

The Effect of Public-Private Partnership in Rural Infrastructure Provision: An Exploratory Study of Anambra State Local Government System Performance

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Abstract

The need to improve the infrastructure provision at the local government level in Nigeria has become imperative. The expectation of the citizens from government to meet their needs for the basic infrastructural provision has remained on the increase in recent times. The study is an effort to determine the effect of Public-Private Partnership (PPP) as strategic option in providing rural infrastructures in Orumba North Local Government Area of Anambra State. The study aims at finding out what is on the ground in terms of standard of rural infrastructures and how best the services can be improved upon in order to reduce poverty, disease, hunger and unemployment in Anambra State and Nigeria in general. In order to achieve the objective, the researcher drew a sample size of 85 respondents using Yaro Yammane mathematical tool while questionnaire size per distributive areas was arrived at by proportional equal allocation. Item ployed both primary and secondary methods of data collection. Data were analysed by using simple percentages, tables, figures, descriptive statistics and illustrative graphs while exploring some of the relevant theories like the Principal/Agency theory as his explanatory tool. Three hypotheses were formulated and tested using chi-square(χ^2) method. In the light of the Agency theory framework, the findings revealed that the application of PPP strategy in rural infrastructural provision was moderately achieved in the Local Government Area. Also, further discoveries indicated that the basic economic infrastructures remain in adequate due to poor funding, corruption, undue political interferences by the state, inefficient management, inconsistent legal framework among others. It was recommended that the PPP arrangement should be adequately funded, corruption check-mated through all instituted measures, undue political interferences by the state avoided while creating an enabling investment climate for the PPP arrangements to thrive.

Keywords: Rural infrastructure, PPP, Local Government, State Government, Public Sector, Private entity.

Introduction

It is the desire of every nation to have a self-reliant and strong economy capable of generating an internally self-sustaining economic growth and development. Governments all over the world are constantly saddled with the responsibility of providing basic amenities like education, healthcare facilities, portable water supply, rural electrification, construction and maintenance of roads, waste management and disposal, among others to make life more comfortable for its citizens. The ability of Governments to meet these diverse needs of their citizens have continued to wane. This is against the back drop of the fact that public expectations from the government have continued to rise. (Ajayi, 2010) in Amujiri (2011) observed that the high cost of providing some of these services are usually beyond the capacity of the Government in most cases. Public infrastructure would require massive injection of capital, and with slow rate of return. This means an absence of profit motivation which will naturally become a dis-incentive for the private sector to invest.

Besides, the introduction of 1976 Local Government Reforms has strengthened the operation of Local Governments by streamlining the structures and functions whereby the local government system became uniform throughout the country. In addition, the recognition of the Local government by the 1979 constitution of the Federal Republic of Nigeria as the third-tier of government gave it enormous financial powers and functions for effective discharge of

responsibilities to rural populace. By this, local governments are entitled to the regular share of statutory allocations from the Federation Account, the State Government and also the power to generate revenues internally from numerous independent sources as contained in the Fourth Schedule (Section 7) of the 1999 Constitution. Unfortunately, local governments have not been able to provide adequate public services in practical terms for the benefits of the rural populace. This is as a result of inadequate fund allocation to Councils occasioned by denial and/or diversion of Local Governments share of statutory allocations by State Governments, official corruption, poor planning and lack of commitment by our leaders (Onah, 2011).

It is in this regard that the study attempts to determine the effect of PPP as the strategic model for infrastructural provision in rural area of Orumba North Local Government in Anambra State since 2010 to 2014. This Local Government was selected because it is one of the most rural Local Governments in Anambra State.

Statement of the Problem

The 1976 Local Government Reform was widely accepted as marking a radical departure from all the past reforms, not only because of its uniform nature nation-wide and recognition as the third-tier of government in the 1999 constitution of the Federal Republic of Nigeria but the Federal Government got fully involved in the subject of Local Government which hitherto was the exclusive preserve of the Regional and State Governments (Ahamefule, 1992). Consequently, billions of naira have been sunk into the activities of local governments, with the expectation that these funds will enhance their performance in terms of provision of adequate socio-economic infrastructures to the rural populace. Unfortunately, the achievements of local government Councils have continued to remain at its lowest ebb.

But with the massive infrastructure demand of our time especially with regard to trade expansion, rapid population growth, urban development among others, it became clear that the infrastructure facilities provision is not only poor but they can no longer be sustained. Further, the Governments continued ownership and control of the existing public enterprises for public provision of facilities will cripple economic development. Therefore, the failure of Councils to provide and sustain the infrastructures could be attributed to a number of problems.

