

INTER-GOVERNMENTAL RELATIONS AND PERFORMANCE OF NNEWI NORTH LOCAL GOVERNMENT COUNCIL: AN ASSESSMENT

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Abstract

This study examined the effect of Intergovernmental relation on Local Government performance in Nnewi North local government Council of Anambra state. The study employed descriptive survey design; questionnaire was used to collect data. Primary and secondary data were used. Chi Square statistical tool was used to test the hypotheses. The findings among others revealed that conflict arising from revenue sharing among the three tiers of government affects the performance of Nnewi North Local Government Area. The findings also revealed that fiscal imbalance has relation with poor performance of Nnewi North Local Government Area. Recommendations were made sequel to these findings; that government should release the statutory allocation due to the local government as at when due to help them develop and operate independently. The Local Government should endeavor to harness the resources in the area of their jurisdiction. That the courts especially customary courts should exercise constitutional powers and adjudicate over conflict arising from inter-governmental transactions and should rule according to constitution as well as provide strategy for resource distribution, administrative and jurisdictional control, to eradicate conflict among levels of government. Finally that the revenue mobilization, allocation and fiscal Commission should be encouraged and the administrative techniques for collaboration consultations and negotiations should be encouraged. They should among other things de concentrate resources, to various centers of power and ensure that grass root development is considered while sharing resources.

Keywords: Fiscal relation, Local Government, Performance, fiscal federalism

INTRODUCTION

The concept of Intergovernmental relations is associated with states having a Federal Administration system where the relationships between the Federal, Central or National Governmental and major sub-national unit (province, region or state) formally spelt out in the constitution. Intergovernmental relations have been seen as a system of transactions among structured levels of government in a state. It is also seen as registration in which the parties have negotiating advantageous positions for power, money and problems-solving responsibility Olugbemi, (2011).

The achievement of the objectives of inter-governmental relations is dependent on some social factors within the Nigerian social System. Some of these social factors include the political setting and the state of the economy in the nation. Looking at the political setting, the inter-governmental relations are basically based on the three tiers of government that is the Federal, State and Local Government. The Federal and State Government is said to have more autonomy than the local government due to the fact that they are the last tier of government Nwafor, (2011). That is why local government is not given its full autonomy to do things on its own. The other tiers of the government dictate to them what to do, how to make their own policies, how to elect/appoint those to lead them like the Chancellor or Chairmen and so on. Local Government is still dependent on the other tiers of government making them to be subordinate and loyal to them Nwokedi, (2012).

There should be greater independence of the state and local governments from the Federal Government for their survival and performance of fundamental responsibilities. There should also be several reforms which should lead to the recognition of the local government as the third tier of government with relative autonomy and jurisdictional powers as provided for in the constitutions.

The nation's economy really influenced the nature and scope of intergovernmental relations in the local government in Nigeria. The wealth of any nation is a key factor in determining its pattern of material relation. Between 1960 and 1970, the basis of fiscal relations between the Federal, State and Local Government were richer and more powerful than level of relationship between the federal and local government. But these problems will come to an end if the local government has greater control of the tax revenue. The local government should control 50% of the tax revenue allocation of its area without the Federal or State government interference. They should also receive grants and aids from outside and within the country, making them powerful and independent. The federation Allocation Account for the local Government should be granted to them annually or monthly as the case may be. They should be allowed to run their affairs especially when it comes to monetary matters. Okoli and Onah, (2012).

STATEMENT OF THE PROBLEM

In Nigeria, the issue of sharing resources among the three levels of government has remained controversial due to lack of acceptable formula. It generates tension and bad blood among the three tiers of government. This has resulted to setting up of different committees or commissions to prescribe the formula to be used. Thus there exists conflict between the Federal, State and Local government over acceptable formula for sharing revenue. The conflict is usually whether the principle of derivation, need, natural interest or landmass should be used as a basis for the purpose. Even when these principles are generally accepted as the main basis for working out revenue allocation formula, conflict still arises as to which of the principles takes precedence over others as the main criteria for sharing the revenue.

There has always been the problem of tax jurisdiction, as to which aspect of government should collect what revenue in a particular area. These have constituted serious problems between the Federal, State and Local Governments. The local government is the lowest level of government and they collect the least amount of tax revenue, which makes them to remain stagnant, Lazarus (2013)

Another problem is the existence of control of one level of government by another in any aspect Amadi, (2014). Local government is domination by the Federal and State governments. They do not have the required autonomy making them too dependent on the other levels of governments. It is gratifying to note that there is fiscal imbalance/ lopsidedness in revenue sharing. Conflict exists among the three tiers of Government in revenue sharing and delay in the release of statutory allocation has all constituted a cog in the wheel in the performance of Nnewi North Local Government Area. It is on this backdrop that the study investigates the effect of intergovernmental relations in the performance of Nnewi North Local Government Council.

OBJECTIVES OF THE STUDY

- (i) To determine how the late release of statutory allocation affect the performance of Nnewi North Local Government Area.
- (ii) To determine the extent lopsidedness in revenue sharing has affected the performance of Nnewi North Local Government Council.

1.4 HYPOTHESES

Hi; Late release of statutory allocation affects the performance of Nnewi North Local Government Council.

Hi; Lopsidedness in revenue sharing effect poor performance of Nnewi North Local Government Council.

