competitiveness of regions. Infrastructure is the set of fundamental facilities and systems that support the sustainable functionality of households and firms. Serving a country, city, or other area, including the services and facilities necessary for its economy to function.

Primary Health Care

Akomseye (2020) argue that the Primary Health Centre is the basic structural and functional unit of the public health services in developing countries. The Primary Health Care (PHC) is the most efficient and effective way to achieve health for all because it is about how best to provide health care and services to everyone. In other contexts, primary health care has been understood as a set of priority health interventions for low-income populations (also called

selective primary health care). Others have understood primary health care as an essential component of human development, focusing on the economic, social and political aspects.

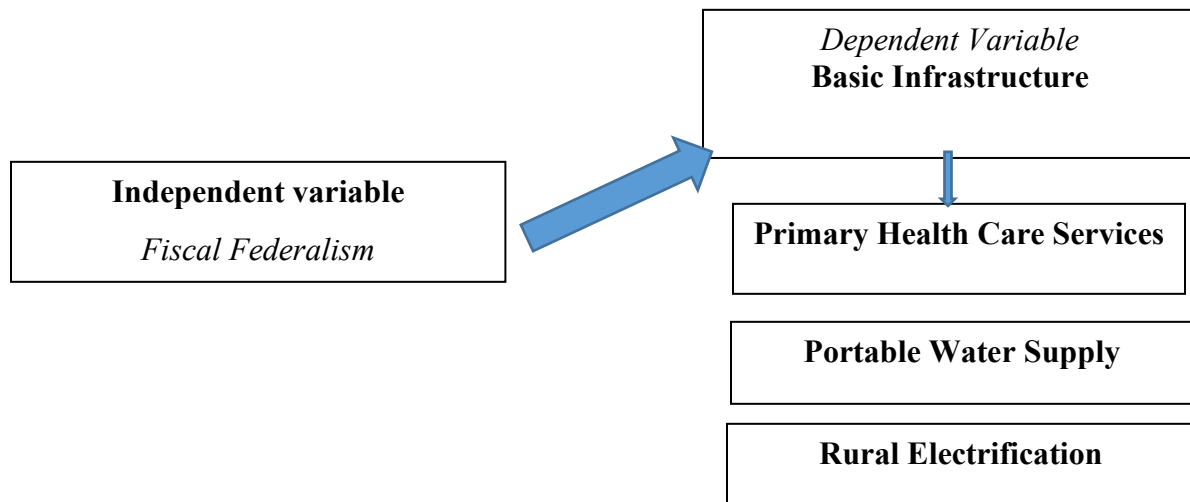
Portable Water Supply

“Potable water” simply means water that is safe to drink, and it is becoming scarcer in the world. Increasing use is stressing freshwater resources worldwide, and a seemingly endless list of contaminants can turn once potable water into a health hazard or simply make it unacceptable aesthetically ((United Nations World Water Assessment Programme) (2015). Responsibility of water supply in Nigeria is shared between three levels of government – federal, state and local (Egbinola, 2017). The federal government is in charge of water resources management; state governments have the primary responsibility for urban water supply; and local governments together with communities are responsible for rural water supply. The responsibility for sanitation is not clearly defined. Water supply service quality and cost recovery are low. Water tariffs are low and many water users do not pay their bills. Service providers thus rely mostly on occasional subsidies to cover their operating costs. Local governments have a very important role to play in protection of surface water, ground water, drinking water and wetlands, often filling in the gaps in state and federal

Rural Electrification Programme

Rural electrification is the process of bringing electrical power to rural and remote areas. Rural communities are suffering from colossal market failures as the national grids fall short of their demand for electricity (Ubani, Dekor & Neebe, 2019). Electrification typically begins in cities and towns and gradually extends to rural areas, however, this process often runs into obstacles in developing nations. Expanding the national grid is expensive and countries consistently lack the capital to grow their current infrastructure. Additionally, amortizing capital costs to reduce the unit cost of each hook-up is harder to do in lightly populated areas (yielding higher per capita share of the expense). If countries are able to overcome these obstacles and reach nationwide electrification, rural communities will be able to reap considerable amounts of economic and social development (Wocha & Ibama, 2020).