Onah (2011) noted that in the face of these apparently conflicting roles of the National Assembly, State House of Assembly, State Government and the presidency vis-à-vis Local Government Control, a lot of illegal deductions are effected at the source of revenue allocation distributions. This denies the Councils its substantial share of revenue allocation which could have been used for capital projects development like road rehabilitation and construction, rural electrification, education, good water supply, Health Care Services, Agriculture, among others.

Ezeani (2004) stated that in an Audit report published by the News watch Magazine, December 20, 1993 captioned "For tresses of Corruption, Audit report indicts Local Government of fraud and corruption". The revelations included that all the chairmen of twenty one local governments in a particular state were pronounced guilty of financial irresponsibility; the local government Councils had become for tresses of financial malpractices, involving the inability of the officials to produce payment vouchers for monies paid out, non-availability of revenue receipts, loss of public funds, irregularity in stores accounts, irregular payments and inflated contracts, non-retirement of impress advances among others.

The corrupt practices assume diverse forms in local governments such as inflation of prices or quotations, gratification of Council officials in the award of contracts, collusion between external auditors and government functionaries, collusion between the supervisory ministries and local government chairmen, diversion of accruing revenues by Council officials to private pockets, falsification of accounts and false claims (World Bank, 2009).

The over dependence of local governments in Nigeria, for instance, on the monthly share of statutory allocation from the federation account whittles down the autonomy of Councils. In spite of the 1999 constitutional provision in the Fourth Schedule, section 7, which empowered Local Governments to generate revenues from numerous independent sources within their areas of jurisdiction, most state governments have not created enabling environment for Councils to harness such revenues effectively to supplement the local government's share of the federation account (Ezeanni, 2004). Thus, the autonomy of local governments is not only eroded but they are saddled with the problem of inadequate funds which will enable them to embark on development projects in rural areas.

These flaws dictate that the critical gaps in the infrastructure provision at the local government level need to be filled and improved upon through Public-Private Partnership as a panacea to poor rural infrastructural provision. It is in this regard that Orumba North Local Government which is one of the most rural local governments in Anambra State of Nigeria was chosen. The aim is to determine the effect of PPP in the rural infrastructure provision since 2010 to 2014.

Research Questions

The following research questions will guide the study:

1. What is the effect of Public-Private Partnership on rural infrastructural provision in Orumba North Local Government since the adoption of this strategy? and
2. Has the PPP strategy been able to compare favourably with the traditional methods of infrastructural provision like quality education, potable drinking water, adequate healthcare access roads, and other economic benefits?

Objectives of the Study

The main objectives of the study is to determine the effect of PPP on rural infrastructure provision in Anambra State Local Government System Performance with a view to improving the standard of infrastructures. The study will specifically seek to:

1. Determine if the use of PPP in rural infrastructural provision has improved the state of infrastructure and social services since the adoption of this model; and
2. Determine whether the PPP model of rural infrastructure provision compares favourably with the traditional methods of providing quality education, adequate healthcare and other economic benefits.

Research Hypotheses

Arising from the problems confronting the Local Government under study, the following hypotheses are hereby proposed:

- H₀₁: The effect of PPP on rural infrastructural provision has not improved the state of infrastructure and social services since the introduction of the model;
- H₀₂: The PPP model of rural infrastructural provision does not compare favourably with the traditional methods of providing quality education, adequate healthcare and other economic benefits.

Significance of the Study

The study is justified on the ground that it bridges the gap in the existing knowledge on the issue that Anambra State Local Government's rural infrastructure provision previously rested on the government's financing alone for improving the quality of lives of its citizens in the state. This

is an area that previous studies have not dwelt on as seen in the works of Asadu (2011), Nnamdi (2010) and Mahamadu (2009) among others.

However, the findings of this study are expected to be useful in recommending more effective PPP collaborations and innovation in improving rural infrastructural provision. This will be complemented with reviewed and improved PPPs operational framework.