REVIEW OF RELATED LITERATURE

INTER-GOVERNMENTAL RELATIONS IN NIGERIA

The dynamics of the Nigerian Federation and the Nigerian Constitution make IGR politically imperative. With over four hundred lingo-cultural groups, a population of over 120 million, thirty-six state and a Federal Capital Territory and 774 Local Government. IGR in Nigeria is inevitability, over the years the pendulum of Federal associations among groups has swung between centrifugal and centripetal forces, as Nigeria sought to adjust the Federation. Etzion, (2014).

As Nigeria used the framework of Federalism to manage her conflicts, she has found that intergovernmental relations is a necessary mechanism to promote cooperation, manage conflicts, respond to changing circumstance and deliver services more efficiently. Amadi, (2014) Intergovernmental

Relations is basically a mechanism for managing conflict and delivering services, Institutions and processes of Intergovernmental Relations services to;

- (i) Promote Co-operation among Governmental Units
- (ii) Recognize and manage conflicts
- (iii) Deliver services more efficiently and
- (iv) To respond to changing circumstances.

Formal and constitutional institutions also exist for IGR in many Countries as well as adhoc meetings among members. There are institutions and processes of IGR and they include constitutional constitution, statutory institutions and Informal/adhoc institutions. These have changed over time, depending on the Constitution and the system of government in operation.Okoli,(2012)

Looking at the constitutional institution, these are constitutionally provided institutions of IGR and they include;

- **The National Assembly** – Section 4(1) of the 1979, 1989 and 1999 constitutions state clearly that ‘there shall be a National Assembly for the Federation which shall consist of a Senate and a House of Representatives. Representing the whole Federation on the basis of population in the (House of Representatives) and on the basis of equality of states (in the Senate), the National Assembly in an open legislative institution of IGR. The powers to legislate over appropriation bills control of public funds, contingency fund and investigation that make the National Assembly an important inter-governmental institution in the constitutions.Ibanga, (2013).
- **The Supreme Court;** It has the final power of arbitration in civil, criminal and constitutional matters. In Nigeria’s Second Republic, State Governments took the Federal Government to court over revenue sharing formula and the Agricultural Development Basin Authorities. Individuals and Corporate groups also went to the court to seek redress.
- **The council of States** – This is essentially one of the advisory executive bodies contained in the constitutions of 1979, 1989 and 1999. Its functions include advising the President with regard to the conduct of national census, prerogatives of mercy, award of national honor, the Independent Electoral Commission, the National Judicial Commission, the National Population Commission and on public order.Lazarus,(2014). The membership of this body also reflects its intergovernmental nature.
- **The Federal Character Commission;** this is another constitutionally guaranteed executive IGR’s agency. The functions of this agency include working out equitable formula for the distribution of all cadres of posts in the Federal and State public services, promoting, monitoring and enforcing compliance of proportional sharing of public offices and taking measures to enforce such compliance. Given various complaints about injustices/unfairness in the distribution of public services positions among components units of the Federation, the importance of this commission cannot be over emphasized. Ifioinu,(2015). This agency is expected to carry out the constitutional provisions in Section 14(3-4) of 1979, 15(3-4) of 1989 and 14(3-4) of 1999 constitutions which states that the composition of the government of the Federation or any of its agencies and the conduct of its affairs shall be carried out in such manner as to reflect the Federal Character and the need to promote national unity.
- **The Independent National Electoral Commission (INEC);** It has the functions of organizing, undertaking and supervising all elections. There is a provision for State Electoral Commission in each state of the Federation. It also has the function of registering political parties, monitoring the organization and operation of political parties and annually examining and auditing of the funds and accounts of political parties. This commission registered the three political parties.Mbonu,(2016) The People’s Democratic Party (PDP), the All Peoples Party (APP); and the Alliance for Democracy (AD) which formed the crux of Nigerian’s Fourth Republic from May 29, 1999.
- **The National Economic Council (NEC);** It has the powers to advise the President concerning economic affairs of the Federation and in particular on measures necessary for the coordination of the economic planning efforts or economic programmes of the various governments of the Federation.Eliagwu,(2015)
- **The National Judicial Council;** It has the power to recommend appointments to the bench at Federal and State levels and FCT. It can also recommend the removal from office of the judicial officers and exercise disciplinary control over members of the judiciary.

- **The National Population Commission;** It has the functions of undertaking periodic enumeration of population through sample surveys, census etc, continues registration of births, deaths, advising the president on population matters and providing data/information on population for National Planning and development. Uzor, (2015)
- **The Revenue Mobilization Allocation and Fiscal Commission;** It is responsible for monitoring accruals and disbursement of revenue from the Federation account. Periodically reviewing the revenue allocation formula and principles in operation to ensure conformity with changing reality advising federal and state government on fiscal efficiency and methods by which their revenue can be increased and determining the remuneration of the President and Vice President.

All these executive IGR institutions are constitutional. The long period of military rule “froze” the activities of some of these agencies but they are again operational. Ironically, many of these agencies were created by various military administration but they are now operating fully to carry out their mandates.