Figure 1 Conceptual Framework



Source: Author’s Conceptualization, 2022

2.2 Theoretical Framework

Fiscal Decentralization Theory

This work is based on fiscal decentralization theory as promulgated by Richard Musgrave. The theory is focused on the stabilization and distribution functions. The stabilization function contains the role of tax and spending policies and monetary policy in managing the overall level of economic activity. It is widely agreed that this macroeconomic function should be assigned to the national or federal government. This therefore means that national or federal government must have a broad-based tax suitable for the role (Musgrave, 1959).

Sequel to this, the distribution function includes the role of government in changing the distribution of income, wealth or other indicators of economic wellbeing to make them more equitable than otherwise be the case. The theory further shows that the case for regional and local redistributive policies rest on the fact that subnational levels of government provide the services most used by low-income families (Musgrave, 1959). The allocation function is government's role in deciding the mix of public and private goods that are provided by the economy or government. Each level of government may be more efficient in delivering certain

governmental goods and services. So, in attempting to match local revenues and expenditures in the allocation, concerned is about vertical imbalances (mismatches between revenue and expenditure), horizontal equity (fiscal capacity among regions), etc.

The point here is that if certain expenditure roles are assigned to a level of government, the level must have the resource to meet those responsibilities. The point here is that, taxes are the principal source of revenue for government at all levels. So, if tax collections or fiscal capacity falls short expenditure responsibilities, then that level of government must have additional taxing authority to support its expenditures (Kee, 2003, Musgrave, 1961).

This theory is suitable for this work because Nigeria being a federal state that lower levels (local governments) do not have adequate taxing powers to meet fiscal responsibilities. The truth is that fiscal responsibility and taxing power still remain considerably centralized with the federal government, giving rise to over-reliance on the Federation Account and dominant of federal government in the revenue sharing.

2.3 Empirical Review

Fiscal Federalism and Primary Health Care Services

Olabode and Ajibade (2019) conducted a study on Fiscal Autonomy and Local Government Administration in Nigeria: A study of Abeokuta South Local Government Council. The study adopted survey research design. Frequency distribution was employed for data analysis/ With responds from sampled respondents, the study observes that granting full financial autonomy to local governments will prevent the encroachment of State governments into local government affairs among other findings.

Rabi'u (2016) examined the Jurisdiction of Local Government to Generate Revenue under the 1999 Constitution of the Federal Republic of Nigeria. The study employed thematic and content analytical method. It found that over the years, there have been conflicts between the State and Local Governments in jurisdiction of revenue generation which have been known to constitution constraint in the performance of the Local Government. Despite the constitution provisions which clearly state the jurisdiction of each, some Governments vehemently refuse to respect such provisions.

Shiyanbade (2016) researched on the Relationship between Fiscal Federalism, governance and local government finances in Nigeria, focusing on the administration of local governments and other subsidiary issues on revenue generation in the country. Content was used to analyse the legal, institutional and procedural mechanisms for administration, as well as assessed the effect of intergovernmental relations on local government under federal system of governance in the

country. The paper discovered that beyond the function of revenue generation or allocation, fiscal relations influenced governance positively by creating the expediency of transparency and responsiveness in government as well as a corresponding three levels of government has responsibilities and roles to play in the lives of citizenry in order to bring governance to the grassroots.

Ewetan, Ike & Ige (2015) focused their study on an examination of relevant issues in Nigeria's Fiscal Federalism. The paper examined such issues as principles of fiscal federalism, decentralization and assignment of revenue from natural resources, decentralization and corruption, decentralization, regional disparities and national unity. Thematic analysis was employed. The study found that the practice of fiscal federalism has been contentious in Nigeria due to overbearing influence of the federal government, unevenly distribution of endowment of natural resources, the sharing of which often puts considerable strains on national unity, and also tends to generate rivalries between the constituent units of the Nigerian state.

