British Journal of Interdisciplinary Research April 2026, Volume 3, Number 11, pp. 1-13
ISSN 3049-8899

FISCAL AUTONOMY AND SERVICE DELIVERY IN BENDEL LOCAL GOVERNMENT AREA IN ABIA STATE, NIGERIA

Olowu Olagunju FOLORUNSO,

Department of Political Science and International Relations, University of Abuja

olagunju.olowu@uniabuja.edu.ng

&

Awa Blessing OGBONNA,

Department of Political Science and International Relations, University of Abuja

blessingawa2016@gmil.com

Abstract

This paper appraised the relationship between fiscal autonomy and service delivery in Bendel Local Government Area (LGA) of Abia State, Nigeria. Fiscal autonomy remains a critical component of effective local governance, especially in developing countries where local councils are often reliant on other tiers of government for funding. The study was guided by the broad objective of evaluating how fiscal autonomy affects service delivery in Bendel LGA. Fiscal Federalism Theory served as the theoretical framework, highlighting the need for decentralised financial control in multi-tiered systems. The study adopted a survey research design. Data was obtained from respondents, selected from a population comprising Bendel Local Government staff, elected officials, traditional rulers, community leaders, religious leaders, civil society members, and academics. The findings revealed that fiscal autonomy significantly influenced the efficiency and responsiveness of service delivery in the area. However, several challenges impeded the full exercise of this autonomy, including irregular federal allocations, state-level interference, and weak internal revenue frameworks. Furthermore, limited fiscal independence adversely affected the funding and implementation of basic infrastructure projects in the locality. In light of these findings, the study recommended that direct allocation of funds to local councils, legal reforms to strengthen financial autonomy, and the empowerment of Bendel LGA to utilise its internally generated revenue without state interference.

***Keywords**: Fiscal Autonomy, Service Delivery, Local Government Area (LGA), Federalism, Decentralisation.*

DOI: 10.31039/bjir.v3i11.119

1. INTRODUCTION

The principle of subsidiarity means that decisions should be taken at the lowest level possible, or as close as possible to the people affected, but only if it can be effective at that level, throughout the world. In Sweden, it can be seen how local governments contribute 70 percent to 80 percent of public services, all thanks to fiscal decentralization and fiscal autonomy. The independence in taxation enables them to choose the tax rate and tax base and the spending methods. Germany, on the other hand, has local governments getting 42% of the overall fiscal revenue of the Federation which enables them to spend on public services and invest in economic development projects. The history of fiscal decentralization on the African continent is quite interesting. Countries like South Africa, Senegal and Ethiopia have adopted decentralization policies that grant the local governments fiscal autonomy. However, many nations remain fiscally decentralized, as the states control the financial resources of local governments and decide about public service provision. The 1999 constitution in Nigeria has given the local governments the recognition as the third tier of government. Nigeria comprises a three-tier system of government, which is federal, state and local. Local Government according to law is thought of as independent; however, in practice “State Joint Local Government Accounts” (SJLGA) was created by the State governments. Section 162(6) of the Constitution provides for the “furtherance” of the financial provision.

It declared the state government's refusal or diversion of funds meant for LGs as unconstitutional. Additionally, it stated that the instalment of caretaker committees in place of an elected local government is illegal. Bendel LGA and fourteen other communities are in Abia state. Also, it is also the home of the Ikwuano people and a population of over 170,000 people. Some communities in Bendel L.G.A are: Alayi, Bendel, Ezeukwu, Igbere, Item, Itumbuzo, Nkpa and Ntalakwu. More communities found in Bendel LGA are Ozuitem and Ugwueke among others. According to the most recent 2016 census, Bendel LGA has an overall population of 192,621 persons. The Bendel LGA contains many peasants. Bendel LGA also produces large quantities of rice. Bendel LGA has many more agricultural activities.

Bendel LGA has agriculture as its dominant economic activity. Besides, there are few industrial activities in Bendel LGA. Most local governments in Nigeria are not fiscally autonomous although the constitution provides them with it. Abia state has thirteen local government areas. A provision of the constitution allows local government. Bureaucratic problems and insufficient funds are impacting major areas like education, health, water delivery and infrastructure development. Local misgovernance is seen in the LGA's inability to generate adequate internal resource, non-allocation, or restrict from the Federal government and absence of elected local officials.