STATUTORY AGENCIES; these are inter-governmental institutions that are backed by law and most of them were established under military rule. This is evidence that even under the military’s hierarchical structure of authority, it was still necessary to establish institutions of IGR in order to resolve conflicts and or deliver services. Asogwa, (2011) Among such IGR institutions are:

- **The Directorate of Foods, Road and Rural Infrastructure (DIFRRI);** It is faced with the responsibility to open up; rural areas, provide essential services such as water supply through boreholes, rural electric power supply and roads. Essentially, this programme was aimed at making the rural areas more attractive and thereby reducing the rural-urban drift. Rural development is really the function of state and local governments. Smart, (2014) Since the Federal government’s intervention at these areas was deemed necessary, DIFRRI was established as IGR institutions. State governments were to contribute 25% of the total fund for DIFRRI projects while the rest came from the Federal Government. While DIFRRI headquarters managed the funds, state governments and State DIFRRI offices (under State Governments) execute these projects.
Between 1986–1989, DIFRRI has opened up 30,000 km untarred road to rural communities, supplied portable water to 250 communities and had reached advanced stages of installation of rural electrification in 227 Communities. Udoka, (2012) This agency exhibited successful performance for about five years, after which it became bureaucratized and suffered from corruption on the part of the operators at state and local levels.
- **The National Council on Inter-governmental Relations (NCIR)** was established July 1992 to closely monitor the operation of the Federal System, giving continuing attention to inter-governmental relations in the Nigerian Federal System, study conduct research and maintain data, recommend solutions to problems of inter-governmental relations and necessary forms of improvement, play mandatory roles in resolving conflicts and establish contacts with other organizations with similar objectives. Udoka (2012) A major problem of NCIR was bureaucratic suffocation, which even starved it of funds. In addition, NCIR had no independent source of funds that was necessary if it was to mediate among tiers of government and to remain neutral.

Some other institutions of IGR under Statutory institutions include: Boundaries

Commission - The National Directorate of Employment (NDE); The National Planning commission and the National Primary Education Commission.

Under the Adhoc or Informal bodies and Agencies; they are useful in bringing together Federal, State and Local Officials in a particular policy area. They also help to smoothen intergovernmental relations and encourage co-operation among component units of the Federation. The various National Councils in Education, Agriculture, Health, Industry, Information, Tourism and Finance are usually meetings among Ministers at Federal and State levels to bring State and Federal political executives together to harmonized policies in the interest of the Federation. Egbunike, (2016)

All the above institutions of IGR are important in managing conflict and responding to changing circumstances in the Nigerian Federation. While IGR institutions are useful, they also carry with them the baggage of their own problem, which need careful attention. Some of the tension, which arise in the Nigerian Federal, emanate from the overlap of functions among tiers of government. They are derivable from the kind of pulls, the tension arising from attempt at delicately striking a balance between centripetal

and centrifugal forces. These become very evident in the relations between Federal and State governments, State and Local Governments and even in the relations among state governments. Isawa, (2012).

There is provision in the 1976 constitution of the Federal Republic of Nigeria at the Second schedule of the constitution of the formal division of power between the Federal and State government with defined functions in section 7th and 4th schedule of constitution respectively. The independent form given to these levels therefore did not mean that there should be no relations among the levels of government in Federal Republic of Nigeria. Since 1976 when the Nigerian Local Government Reform was established, the local Councils, a uniform posture and the constitution that came subsequently in (1979) recognized it as the third-tier system of government; the story had remained the same.

In the present democracy, the local governments are assigned roles and functions partakers in the inter-governmental relations which makes way for prevalent existence of domination between only the central and state or regional government alone. At the end of the reform of the local government and the consequent execution of action of the officials in the Council level. Annual conferences of chairmen of Local Government in Nigeria started off. Also, the bi-annual conference of Commissioners for Local Governments and creation of an executive office of special Assistant to the Governor on Local Government matters etc. all served as avenue for inter-governmental relations between the local government levels and other levels or among local governments started off. Hence the new local government system in the new democratic Nigeria, in all its fundamentals has redefined;

- (i) The power-relations between the states and the Local Governments
- (ii) The power relations between the state and the Federal Governments in their Combined relations to the government and
- (iii) The relationship between the local government and Federal Government.

Having reviewed the evolution of the institutions and processes of IGR and inter-governmental interactions, essentially in terms of the relations among the levels of government; Nwatu,(2004) argued that it was necessary to emphasize that a full analysis of intergovernmental relations must also focus on the ordinary citizens reactions to the activities of the public official who operate at the different levels of government. Also the attitudes and roles of both political leaders and appointed officials at the different levels of government throughout the period under review (1954-81) have significantly influenced both the substance and style of Inter-governmental Relations in Nigeria. Ralph (2013).

THE IMPACT OF INTERGOVERNMENTAL RELATIONS ON LOCAL GOVERNMENT ADMINISTRATION IN NIGERIA

The impact of, intergovernmental relation on local Government Administration in Nigeria can be considered under the following points:

- (i) **RESOURCE DISTRIBUTION** – Government decision as to who gets what, where, when and how is a distribution issue. Equity in the distribution of resources becomes necessary if conflicts are to be avoided. As individuals or groups compete to maximize their share of scarce butlocatable resources, conflicts easily emanate, requiring urgent attention to ensure the smooth operation of the system. Distribution of resources however must address two issues:
 - (a) The increase in the production of locatable resources (the supply side)
 - (b) The nature or basis of the distribution of these resources among groups (the demand side).

Distribution of resources is important because it is a determinant of the pattern and the nature of development among sub-national units. Efforts must be made to avoid over-concentration of resources in few “poles of growth or centers” of strength of maximize short run capacity in order to avoid crisis. Isawa, (2012).

Resource distribution issues in a Federal, also give rise to a conflict between capacity and equality among the various units which form the federation. As Elaigwu,(2011) explained the situation, “the conflict between capacity and equality for a Federation may be seen as the overall development of a country on the one hand and even development among sub-national units of a federation fork purpose of political stability.