Fiscal Federalism and Portable Water Supply

Wocha and Ibama (2020) examined the challenges of private provision of potable water in Obio/Akpor Local Government Area and its Socio-economic implications. The study adopted a cross-sectional survey, and data were collected with the use of both closed and open-ended questionnaire. It also involved the collection of the private borehole points with the use of a handheld global positioning system (GPS). Data were analyzed using the descriptive method of analysis and data presented in charts and tables. The result of the study showed that there were no specific distances maintained between borehole points, a good number of borehole locations were clustered in some parts of the study area.

Egbinola (2017) determined the trend in access to safe water supply in Nigeria. Data for the study were from secondary sources. Data on federal allocation to water resources was obtained from the budgets of the Federal Government from the Central Bank of Nigeria Annual Report (1977-2015) and financial statements for 2008. Data for household access to water supply for the thirty-six states and the Federal Capital Territory were obtained from the household demographic surveys of the Nigeria Demographic and Health Survey (2008) of the National Population Commission and the Annual Abstract of Statistics between 2003 and 2012. The paper found a decline in capital allocation for water supply, decline in access to public water supply and increased dependence on groundwater sources for domestic use in both urban and rural areas. The paper also observed high variability in urban-rural access to improved water supply.

Egobueze (2017) carried out a study on Fiscal Federalism and Local Government Financial Autonomy in Nigeria, 1999 – 2015. To critically analyze the subject, we made use of secondary data and adopt descriptive method for our analysis. Furthermore, the political economy model is adopted as our conceptual frame work. The study revealed that the suffocating position of the Nigerian State to the issue of fiscal federalism, especially the guarantee of financial autonomy to Local Government. Even, the financial autonomy of the States which are federating units is grossly limited. It is only the Federal Government that has autonomy in the Nigerian federation since the State and Local Governments depend on the Centre. In Nigeria, the subject emphasizes allocation of revenue from the centre to sub- national levels with local government being subsumed by the States in the sharing formula, which erodes the latter's autonomy.

Fiscal Federalism and Rural Electricity Programme

Oladele, Bola, Taiwo, Adebayo & Adeyemi & Ogundipe (2017) evaluated the relevance of rural electrification on households' poverty. A survey research design was utilized. The Foster Greer Thorbecke technique was used to evaluate the poverty incidence among the households. The results revealed that the mean age of the respondents was 52 years. The mean household size and farm size was 8 and 28.9% of the respondents had no formal education with majority engaging in farming as main occupation. The results further revealed that households in non-electrified communities were poorer than their counterpart in electrified communities.

Ubani, Dekor & Neebee (2019) investigated the impacts of rural electrification project in Omuma Local Government Area of Rivers State Nigeria. Pearson product moment Correlation coefficient and analysis of variance (ANOVA) were the analytical or methodical tools pragmatic for data analysis. The examination revealed that land use activities: commercial, industrial, institutional and residential were positively impacted by the rural electrification in Omuma Local Government. Discovered that there was a strong relationship between household income, employment and rural electrification. The investigation additionally shown that there was a significant difference of rural electrification impact across the communities.

Fatile, Fajonyomi & Adejuwon (2017) researched on state-local government fiscal relations and grassroots development: an empirical review of selected local governments in Lagos State. The study adopted a survey research design technique. The main instrument of data collection is questionnaire. The hypotheses were tested using Pearson Product Moment Correlational analysis of hypotheses testing with the aid of Statistical Package for Social Science (SPSS 2020). The findings of the survey revealed that revenue allocation modules between and among the three levels of government have an attendant effect on grassroots development in Nigeria and also that with proper fiscal responsibility exercised by those entrusted with public fund there will be a positive effect on service delivery.

The studies reviewed focused on fiscal federalism as currently being practiced in Nigeria, most of the study was based on content and thematic analysis while ignoring survey research design. Equally, none of the studies focused on fiscal federalism and the performance of local government on the basic infrastructure in Nigeria, it is this gap that the study will fill.

3. Method

Research Design

This study employed a *descriptive survey design*, which deals with the method, strategies, and techniques used during the cause of data collection and analyses. The choice of this design is that it allows the researcher to have a face-to-face interaction with the population and an opportunity to go to the field where information can be sourced freely.

Area of Study

The study took place in Enugu State's three senatorial zones: Enugu East, Enugu West and Enugu North. One local government each was chosen from the senatorial zones namely: The LGAs were: Enugu North, Udi and Uzo-Uwani.