Scope of the Study

The empirical focus for the study is to determine the effect of Public-Private Partnership on rural infrastructure provision in Orumba North Local Government of Anambra State. The period of 2010 to 2014 is the time frame which was covered in the study. This time frame was chosen because it falls within the purview of there-emergence of democratic government in Nigeria and the year 2010 falls within the year when ascendancy to public offices was pursued in the state by using all forms undemocratic methods like kidnapping, snatching of election boxes and rigging of election results.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

The Concept of Public Private Partnerships (PPPs)

The concept of Public-Private-Partnership originates from USA, initially relating to joint public and private sector funding for educational programme, and then in the 1950s it referred to similar funding for utilities, but has come into wider use since the 1960s as it is referred to as public-private joint ventures for urban renewal. It is also referred to as publicly-funded provision of social services by non-public sector bodies, often from the voluntary (not-for-profit) sector, as well as public funding of private sector research and development in the fields such as technology (Buse and Watt, 2002).

It is instructive to note that there is currently no clear definition of what constitutes Public-Private Partnership. The literature offers several possibilities. Public-Private Partnership is, conceptually, collaboration between public and private sector organizations in public service delivery (Commonwealth, 2003; Nkya, 2000).

Theoretical Framework

In the principal agent theory framework, the agent's effort is not observable. At the same time, agent's behavior is at the root of the performance. In order to assure a certain level of performance, the principal should give the agent incentives to perform. The incentive constraint should be tackled. The authors belonging to the principal agent theory concentrate on the imposing of potential cost overruns on partners as an incentive device. The payment the agent receives from the principal depends on his performance. Within this framework, a number of inferences are drawn. First, the risk should be allocated to the agent to the extent that he does manage the risk. Second, risk should be allocated to the least risk averse partner in order to minimize the overall risk-bearing cost. In the principal-agent literature, the agent, in most cases is supposed to be risk averse whereas the principal is supposed to be risk neutral. Third, the principal should support risk in order to minimize the overall risk bearing cost.

The principal agent theory is used in this context to address the efficient design of the service contracts and their delivery of services in effective manner. The service contracts describe the strategic interactions between the two contract partners, called the principal and agent (or public and private sectors). The principal agent theory assumes that the actors are motivated by rational self-interest the theory was originally applied in the context of private firms to explore the economic relationship between a manager (principal) and an employee (agent). Despite its primal

use within the private sector, the agency theory can also be applied in the context of the interfaces between the public sector and the private sector when the public sector (principal) employs the private sector (agent) to delegate some of its roles in public service delivery (HM Treasury, 2003). In this case, Orumba North Local Government (Principal) and the Private Sector (agent) for the delivery of public services.

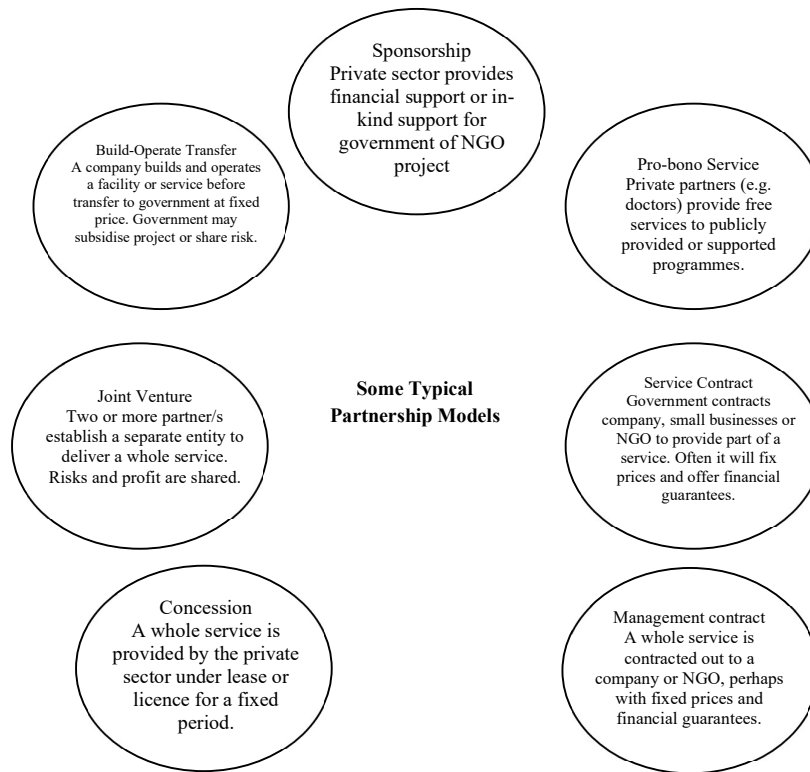
In agency theory, a principal chooses to contract with an agent for reasons of cost and expertise. The principal may decide that its organization lacks the resources and expertise to produce a good or service and that the cost of hiring or developing that expertise in-house exceeds the costs associated with contracting for the expertise. The principal and the agent then agree on the contractual terms including the inputs, processes, outcomes, quality, and satisfaction parameters, monitoring, performance requirements, and compensation mechanism. The basic assumption for agency theory is the asymmetric information between the principal and the agent, which induces adverse selection during exantecontracting and moral hazard during expostcontracting period. Adverse selection means that the principal is unable to access relevant information of the agent before signing the contract. And moral hazard refers to the fact that the task cannot be freely observable by the principal and thus causes the monitoring problems. In this regard, the principal will apply new ways of contracting in order to minimize the deviation from its goals (Caers, et al, 2006).