So in this case, local government due to the power given to it through the constitution has itsown autonomy share of resource distribution which helps it develop rapidly. Equity in the distributive process calls for equalization of income through transfer. This implies that it is the obligation of the Federation

to see to it that the citizens of each state can enjoy a given minimum level of public services. If anyone state or local government is too poor to provide this minimum level even though a required minimum degree of tax effort is made, the Federation steps in. These have had a positive effect on local government administration in Nigeria leading to its growth and development. Ralph,(2013).

- (ii) GRANTS – Grants are also made where there is no intention to interfere with local choice, the objective being one of fiscal equalization. Some jurisdiction (State or Local) enjoy a high taxable capacity (i.e. the tax rate needed to obtain a given level of revenue is low) and have a relatively low level of need (i.e. the amount required to provide certain service levels is small). They are thus in a fiscally strong position, as measured by the ratio of capacity to need, others are in the reverse position. The central government may then wish to equalize fiscal position through various ways. The central government may wish to secure common minimum levels and adjust its grant policy to secure these objectives. The central government on the other hand may wish to equalize actual service levels and for this purpose impose such matching grants (where needed to equalize levels) or taxes (where needed to lower levels) as are required to secure equalization. Nzute,(2014).

Again, due to inter-relationship between the three tiers of government, local government receive grants from the State Government, Federal government, Banks and other Financial institutions that will help develop local government administration as a whole. Nwolili, (2010).

- (iii) REVENUE SHARING AND ALLOCATION;

Intergovernmental relations have had a serious impact on local government administration through revenue sharing and allocation. Revenue sharing and allocation is one of the most important examples of inter-governmental grants. In this case, since 1946, revenue allocation has continued to dominate the arena of IGR in Nigeria culminating in intergovernmental conflicts. The process of colonial reconstruction of Nigeria began with the adoption of regionalism which called for the question of acceptable formula. For revenue allocation between the central government and the constituent units like the local government.

The dialectics of revenue allocation and the complexities of the indices that have been used in arriving at acceptable formula have generated so much controversies (conflicts) and disenchantment with the result that the promises that the Nigeria nation held at independence have been dinned and diminished by the reverberations emerging from perceived inequity generated by the various formulae that have been used and discarded, one time or the other. Nzute,(2014).

The search for an acceptable revenue allocation formula has led to the adoption of several principles and economic indices that have in various combinations been used, faulted, discarded and reinvented through the instrumentalities of revenue allocation commission such as Phillipson's (1946), Hicks Philipson's (1951), Raisman's (1958), Binns' (1964), dina's (1968), Abonade's (1977) and Pius Okigbo's (1980) commissions.

To that effect, struggle for the allocation percentage between the Federal, State and Local governments has been in it's high rate. Where the Federal will like to take 50% of the allocation, state 30% and local 20%, the state and local might be feeling that the Federal has cheated on them, then the struggle continues. Akunnaya,(2011).

Intergovernmental interaction may reduce the problems associated with inter-tier conflicts. Under the Obasanjo administration, state and local governments were treated as virtual extensions of the Federal Government. Some of the available conflicts in the Federation under – the fourth Republic device from the hangover of the military regime in which the center has grown titanic curbing the unnecessary adventures of the center have become a problem. There are many arenas of cooperative intergovernmental relations. Politicians at this stage of Nigeria's development are either ill-equipped to deal with these problems or are un-willing to establish normal inter-governmental relations even when constitutionally provided. Like most things in nation states, there is a need for mutual compromise to enable fairness, justice and relative equity to lubricate the wheels of the Federation. It is hoped that with more discussions and collective experience, the politics of distribution will not be a danger to the Federation. Elaigwu, (2011).

Moreover as increased pressure are exerted on the limited resources of the nation, how these resources of the nation are shared among competing components of the Federation will continue to be called to question. All tiers of government need resources to survive. As demands are placed on each tier of government, the struggle for more equitable resource sharing formulae will continue.

The principle of derivation as basis for revenue sharing will increasingly be emphasized because of the needs of the various components of the Federation and the desire to have greater control over resources by the various components of the Federation. The various principles that are currently used become obsolete. As an incentive to ensure greater generation of revenue by the various tiers of government, derivation will be given more emphasis. This can augur well with the nations as each component of the Federation will work hard to generate more internally derived revenue, thus reducing the over dependence on Federation Account. This is a very probable positive development in the future. The over-concentration on Federation Account will need to be reduced as a matter of necessity. In fact, the measure of development of the States would be determined by how much revenue they are able to raise internally. The current unhealthy situation of over dependence on Federation Account cannot continue to be allowed or be encouraged. Elaigwu, (:2011).

Moreover, for grassroots development to take place it would be necessary to pass on more resources to the local government tier of the Federal structure. But this will require more stringent measures and increased accountability of the use of funds at that level. The current projects, which give, rise to development at the grassroots levels must be addressed. Ralph, (2013).

Due to the effect inter-governmental relations have on local government, they were able to generate resources from cottage industries and other productive activities rather than depending on market levies as the principle sources of revenue. But the weakness of these impacts is that local government with few markets cannot raise much revenue. Alternatively, the local people get over taxed in an effort to raise revenue level.

Thus, resource sharing must address the necessity for rapid development at the grassroots level. As development gets entrenched at the grassroots level, the Federal level will invariably relinquish some of her activities. This will necessitate re-organizing the resource sharing structure. Smart, (2009).