2. CONCEPTUAL REVIEW

Fiscal Autonomy

Nigeria, as a federation, consists of three tiers of administration: the federal government, 36 states, and 774 local government areas. The primary aim of these administrations at all levels is to facilitate rapid economic growth by providing adequate social and economic infrastructure for the population. Notwithstanding constitutional mandates for the creation of these governmental tiers and their corresponding fiscal entities, the allocation and administration of resources among them remain contentious issues in Nigeria's fiscal federalism (Awa, 2021). These complex issues arise when the majority of states within the federation derive a substantial amount of their revenue from statutory allocations obtained from the federation account to finance their expenditure plans. Despite the income allocation mechanism designating a certain percentage of the federation account for distribution to state governments, these funds are inadequate to meet expenditure requirements. Approximately 80 percent of the federation account's revenue is sourced from oil, which is intrinsically volatile and unpredictable due to substantial fluctuations in both price and production (Hammed and Tunde, 2016). Fiscal Autonomy (FA) denotes the mechanism via which various tiers of government uphold their individual independence and existence, unencumbered by the central government's supervision. Fiscal autonomy allows constituent units within a federation to generate revenue from their own sources for the provision of public goods and services. Moreover, fiscal autonomy requires the concrete and legal formation of governmental entities (including governors, courts, and legislative assemblies) and stipulates that each governmental level functions independently, without subordination to others, thereby exercising its own authority without central government oversight (Lukpata, 2013).

Service Delivery

The provision of services or goods to identified consumer, client or citizen is described as service delivery (Nico and Ophillia, 2015; Nwokike and Chidolue, 2021). The actions of producers, manufacturers, official and political administrators to meet the need and expectation of their target group. When officials, producers, manufacturers or political administrators delivering services meet the needs, expectations of those they serve, one can say that they achieve high performance with confidence Service delivery means the provision of a service or goods in such a manner that the need and expectation of the targeted population is met. It involves making sure that the manner of delivering service or goods provided meets the need of the population. In other words, the successful delivery of services or goods should match the desires or needs of the target or recipient population. They ensure that the delivery of goods or services fulfills the needs or expectations of the targeted population to achieve their objectives. Kennedy (2020) refers to service delivery as providing a service or product to the targeted or identified group. In brief, the various goods or services provided must be in conformance with the needs or wants of the targeted or identified population. As a result, successful delivery services are those that provide services or goods in a manner that fulfills the needs or wants of the target group. The provision of goods or services should match the demand or requirement of .Complete the demand or supply of goods or services.

According to Hobbes, the state of nature lacks any sort of administration, and as a result, people live brutish, unsavoury and short lives. Thus, a social contract arises (Hobbes, 1994). According to Hobbes (1994), the social contract is where people give up their rights to the sovereign in order to protect their lives from violent death.

Local Government

Ndreu, (2016) characterises local government as the governmental entity operating at the local level, which is democratically elected and endowed with functions within a defined jurisdiction. Local government refers to the involvement of citizens through democratically elected representatives in the administration of their local matters. These persons must have autonomy over their social and economic development projects, and this autonomy must be self-derived. This research characterises local government as a public body, consisting of both appointed and elected officials, operating at the local level to promote local democracy and development. Furthermore, additional researchers have outlined the attributes of independent local governance. Local Government Authorities (LGAs) possess three essential characteristics: (i) distinct autonomy and legal status independent of the central government, (ii) the ability to generate revenue and allocate expenditures for legally assigned functions, and (iii) the capacity to make decisions as autonomous entities rather than as extensions of the central government (Mushi and Mnyasenga, 2015).

Kyenge (2013) asserts that local government prioritises the devolution of political authority to localities by involving individuals in meeting fundamental needs within their communities. Chukwuemeka et al. (2014) define local government as a governmental entity subject to national, regional, or state authorities, established by legislation to exercise political power via a representative council within a specified geographical region. The 1976 local government reform established the most effective framework for local governance in Nigeria as follows:

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

Local Government Administration

The United Nations Division of Public Administration defines local government as a legally constituted political unit of a nation, possessing considerable jurisdiction over local affairs, including the ability to impose taxes or requisition labour for certain purposes. The Guidelines for Local Government Reforms (1976) characterise local government as the administration at the local level carried out by representative councils established via legislation to perform specific functions within designated areas (Ndreu, 2016). The previously mentioned definitions confer increased authority and responsibility to Local Governments in the performance of the tasks and powers prescribed by the constitution. Berman (2019) contends that a local government council must have substantial jurisdiction over local affairs, including the ability to manage personnel and institutional operations to initiate and oversee service provision and to autonomously select and implement initiatives. Local government denotes the administration at the grassroots level executed by legally constituted representative councils assigned certain responsibilities within a defined area. Historically, several efforts were established to enhance local individuals' participation in politics by delivering essential services to the community. The amended 1999 Constitution of the Federal Republic of Nigeria specifies regulations for the executive, legislative, and judicial branches. The constitution specifies the allocation of authority among the three branches of government. Section 7(i) of the 1999 Constitution mandates that the local government system is regulated by this constitution. Their existence under statute defines the organisation, structure, composition, funding, and functions of such entities. Section 7(3) mandates that a local government council is responsible for economic planning and development within its jurisdiction. Local government is characterised as a governing entity operating at the most basic level, established by legislative statutes. Thus, local government should be regarded as the governmental entity closest to the populous at the grassroots level, with its principal duty being the realisation of the people's needs and aspirations. Local governments worldwide are expected to attain financial independence in the execution of their constitutional rights and responsibilities, hence promoting development and accountability to citizens.

3. THEORETICAL FRAMEWORK

Fiscal Federalism Theory

This study adopted Fiscal Federalism Theory as the theoretical framework **f**rom among the other theories reviewed because it provided an analytical framework for understanding how economic and financial responsibilities are distributed among different tiers of government within a federal system. The theory emerged in response to debates surrounding the efficient management of public resources and the appropriate allocation of financial and administrative powers among national, state, and local governments. Oates' ideas built upon earlier classical public finance literature, which had long recognized the challenges inherent in balancing central authority with local autonomy in multi-tiered governance systems.

Applying Fiscal Federalism Theory to this study offers a structured approach to understanding how the distribution of financial powers between the state and local government shapes service delivery outcomes in Bendel Local Government Area. The theory anchors the argument that meaningful service delivery depends on the extent to which local governments possess the fiscal autonomy required to perform their constitutional responsibilities. In Bendel, the state's control of the Local Government Allocation through the State Joint Local Government Account restricts direct access to statutory funds, creating a situation where the local government bears service delivery obligations without corresponding financial authority. This reflects Oates' position that decentralization fails when subnational governments are deprived of the fiscal independence necessary to fulfill their expenditure responsibilities.

The theory further explains how limited transparency in state–local fiscal relations contributes to the persistent gaps in rural infrastructure, basic education, primary healthcare, and environmental services observed in Bendel. When the central or state tier dominates revenue allocation, local governments become dependent implementers rather than active decision-makers. This dependency weakens their ability to plan effectively, respond to community needs, or maintain accountability to citizens. Oates emphasized that local public goods are best delivered when decisions are made by the tier closest to the people, as this fosters responsiveness and aligns expenditure with local preferences.

Additionally, Fiscal Federalism Theory sheds light on the challenges created by inadequate Internally Generated Revenue. Bendel's narrow economic base limits its ability to augment federal transfers, resulting in vertical fiscal imbalance, a condition the theory identifies as a major obstacle to efficient local governance. Without sufficient fiscal capacity, routine functions such as road maintenance, school renovation, and healthcare funding remain inconsistent. The theory therefore provides a solid foundation for analyzing why service delivery failures persist despite constitutional provisions for local government autonomy.

4. METHODOLOGY

The paper adopted a qualitative research design, employed the key informant interview drawn from the population using purposive sampling methods. The population of this study comprises staff of Bendel Local Government Council, selected officials from Local Government Council Staff, Elected Local Government Officials, Officials of Abia State Ministry of Local Government and Chieftaincy Affairs, Community Leaders and Traditional Rulers, Market Associations and Artisans' Union Leaders, Religious Leaders and Faith-Based Organisation Representatives, members of civil society organisations operating within Bendel Local Government Area, and academics from higher institutions within Abia State who possess expertise in local government finance and public administration. This population was chosen because these categories of respondents possess practical experience, administrative authority, and informed perspectives concerning fiscal autonomy, financial management, and the delivery of essential services at the grassroots level.

5. ANALYSIS OF THE APPRAISE FISCAL AUTONOMY AND SERVICE DELIVERY IN BENDEL LOCAL GOVERNMENT AREA IN ABIA STATE NIGERIA

The extent to which fiscal autonomy influences the efficiency of service delivery in Bendel Local Government Area(Oral interview, 2026)

Numerous respondents concur that financial freedom improves service delivery efficiency within Bendel LGA. In the absence of financial autonomy, it is most developmental projects get stalled or abandoned. One respondent contended that;

in the past, they were always able to source for the funds directly. As a result, they were able to respond to the exigencies of the people without waiting for the state.