Sources of Data

The researcher made use of primary and secondary data.

Primary Sources: The primary comprises of the questionnaire used in the study. It is collected by directly administering of the research instrument to the respondents.

Secondary Data: Secondary data was sourced from books, journals, internet resources, etc. The secondary data were sourced from published journals, books, articles, magazines, newspapers and other related materials

Population of the Study

The population used for the study is hereby presented in the table below;

Table 1: Population distribution of LGAS

LGA	Population	Percentage
Enugu North	326,900	40
Udi	321,700	39
Uzo-Uwani	171,600	21
Total	820,200	100

Source: National Population Commission Project 2016

Determination of Sample Size

The Taro Yamane sample size determination formula was employed to the determine the sample size. The formula is stated as follows:

$$n = \frac{N}{1 + N (e)^2}$$

Where: n = desired sample size; N = finite population size, 1 = unity and it is constant, e = error margin (0.05, 0.03, 0.04, 0.5, etc)

$$n = \frac{820,200}{1 + 820,200 (0.04)^2} = \frac{820,200}{1 + 820,200 \times 0.0016} = \frac{820,200}{1312.32} = 625$$

Sampling Technique

The sampling technique used for this study in the selection of sample population was the purposive sampling technique. In that regard, each of the sample size population was chosen for a purpose, which means the respondents were chosen for a purpose. The researcher then used purposive sampling to select respondents who were relevant to the study. To ensure the respondents were equally represented, the researcher purposively selected local government administrators, civil society organization, local government civil service commission, community leaders, traditional rulers and cabinet members, residents of the selected communities etc.

Method of Data Collection

The researcher used the questionnaire for the study. The rationale for using the instruments was because it helped to provide the researcher with relevant quantitative and qualitative data that were used to test the formulated hypotheses. The questionnaire instrument was in a 5-point Likert scale structured form (Strongly agreed, agreed, undecided, disagreed, strongly disagreed)

Validity and Reliability of the Instrument

In order to execute face validity of the measuring instruments, the instrument was validated by two expert researchers in Measurement and Evaluation in ESUT. These experts offered necessary corrections in such manner that the questions effectively address the goals of the study.

A test-retest reliability procedure was adopted. The questionnaire was administered on a group of thirty respondents in Oji River LGA. The respondents were statistically analysed using Cronbach Alpha which gave a reliability index of 0.88.

Method of Data Analysis

Data collected for the study were presented with descriptive statistic using table, frequencies and percentages, mean score. Chi-square test with the aid of SPSS version 23.0 was used to test the hypotheses.

4. Results

4.1. Data Presentation

This chapter, was divided into several parts in analyzing the results obtained. It includes the analysis of demographic analysis, Descriptive Analysis, Chi-Square Test and discussion of the results.

Table 2: Table showing the distribution and return of questionnaire

	<i>Ques. distributed</i>	<i>Ques. returned</i>	<i>Ques. Not returned</i>	<i>% of ques. returned</i>	<i>% of quest. Not returned</i>
<i>Enugu North</i>	249	243	6	40	25
<i>Udi</i>	245	229	16	38	67
<i>Uzo-Uwani</i>	131	129	2	22	8
Total	625	601	24	100	

Source: Author's compilation 2022

Table 2 above showed that 625 copies of questionnaire were distributed and 601 copies were returned, this makes it 96% instrument return rate. 249 copies were distributed to respondents in Enugu North while 243 was returned, 245 were given to respondents in Udi and 229 were returned and 131 were given to respondents in Uzo-Uwani and 129 were returned.

4.2. Data Analysis

Research Question 1: What effect does fiscal federalism have on the provision of Primary Health Care Services by the Local Government Administration in Enugu State?