For development to take place especially at the grassroots levels, horizontal distribution is very crucial. The efficiency in the use of funds at that tier of government must be increasingly affected in order to move the nation forward. The clamor for development, especially on the area of poverty reduction can best be achieved through a combination of effective vertical and horizontal distribution of revenue. The formula for revenue allocation has always been an important factor in ensuring that the relationship among the tiers of government in a federation is stable and that every level experiences a sense of satisfaction. Ojo, (2013) in discussing revenue allocation formula in Nigeria had this to say:

Nigeria has experienced not less than ten formulae and a number of commission set up to look into the matters. In some cases, the reports were rejected mainly as a result of protests from the units of the Federation either because too much of the revenue was allocated to the center or the wrong principle was employed in arriving at the formula.

The important of the abode assertion is that revenue allocation formula in Nigeria has been a matter of controversies and politics thereby making fiscal Federation a dominant feature in the arena of intergovernmental relations.

Borrowing is an option for any tier of government whose expected expenditure exceeds its expected revenue. The Federal Government can borrow domestically and from abroad. State government can borrow domestically, they can also borrow externally but only with the prior approval of the Federal Government. The local Government Councils can only borrow domestically. Generally, states and local governments are expected to borrow to finance capital projects only. Local government borrows from other levels of government due to the relationship that exist among them. Isawa,(2012).

- (iv) ADMINISTRATIVE RELATIONS – (LEGISLATIVE – EXECUTIVE) - Due to the relationship between the three tiers of government, state governments are vested with the powers to “enact through the state House of Assembly a law providing for the structure, composition, revenue / expenditure and other financial matters, staff meeting and other relevant matters for the local governments in the states” subject to the provisions of the constitution. The state government established a Joint Planning Board through a law enacted by the State Assembly. (Okoli&Onah,(2012).

The law provided for the participation of every local Government within the state in the economic planning and development of the local Government area. The National

and State Assemblies are empowered by the constitution to legislate on the creation of new states and adjustment of state boundaries also requires a legislative approval of the local government Councils in the State concerned. The state executive possesses the power to institute a Panel of inquiry into the operations of any local government which does not perform satisfactorily and give appropriate punishment to offenders. He is also empowered to dissolve a local government council if the council fails to discharge its functions effectively and can appoint a caretaker management Committee to discharge its functions. The local Government (Basis constitutional and Transitional Provisions) Decree 1980 has gone far to provide that the President possesses the power to remove any chairman of the Local Government or dissolve the Council and appoint a caretaker Committee to manage the affairs of the Local government until an election is held. Ralph,(2013).

In spite of the 1976 local Government Reform, all the measure taken to guarantee their autonomy, local governments still remain in theory and practice, part and parcel of the State in which they exist. With regard to administrative relation, the Ministry of Local Government, as an Agency of the state government before it's abolition in 1988 exercise stringent controls over all the activities of local Governments. All the bye-laws of the local Government Council were approved by the Ministry of Local Government before they came into force. Bicycle plates, revenue receipt books, death and marriage certificates were provided centrally by the Ministry. Ralph (2013).

The annual estimates of the local governments were subject to approval by the Ministry before they were implemented. The Ministry approved major contracts of the Local Governments before they were awarded. The Ministry exercised very powerful control over local governments through its inspectorate division, which provided inspectors who visited local governments regularly to inspect their operations in order to ensure that officials and councilors complied with law and regulations. The State Government provided local governments with financial memorandum which guided their financial management. The Ministry also imposed adoptive bye-laws to Local Government whenever it was deemed necessary. Nzute,(2014).

Some chairmen of Local Governments and Councilors of the Second Republic were not happy with these excessive control measures exercised over the local government by the State Government. They argued that while the State Ministry of Local Government was a necessary clearinghouse and coordinating center of the activities of the local governments, it had in many ways constituted a hindrance to development and progress. Ralph,(2013).

- (v) FUNCTIONAL RELATIONSHIP – The constitution of the Federal Republic of Nigeria 1979 provides for two sets of local government functions: executive and concurrent. The concurrent functions include primary education, health services and agricultural extension services, industrial and commercial services. In these concurrent functions, the local governments provide them in conjunction with state and Federal Governments. Often the Federal/State Governments provide the financial resources, in part or whole, while the local governments provide local managerial resources, local political control, supervision and community support. Ralph,(2014) The State Government can prosecute any of the functions jointly with the local governments. It possesses the power to delegate any of its functions to local governments to perform under its supervision and control. Moreover, the constitution provides that the state Assembly can, through law confer upon the local Government 'such other governments, as their universal primary Education and the National Health Schemes.

Finally, the Federal and State Governments prosecute Community Development programme with Local Governments. For instance, the Directorate for Food, Roads, and Rural Infrastructure (DFRRI)/State Directorate for Rural development Work with local Governments in executing their projects. Ralph,(2013).

- (iii) STAFF MATTERS – Local Government also relate with State and Federal Governments on staff matters. The local Government Service Commission is responsible for the appointment, transfer, promotion, discipline and training of local Government staff. The Federal Government also provides staff training funds and programs for training of local

government staff. The Federal Government provided an Approved Scheme of Service for the Local Government which now governs the local Government Services. It also provided the pension scheme and fund, which are enjoyed by the staff qualified for them. The Governor of a State Government holds together regular talks and consultations with chairmen of Local Governments on vital issues of security and general development of the state. He also visits local government areas where he and his officers interact with local Government Officers on their needs and problems. (Ralph 2008:164).