For example, they would always be able to fix country roads, rejuvenate health secres, and provide learning materials to public institutions on time. An additional argument made was that due to being financially autonomous, you can ask council officials directly on how they spent the money. One more individual believed that without financial autonomy, there will be over-centralization.

The regular provision of services becomes delayed as the state makes them jump through hoops. The service deliverer gets demotivated when he always has to wait for state authorities to deliberate or delay on decision making, they argue. The investigators also pointed out that during the period when the council enjoyed some autonomy, boreholes were drilled, markets were renovated during the sanitation exercise.

Nonetheless, some respondents had differing opinions. The lack of institutional discipline will not increase efficiency in service delivery despite autonomy, it was claimed. One point made was that experience had shown that even with more control, mismanagement of funds still took place. Some the officials they are for it.

Lack the administrative capacity to manage full financial autonomy prudently. Most respondents nevertheless concluded that if increased fiscal autonomy was matched with appropriate internal controls and community involvement the quality, speed and coverage of basic service delivery in Bendel would be greatly improved. They emphasized that it is indeed local decisions made as close to the people as possible in the best interest of local development and not tied to the state level.

Another added that the absence of autonomy leads to over-centralisation, where routine service delivery is stalled due to bureaucracy at the state level. They noted that service providers become unmotivated when decisions are constantly delayed. According to them, in periods where the council had some level of autonomy, boreholes were drilled, markets renovated, and environmental sanitation was more effective. However, a few respondents held contrary views. They argued that autonomy does not necessarily translate to efficient service delivery unless there is institutional discipline. One stated that Past experience had shown that even with increased control over funds, mismanagement still occurred.

Another expressed concern that: Some officials lacked the administrative capacity to prudently handle full financial autonomy.

Despite these differing views, most respondents concluded that increased fiscal autonomy if matched with strong internal controls and community involvement would significantly improve the quality, speed, and coverage of basic service delivery in Bendel. They stressed that local development is best handled when decisions are made close to the people and when resources are not tied up at the state level.

The major constraints limiting the exercise of fiscal autonomy in Bendel Local Government Area(oral interview, 2026)

Most respondents view political interference of the state government as the most serious constraint they are facing. According to them, the state joint account system, which restricts allocations to local governments, limits the budgetary independence of the council. According to one, local government does not have financial autonomy, which refers to the financial resources, independence, and conditions under which local government mobilizes resources for spending above an agreed standard. Furthermore, the funds deposited into the joint account are not made available as promised. In addition, they claimed that the local governments relied on the state for financial resources, so naira from naira are distributed to the local councils.

Another respondent has claimed that financial independence at local government is not protected by legal backing Due to a lack of legal sanctioning, state governments make use of and take for granted the autonomy of local governments. One of the interviewers said that the constitutional defects in the law has given state control of the fiscal decision of local government thus, financial autonomy are very weak. Poor tax administration and lack of capacity is putting the councils in very dependent position on allocations from Abuja, others in the weak internal revenue system group mentioned. Often, this allocation is inadequate, resulting in state delays in the release of funds.

What it looks like is that there is a limit on the autonomy of the local councils due to corruption and non-transparency. According to one of the respondents, the failure of local councils to render proper accounts on the funds they received makes it possible for the other arms to interfere.

In the same vein, we had a couple of respondents mainly from the local government council staff and elected officials who argue that the main problem is with internal mismanagement and not state interference. One of them claimed that some councils are,' due to lack of technical capacity and weak financial discipline unable to utilise the little autonomy they have.

How the level of fiscal autonomy has affected the funding and execution of basic infrastructure in Bendel Local Government Area(oral interview, 2026)

This includes government run organizations schools colleges health sector and transportation of goods as well tourism development in sani and operating expenses. According to them, the budget of local authorities is limited and has to be sanctioned at the state level. Hence, it distorts infrastructure development.

As one of them pointed out, once the project is flagged off, if funds are not released, the work either gets abandoned or carried out poorly. A further participant stated that the condition of markets and motor parks remain dilapidated as the local government cannot move money as quickly as they would like to. According to them, local level politicians are usually forced to sort out matters because they are prevented from managing the monetario generated in the locality. The council cannot fund for repairs of health centres or borehole water and for the commissioning of new ones as well, they said. It was pointed out by one of the participants that it generally remains difficult to take up issues when they come up because of inadequate fiscal space. Until the local government has full control over its resources, they argued, infrastructural development will always be ad hoc and constrained. A participant also contended that; (including spelling errors)

State interference suppresses innovation locally. Few participants had a slight disagreement.