Table 3: Effect does Fiscal Federalism have on the provision of Primary Health Care Services by the Local Government Administration in Enugu State

S/N	Response	SA	A	U	DA	SD	FREQ	Mean	Decision
1	The encroachment of the state on the jurisdiction of the Local Government as far as generation impedes of health care delivery	150	205	25	151	70	601	3.4	Accepted
2	Taking over of revenue sources of the local government by higher tiers of government makes the effort of LGAs in health care delivery inefficient	232	160	38	121	50	601	3.7	Accepted
3	The fiscal power assigned to LGAs is not enough tin stimulating the provision of better health care infrastructure	160	182	20	159	80	601	3.3	Accepted
4	Massive loss of revenue as a result of jurisdiction hampers the LGAs ability to immunize the people against infectious diseases	200	190	18	143	50	601	3.6	Accepted
5	It deprives the LG administration the opportunity to provide family planning service to the people	190	170	10	161	70	601	3.4	Accepted
Grand Mean								3.5	

Source: Field Survey, 2022

Table 3 above shows the mean distribution of opinions of the respondents on the effect does Fiscal Federalism have on the provision of Primary Health Care services by the Local Government Administration in Enugu State The result revealed that the respondents were all positive in their responses. The respondents were positive in their assertions, the grand mean of 3.5 is an indication that revenue jurisdictional collection affected the provision of Primary Health Care services by the Local Government Administration in Enugu State.

Research Question 2: What is the effect of the Fiscal Federalism on the provision of Portable Water Supply by the Local Government Administration in Enugu State?

Table 4: Effect of the Fiscal Federalism on the provision of Portable Water Supply by the Local Government Administration in Enugu State

S/N	Response	A	A	U	D	SD	Total	Mean	Decision
1	The share of LGAs is so minimal that funds for provision of portable water supply are not adequate	208	230	12	131	20	601	3.8	Accepted
2	Revenue sharing and allocation have deprived many LGAs the ability to harness their potential IGR in the localities thereby impinging on their ability to deliver portable water supply	170	200	10	171	50	601	3.4	Accepted
3	The revenue sharing formula creates imbalance as LGAs are denied the basic	224	156	15	126	80	601	3.5	Accepted

	funds necessary to drive the provision of portable water supply										
4	With the current revenue sharing formula, the LGA fund could only cover the personnel cost which negates the provision of portable water supply	227	175	8	151	30	601	3.6	Accepted		
5	Revenue sharing formula breeds corruption at the local government level as funds provided are not accounted for, while the rural community suffer from communicable diseases all year round	170	235	15	141	40	601	3.5	Accepted		
	Grand Mean							3.56			

Source: Field Survey 2022

Table 4 above shows the mean distribution of opinions of the respondents on the effect of the Fiscal Federalism on the provision of Portable Water Supply by the Local Government Administration in Enugu State, Nigeria. The responses from the respondent showed that the mean score of (3.9, 3.6, 3.6, 3.8 and 3.6) respectively is an indication that the respondents accepted all the items in the question asked. The grand mean of 3.56 showed that the respondents agreed that revenue sharing formula has its own effect on the ability of Local Government to deliver on Portable Water Supply to the people of Enugu State.

Research Question 3: How has the fiscal federalism effect on the Provision of rural Electrification project by the Local Government Administration in Enugu State?

Table 5: How the fiscal Federalism affect the provision of Rural Electrification Project by the Local Government Administration in Enugu State

S/N		SA	A	U	D	SD	Total	Mean	Decision
1	State joint local government account ensure inefficient service delivery in rural areas	160	151	10	160	120	601	3.1	Accepted
2	The state/local government joint account has resulted in the provision of rural electrification project.	120	166	15	178	122	601	2.9	Rejected
3	With the joint account, the Local government is not able to provide rural electrification project in my area.	130	171	8	170	122	601	3.0	Accepted
4	With state/joint account, rural electrification project in my area is not made affordable by the local government.	130	181	10	170	110	601	3.0	Accepted
5	Local government in my area has not lived up to expectation in the area of providing rural electrification project	110	131	10	210	130	601	2.7	Rejected
	Grand Mean							2.97	

Source: Field Survey, 2022

Table 5 above shows the mean distribution of opinions of the respondents on how the Fiscal Federalism effect on the Provision of Rural Electrification project by the Local Government Administration in Enugu State. The grand mean of 3.67 showed that the respondents were firm in their responses that Fiscal Federalism affected the provision of Rural Electrification project by the Local Government Administration in Enugu State.