In the same way, state Government Commissioners and officials undertake working visits to local government areas where they interact with local Government officers and Councilors on the affair of the area. On the other hand, local Government Chairmen hold regular consultations with the Heads of Federal and State Government Ministers and Departments in the area with a view of recurring their co-operation, coordinating their activities and giving the necessary advice and assistance to their needs and problems. Ralph,(2013).

As local Government are units that make up the states which exists in the federation, each level of government is concerned with the task of public security and public welfare, hence healthy and coordinate inter-governmental relations are indispensable factor for good Government and rapid development. Okoli&Onah,(2012).

REVIEWOF EMPERICAL LITERATURE:

Onyemenan.(2011) carried out a study on inter-governmental relations in democraticfederalism. A study of Ebonyi state government. Descriptive research design was adopted; five research questions guided the study. The sample of the survey was drawn using simple random sampling. Questionnaires and data were analyzed using percentage. They found among other things that for effective state local government relations to exist, there must be a pattern of relationship which must assume vertical horizontal form to promote harmony and peace among the levels rather than competitive federalism which engenders which conflict in addition, they stated that effective inter-governmental relations will be result oriented if the relevant political actors will be willing to allow their actions to be guided by letters and spirit of constitution.

Another study was conducted by Ogbo,(2012). The aim of paper was to analyze the fiscal relationship between three tiers of government. A study of Abia State government. A total of 100 staff was randomly selected from a crosssection of population of a population of a population of all staff spread around Abia State of Nigeria. The response to the questionnaire was complemented with personal interviews of staff in Abia state. The responses of the participants were analyzed using statistical package for social sciences (SPSS) which generated the frequency distributions means, standard deviations, chi square, statistics, etc of the respondents.

The hypotheses were tested at 0.05 level of significance using chi- square statistics. The major findings of this study include that ideally each level n of government should be given adequate resources to allow it discharge its responsibilities. Akoji (2012) investigated into model of inter-governmental relations using Kogi state of Nigeria. The study made use of primary data collected with the aid of primary data collected with the aid of a well-structured questionnaire which were administered by well-trained enumerator to civil servant s in the state. Simple random sampling from six local government area of the state was used. The data collected through the questionnaire was analyzed using descriptive statistics like frequencies and percentages. The result shows that 65% of the respondent accepted that the constitution made provision for inter-governmental relations in Nigeria.

Ifesinachi,(2015) Inter-governmental relations, an agent of community development. The above study was conducted at IsialaNgwa North Local Government. Emphasis was on the issue that the conditional functions which Inter-governmental relations are expected to examine are enshrine in the constitution of federal republication of Nigeria through some are contingent like natural disaster etc. In conducting were used for data collected. Data were however analyzed with the use of frequency table and Chi-square. The findings stated that communities are not developed due to poor relationship with inter government. The recommendation was that there should be establishment of measures that would make the third tier of government a strong agent of community development. Odibo,(2016)conducted a study on impact of Inter-governmental relations on rural areas. The study was conducted at Oguta North Local Government of Imo state. Data was collected through the use of questionnaire shared through face to face means. Informal interview with the official s of Oguta and chieftaincy matters Imo state. Data were analyzed

using Z test. The population of study was 400. The recommendation and suggestions that follows the findings emphasized the need to have a well-integrated plan to ensure that the impact of community development were being felt by the rural dwellers and suggested ways of improving revenue generation in the local government.

In The Research study conducted by Emodi, (2015) . The study investigated on the importance of inter-governmental relation among urbanized areas using officials of IsialaNgwa North Local Government Area. Data were analyzed using descriptive research method and chi-square. The study used primary and secondary sources of data. This was obtained through structured questionnaires which were distributed by the researcher himself. Simple random sampling was used on different offices both federal and state civil servants. 75% of the respondents accepted that local government faces the challenges of not achieving their proposed task and obligations. The study recommended that Local Government should be encouraged and the allocation due for them should be assigned to them regularly. Ihemelu, (2014) examined the hindrances of Intergovernmental relation in growing economy. He used Aguata Local Government as case study. Descriptive research design was used and three research questions guided the study. The sampling method used was simple random sampling. Data was collected through the questionnaire and was analyzed with the use of percentage table. The study found out that statutory allocation due to the local government is not given to them dully and sometime not given to them at all by the state. The researcher recommended that statutory allocation due to the local government should be given to them directly to avoid any undue interference.

Adedeji, (2016) Studied influence of inter-governmental relation on sustainable development. Study of Plateau state government. A total number of 500 staff were selected across section of staff spread all over Plateau state of Nigeria. The response to the questionnaire was complimented with personal interview of staff in Plateau state. The responses were analyzed with the use of statistical package for social science (SPSS) which generated the frequency distributions, mean, standard deviation and chi square statistic etc. Of the respondents. The Hypotheses were tested at 0.05 level of significance. The major finding include that ideally tax jurisdiction of the economy should be explained as this will maximize their ability to perform optimally.

Synthesis of literature review

The study reviewed above on the Inter-governmental relations on local government performance has provided useful insight into the statement that constitution made provision for inter-governmental relations in Nigeria.

The existing literature grossly omitted the aspect that shows that there is divergence between the assigned functions and tax powers, principles of vertical and horizontal revenue allocation formula dependence on state and local government on federal sources of funding. This therefore creates a research gap that has not been addressed in literature.