Another respondent insisted that not a fiscal restriction but actually a weak capacity within the local administration is the problem. In addition, the stated that when some money is found, the planning process is politicised or without consulting community members. According to one respondent; Missing monitoring and evaluation lead to abandoned projects and duplication of efforts.

6. DISCUSSION OF FINDINGS

The findings revealed that fiscal autonomy plays a crucial role in shaping the efficiency of service delivery in Bendel Local Government Area. The findings are in line with the majority of the respondents affirming that when the local government has direct access to its funds, basic services such as road maintenance, waste management, and primary healthcare improve significantly. This position aligns with Priono, Yuhertiana, Sundari, & Puspitasari, (2019) who observed that local governments perform better when they control their finances. The respondents noted that delays and interference from higher authorities reduce responsiveness and weaken project execution. However, some participants cautioned that autonomy without accountability might lead to waste and inefficiency. This view echoes Wyplosz, (2012) who argued that fiscal independence must be matched with strong financial discipline and local participation.

More so, the findings show that irregular federal allocations, excessive state-level interference, and weak internal revenue structures limit fiscal autonomy in Bendel LGA. This is in conformity with the views of the respondents, they pointed to the control of local revenues by state authorities and the lack of financial transparency at the grassroots. This view is consistent with Nwokwu, (2020) who observed that undue state dominance weakens the financial independence of local governments in Nigeria. Others highlighted poor revenue generation mechanisms and political interference as additional barriers. These challenges, if unresolved, continue to undermine the financial self-reliance of the council.

7. RECOMMENDATIONS

Based on the findings the following recommendations were made;

a. The federal government should enforce direct allocation of funds to local governments to enhance their financial independence and improve timely and efficient service delivery in Bendel.
b. The state government should stop withholding statutory allocations meant for local councils and ensure that financial disbursements are transparent, prompt, and free from political interference.
c. Bendel Local Government should be empowered to initiate and execute capital projects by granting it full control over its internally generated revenue and statutory allocations.

REFERENCES

Awa, E. O. (2021). *Federal government in Nigeria*. University of California Press.

Berman, D. (2019). *Local government and the states: Autonomy, politics, and policy*. Routledge.

Chukwuemeka, E., Ugwuanyi, B. I., Ndubuisi, P., & Onuoha, C. E. (2014). Nigeria local government: A discourse on the theoretical imperatives in a governmental system. *African Research Review*, 8(2), 305–324.

Hammed, A. A., & Tunde, A. A. (2016). Fiscal decentralization and economic development in Nigeria: The role of demographic institution. *Journal of Politics and Law*.

Kennedy, C. K. (2020). Good governance: A panacea to the fight against corruption. *Icheke Journal of the Faculty of Humanities*, 18(2).

Kyenge, J. (2013). The challenges of local government administration in Nigeria. *Journal of Management and Corporate Governance*, 2(5), 70–76.

Lukpata, V. I. (2013). Revenue allocation formula in Nigeria: A continuous search. *International Journal of Public Administration and Management Research*, 2(1), 32–38.

Mnyasenga, T. R., & Mushi, E. G. (2015). Administrative legal framework of central–local government relationship in mainland Tanzania: Is it tailored to enhance administrative devolution and local autonomy. *International Review of Management and Business Research*, 4(3), 931–944.

Ndreu, A. (2016). The definition and importance of local governance. *Social and Natural Sciences Journal*, 10(1).

Nico, M., & Ophillia, L. (2015). The perceptions and nature of service delivery innovation among government employees: An exploratory study. *Journal of Governance and Regulation*, 4(4), 575–580.

Nwokike, C. E., & Chidolue, D. N. (2021). Local government administration and service delivery: A study of Anambra state local government system (2014–2021). *International Journal of Academic Management Science Research*, 5(12), 21–30.

Nwokwu, P. M. (2020). Effect of state–local government relations on rural development in Nigeria. *Studies in Politics and Society*, 9(1–2).

Priono, H., Yuhertiana, I., Sundari, S., & Puspitasari, D. S. (2019). Role of financial management in the improvement of local government performance. *Humanities & Social Sciences Reviews*, 7(1), 77–86.

Wyplosz, C. (2012). Fiscal rules: Theoretical issues and historical experiences. In A. Alesina & F. Giavazzi (Eds.), *Fiscal policy after the financial crisis* (pp. 495–525). University of Chicago Press.