4.3 Test of Hypotheses

Data generated from the study were used to test the hypotheses using the chi-square test tool with formula as:

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

Where O = observed frequency, E = Expected frequency

Assumptions: Level of significance = 0.05

Decision Rule:

1. Reject H_0 if the P-Value $\text{cal} < 0.05$ at 5% level of significance.
2. Otherwise accept the null hypothesis (H_0).

Test of Hypothesis One

Statement of Hypothesis One

H_0 : Fiscal Federalism has no positive effect on the provision of Primary Health Care services by the Local Government Administration in Enugu State.

Table 6: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	357.230 ^a	9	.000
Likelihood Ratio	322.324	9	.000
Linear-by-Linear Association	99.385	1	.000
N of Valid Cases	601		

a. 1 cells (6.3%) have expected count less than 5. The minimum expected count is 4.48.

Degree of freedom; D.F = 9; $\chi^2_{\text{cal}} = 357.230$, $p = 0.000$

Decision: From the Chi-square analysis in Table 6, based on the χ^2_{cal} value of 357.230 and P-value of 0.00, in table 6 revealed that Fiscal Federalism has a positive effect on the provision of Primary Health Care and this effect is statistically significant at 5% level of significance as the P-value is within 5% significance level. This result, therefore suggests that we should accept our alternate hypothesis one (H_1) which states the Fiscal Federalism has a positive effect on the provision of Primary Health Care Services by the Local Government Administration in Enugu State.

Test of Hypothesis Two

Statement of Hypothesis Two

H₀: Fiscal Federalism has no significant effect on the provision of Portable Water Supply by the Local Government Administration in Enugu State.

Table 7: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	259.945 ^a	9	.000
Likelihood Ratio	259.874	9	.000
Linear-by-Linear Association	101.184	1	.000
N of Valid Cases	601		

a. 1 cells (6.3%) have expected count less than 5. The minimum expected count is 4.17.

Degree of freedom; D.F = 9; $\chi^2_{cal} = 259.945$, $p = 0.00$

Decision: From the Chi-square analysis in Table 7, based on the χ^2_{cal} value of 259.945 and P-value of 0.00, in table 7 reveals that fiscal federalism has a positive effect on the provision of portable water supply and this effect is statistically significant at 5% level of significance as the P-value is within 5% significance level. This result, therefore suggests that we should accept our alternate hypothesis two (H_i) which states the fiscal federalism has a positive effect on the provision of portable water supply by the Local Government Administration in Enugu State.

Test of Hypothesis Three

Statement of Hypothesis Three

H₀: Fiscal Federalism has no significant effect on the provision of Rural Electricity Programme by the Local Government Administration in Enugu State.

Table 8: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	181.629 ^a	9	.000
Likelihood Ratio	202.605	9	.000
Linear-by-Linear Association	102.577	1	.000
N of Valid Cases	601		

a. 2 cells (12.5%) have expected count less than 5. The minimum expected count is 3.67.

Degree of freedom; D.F = 9; $\chi^2_{cal} = 181.629$, $p = 0.00$

Decision: From the Chi-square analysis in table 8, based on the χ^2_{cal} value of 181.629 and P-value of 0.00, in table 8 revealed that fiscal federalism has a positive effect in the provision of rural electricity programme and this effect is statistically significant at 5% level of significance as the P-value is within 5% significance level. This result, therefore suggests that we should reject null hypothesis one (H₀). Hence, we affirm that fiscal federalism has a positive effect on the provision of rural electricity Programme by the Local Government Administration in Enugu State.