Theoretical Framework

According to African Development Foundation (ADF) handbook (1993)... no research stands alone. It has a context, it has a background that gives it its meaning and significance either from a cumulative development of knowledge, from the absence of such knowledge, or from the vantage point of current practice for applied or action research”.

Kaplan (1980) contends that a theory is a systematically organized knowledge of varying levels of generalization with a view to the eventual specification or relationships among empirical tests.

According to him, the test of a theory is the degree to which its formulation seems congruent with our own perception of the real world situation. Therefore a theory equips us with a way of looking at reality.

In the light of the foregoing, we can define theoretical framework as a broad umbrella made up of theoretical postulations (theories, perspective, models or paradigms) that researchers or writers can utilize as guides for understanding or analyzing a reality or phenomenon under study. For the purpose of this study, the general systems approach shall be adopted. Systems analysis is a part of the behaviouralist movement in political science which had been growing in various American universities, starting with the University of Chicago – as a reaction to the traditionalist approach. It was in this search for theory-building that scholars like David Easton, Ludwig Von Bertalanffy, a Biologist, Morton, Kaplan, Karl Deutsch, Stanley Holfmann, Charles McClelland to quote a few developed the system model (Varma, 1975). System theory was popularized in political science by David Easton (a Political Scientist). In recent times, the systems theory has become an increasingly useful framework for thinking about organizations and managerial functions. Organizations, like the local government are open systems with

certain boundaries that differentiate it from other systems. It must constantly receive multitude of inputs from its external environment (people, form, input, information) in order to achieve its objectives.

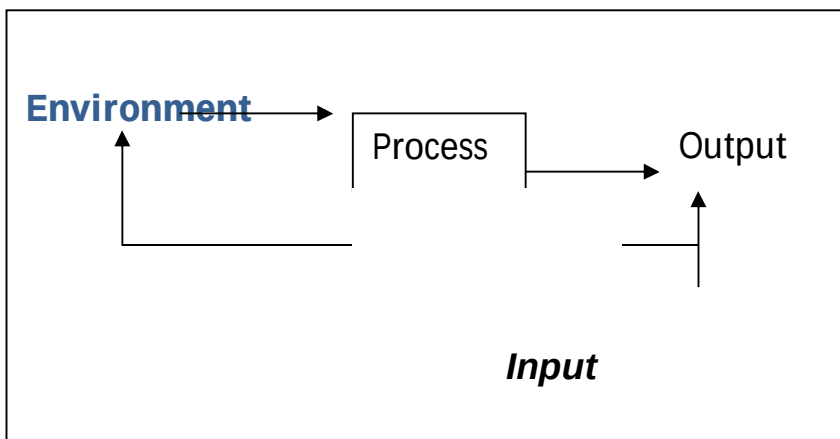
Therefore, to survive and prosper, an organization must be productive. It must return to its external environment certain outputs in order to justify its existence and get the support it needs.

The system theory is an analytical tool which enables theorists and researchers to study key elements of organizations in terms of their interaction with one another and with their external environment. Social systems are always open systems with inputs, outputs, and conversion process. In relation to an organization, inputs refer to people, materials, information and finance. These inputs are organized and activated so as to convert human skills and raw materials into products, services and other outputs which are discharged into the environment.

It is important to state here that our research which is focused on “Effect of intergovernmental relation on the performance of Nnewi North Local Government Council” is of vital importance in the study of the relationship between fiscal relations between the three tiers of government. The local government is an organization, a system within a larger system of its environment. The workers, citizenry within the organization constitute the internal environment of the organization.

The system theory as a framework for the study of Intergovernmental relation and the performance of the local government council enables us to understand and explain how environmental factors (like conflict), poor funding affect the internal working of the local government system and how this could bring about the collapse of the system.

Fig 2.2
The System Approach to Organization



Source: Chike Nwizu (1997) p. 182

Justification of the Theory to the Study

The system model is not only necessary but indispensable in the study of intergovernmental relation and performance of the local government council.

This theory precipitates the notion that:

- a. The Local Government is an organization (A system) that has a number of political functions to perform to the people. Therefore, conflicts constitute dysfunction to the system and therefore does not encourage system survival as enunciated by functional theorists.
- b. That the major emphasis is on system survival, goal attainment, system maintenance. There are basic input, output and feedback functions of a system and these functions cannot be performed when fund is low.
- c. That conflict is detrimental to any system. From the literature review, conflict among tiers of government in revenue sharing is problematic to the system.

METHODOLOGY

The study was a survey design. Specifically descriptive research method was adopted since the data were qualitative and quantitative in nature. Quantitative data were analysed using Chi square statistical tool.

Data Analysis and Findings

Test of Hypothesis One

Hi; Late release of statutory allocation affects the performance of Nnewi North Local Government Council.

Chi Square(X^2) statistical tool was used to test whether the discrepancies between the observed frequencies (O_i) and expected frequencies (F_X) are significant or may be attributed to change. Anyanwu, (1993).

The choice X^2 , as a non-parametric statistics is to make the result more useful.