4.4 Discussion of Findings

Fiscal Federalism and Primary Health Care Services

The result of hypothesis revealed that Fiscal Federalism has a positive effect on the provision of Primary Health Care services by the Local Government Administration in Enugu State. This is evident from the fact that D.F = 9; $\chi^2_{cal} = 357.230$, $p = 0.000$. This study is in agreement with the result of Rabi'u (2016) who found that over the years, there have been conflicts between the State and Local Governments in jurisdiction of revenue generation which have been known to constitution constraint in the performance of the Local Government. Despite the constitution provisions which clearly state the jurisdiction of each, some Governments vehemently refuse to respect such provisions

Fiscal Federalism and Portable Water Supply

The result of hypothesis two indicated that Fiscal Federalism has a positive effect on the provision of portable water supply by the Local Government Administration in Enugu State. Evidence from the Chi-square test showed a D.F = 16; $\chi^2_{cal} = 258.945$, $p = 0.00$. This finding agrees with the work of Egbinola (2017) who found a decline in capital allocation for water supply, decline in access to public water supply and increased dependence on groundwater sources for domestic use in both urban and rural areas.

Fiscal Federalism and Rural Electricity Programme

Equally, the result of hypothesis three indicated that Fiscal Federalism has a positive effect on the provision of Rural Electricity Programme by the Local Government Administration in Enugu State. This is where: D.F = 16; $\chi^2_{cal} = 258.945$, $p = 0.11$. This finding is in agreement with the findings of Ubani, Dekor & Neebee (2019) who found that land use activities: commercial, industrial, institutional and residential were positively impacted by the rural electrification in Omuma Local Government. Discovered that there was a strong relationship between household income, employment and Rural Electrification. The investigation additionally shown that there was a positive difference of Rural Electrification impact across the communities.

Summary of Findings

The following are the findings from the study.

- i. Fiscal Federalism had a positive effect on the provision of Primary Health Care services by the Local Government Administration in Enugu State (based on the χ^2_{cal} value of 357.230 and P-value of 0.00). This implied Taking over of revenue sources of the local government by higher tiers of government makes the effort of LGAs in health care delivery inefficient
- ii. Fiscal Federalism has a positive effect on the provision of Portable Water Supply by the Local Government Administration in Enugu State (based on the χ^2_{cal} value of 259.945 and P-value of 0.60.). This goes to portray that the revenue sharing formula creates imbalance as LGAs are denied the basic funds necessary to drive the provision of portable water supply.
- iii. Fiscal Federalism has a positive effect on the provision of rural electricity programme by the Local Government Administration in Enugu State (based on the χ^2_{cal} value of 181.629 and P-value of 0.00). This suggested that Local government in Enugu State as not lived up to expectation in the area of execution of rural electricity project.

5. Conclusion

The study concluded that Fiscal federalism significantly affected on the ability of local government administration in Enugu State to deliver basic primary health services, portable water supply and rural electrification project in Enugu State. All the revenue allocation formulae have been geared toward the favor of the federal government, given that

they have the highest share of the federation account. However, states and local government have been agitating for higher revenue shares of the federation account thereby throwing up challenges in the current revenue allocation formula in Nigeria. Most of the Local Governments have refused to explore other sources of revenue listed in the Fourth Schedule to the Constitution which they could leverage. This means that the fiscal federalism in place encourages inefficiency, prodigality and corruption in local government administration.

6. Recommendations

The study recommended as follows:

- i. The local governments' sources of revenue/revenue jurisdiction should be increased by the effort of both federal and state government to enable them carry out their constitutional responsibilities without fear or favour. local governments could help to provide basic infrastructural facilities rural infrastructures such as feeder roads, health center etc.
- ii. The study recommended that Enugu State Government should revamp dilapidated water facilities to ensure regular water supply to the people both in the city center and rural communities by mandating the local government administration provide boreholes to each rural communities in their domain on a yearly basis so as to solve the acute perennial water crisis in the state.
- iii. The study recommended that the connection fee to the grid could be subsidized for households by the local government administration without electricity and Meters should be provided free to enhance their connection to the national grid.

7. Contribution to knowledge

This study made significant contributions in the following areas of research.

The study has contributed in explaining the effect of fiscal federalism and the performance of local government in the provision of infrastructural development in Enugu State. The affirm that fiscal federalism is practicable provided the resources are equitable harnessed and shared accordingly. The Nigerian federation is a three-tier structure which saddles each level of government with responsibilities. It is saddening to note that these responsibilities are performed by mostly only transfers from federal government and to an extent by the states and thereby not allowing the local councils to enjoy the deserved political and administrative autonomy because there cannot be absolute autonomy without fiscal autonomy.

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