The formula for Chi Square is

$$X^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

f_e

While X^2 = measure of obtained frequencies for the frequencies expected choice.

f_o = Obtained frequency

f_e = expected frequency

Formula for expected value (e)

$$= \frac{\text{row} \times \text{column total}}{\text{grand total}}$$

At 0.05 Significant level with the degree of freedom ($c=1$) ($e=1$) ie no of row x no of column respectively

Using $f_e = \frac{CT \times RT}{GT}$

GT

Where CT=Column total

RT= Row total

GT= Grand total

$$f_e \ 1 = \frac{161 \times 125}{211} = 95.38$$

$$f_e \ 2 = \frac{161 \times 82}{211} = 62.57$$

$$f_e \ 3 = \frac{161 \times 4}{211} = 3.05$$

$$f_e \ 4 = \frac{50 \times 12}{211} = 29.62$$

$$f_e \ 5 = \frac{50 \times 82}{211} = 19.43$$

$$f_e \ 6 = \frac{50 \times 4}{211} = 0.95$$

CELL	FO	FE	FO-FE	(FO-FE) ²	<u>(FO-FE)²</u> FE
1	86	95.38	-9.38	87.98	0.92
2	71	52.67	18.33	177.69	3.37
3	4	3.05	0.95	0.90	0.29
4	39	29.62	9.38	87.98	2.97
5	11	19.43	-8.43	71.06	3.66

6	0	0.95	-9.95	0.90	0.95
Total					12.16

$$\begin{aligned}
 DF &= (C-1) (R-1) \\
 &= (3-1) (2-1) \\
 &= 2 \times 1 \\
 &= 2
 \end{aligned}$$

With Significance level of 0.05 and $df=2$, the critical value of $X^2 = 5.99$.

Decision rule; reject H_0 if the calculated value X^2 is greater than the critical value of X^2 do not reject if otherwise.

Decision; since $X^2_{Cal} = 12.16$ and our critical value 5.99. We reject the null hypotheses and conclude that late release of statutory allocation affect the performance of Nnewi North Local Government Area.

.Test of Hypothesis two

Hi; Lopsidedness in revenue sharing affect poor performance of Nnewi North Local Government Council.

Table 2. Test of Hypotheses two

Response	Negative response	Positive response	Total
Junior Staff	43	82	125
Senior Staff	15	67	82
Management staff	0	4	4
Total	58	153	211

Source; Field Survey, 2016.

Negative response = (Undecided, disagree and strongly disagree)

Positive response = (strongly agree, agree)

Formula for Chi square X^2

$$X^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

Where f_o = Frequency observed, f_e = frequency expected.

Level of significance = 0.05

Formula for expected value (e) = $\frac{\text{Column total} \times \text{Row total}}{\text{Grand total}}$

Using $f_e = \frac{CT \times RT}{GT}$

Where CT = Column total

RT= Row total

GT= Grand total

$$Fe_1 = \frac{153 \times 125}{211} = 90.64$$

$$Fe_2 = \frac{153 \times 82}{211} = 59.46$$

$$Fe_3 = \frac{153 \times 4}{211} = 2.90$$

$$Fe_4 = \frac{58 \times 125}{211} = 34.36$$

$$Fe_5 = \frac{58 \times 82}{211} = 22.54$$

$$Fe_6 = \frac{58 \times 4}{211} = 1.09$$

211

Variable	FO	FE	F0-FE	FO-FE 2	FO-FE 2 FE
1	82	90.64	-8.64	74.65	0.82
2	67	59.46	7.54	54.85	0.96
3	4	2.90	1.1	1.21	0.42
4	43	34.36	8.64	74.65	2.17
5	15	22.54	-7.54	56.85	2.52
6	0	1.09	-1.09	1.19	1.09
Total					7.98

$$\begin{aligned}
 DF &= (C-1)(R-1) \\
 &= (3-1)(92-1) \\
 &= 2 \times 1 \\
 &= 2
 \end{aligned}$$

With level of significance = 0.05 and df = 2, the critical value of $\chi^2 = 5.99$.

Decision rule; Reject H_0 if the calculated value χ^2 is greater than the critical value χ^2 . Do not reject if otherwise

Revision; since $\chi^2_{cal} = 7.98$ and our critical value = 5.99, we reject the null hypotheses and conclude that Lopsidedness in revenue sharing affect the performance of Nnewi North local Government Council.

Findings:

- Late release of statutory allocation affects the performance of Nnewi North Local Government Council.
- Conflict arising from revenue sharing among the three tiers of government affects the performance of Nnewi North Local Government Area.
- Fiscal imbalance has relation with poor performance of Nnewi North Local Government Area.

Conclusion

The researchers are of the opinion that inter-governmental relation has been envisaged to be a very vital phenomenon in the local government and its administration,

The researchers concluded that among other factors, late release of statutory allocation affect the performance of local government area. The local government maintenance of joint account with the state government and most of the time, state government make use of their fund or refuses to contribute their quota of the statutory allocation to the local government. It was also concluded that the local government is not fully recognized as complete part of the nation's development. Local government should therefore be accorded full autonomy and freedom to handle functions and be adequately funded to be able to tackle their constitutional responsibilities.

Recommendations

1. That government should release the statutory allocation due to the local government as at when due to help them develop and operate independently. They should therefore endeavor to know the resources attributed to them yearly and request for them.
- b. The courts especially customary courts should exercise constitutional powers and adjudicate over conflict arising from Inter- governmental transactions and should rule according to constitution as

well as provide strategy for resource distribution, administrative and jurisdictional control, to eradicate conflict among levels of government.

c. The revenue mobilization, allocation and fiscal Commission should be encouraged and the administrative techniques for collaboration consultations and negotiations should be encouraged. They should among other things de concentrate resources, to various centers of power and ensure that grass root development is considered while sharing resources. This will enhance long run capacity thereby curbing conflict.

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