Review of Empirical Literature

Graham (2005) stated that Public-Private Partnerships are seen as a means of filling the widening gap between pressures for improved public services in those countries and the capacity of governments and international development partners to meet the cost. They also represent a response to perceptions of poor performance by state-owned enterprises as well as concerns about the quality of government service delivery and the way it is administered ('government failure'). This includes concerns about inefficiency, mismanagement and corruption—that is, about the need for better governance.

There are numerous variations on the theme of Public-Private Partnerships. Some common types are shown in the diagram below:

Figure1: Typical forms of Partnership Models



Source: Lawson, B (2002) Private sector perspective on Public-Private Partnership.

In more operational terms, Mbanasor and Nwachukwu (2011) classify different models of PPPs according to the contractual arrangement between the partners as in figure 1 above, thus:

1. Build-and-Transfer (BT)–in this arrangement, the government provides the financing and construction of the infrastructure and transfers it to the private sector for operation and management.
2. Build-Lease-and-Transfer (BCT)–in this arrangement, the private party finances and construct the infrastructure and then hands it over to the government agency for management on a lease basis.
3. Build-Own-Operate (BOO)–in this arrangement, the private party is authorized to finance, construct, own and operate an infrastructure project, and is allowed to recover both the acquisition and operating expenses by charging levies over a specified period of time.
4. Concession Agreement (CA)- in this arrangement, the private party acquires the operation and management of an infrastructure project for a specified consideration. The government agency collects the user levies.

Overview of Public-Private Partnership in Nigeria as Infrastructure Development Option

Osisioma (2012) pointed out that the Nigerian Public-Private Partnerships journeys has not been without challenges. Some of the challenges are not peculiar to Nigeria alone. For example, there is a school of thought that is opposed to the idea of the private sector providing for what is a primary duty of the government. Those who hold this opinion are known for their opposition of the privatization of government corporations. They are suspect of any move by government to engage the private sector. The belief is that the government would always favour cronies and

enrich the companies owned by government officials secretly to the detriment of the common man. The champions of the anti-public-private partnership school of thought a real so of the view that PPPs will introduce higher cost of using government facilities. Osisioma further observed that even if the view of introducing higher cost may be possible, it is worthy to state that many publicly owned corporations in Nigeria have not performed creditably when compared to the privately owned companies. For example, Nigeria Telecommunications Company Ltd (NITEL), Power Holding Company of Nigeria (PHCN) and some Government Ministries, Departments and Agencies (MDAs) have failed in providing adequate services to the people due to high level of corruption, mismanagement and bad leadership. We cannot continue to fold our hands and expect business to continue as usual, if public officials do not deliver either due to incompetence or mismanagement (Nwankwo, 2008).

Various investment opportunities abound in the country. Nigeria is a vast nation with 36 states and an active population of nearly 160 million people growing at 3.5% per annum which means one out of every six African is a Nigerian. As one of the six fastest growing economies in Africa, Nigeria is a land of opportunities for investment. There centre forms going on in the various critical sectors in the country by the present administration if fully tapped into.

Evaluation of Selected Infrastructural Projects in Nigeria

Water Supply and Environmental Sanitation

Public Private Partnerships have existed in the international water sector for a number of years. For example, private sector concessions for the development and operation of water supply and treatment plants have been common place in France for at least forty years, leading to the growth of the large and diversified French private sector utility companies. The construction of water supply or waste water networks under PPP arrangements is likely to be linked to the level of information available on the extent, composition and performance of existing networks (European Commission, 2003).

Transportation

The state of transportation in Nigeria can be classified into five major modes: Roads, Rail, Water, air and Pipelines. The contribution of the transport sector to the economy of Nigeria if considered by the GDP tends to stagnate or decline at about 3% of GDP. Indeed, the sector's real contribution to GDP continued to decline from 6% in 1981 to 3.12% in 1991 and 3.10% in 1998. In particular, road declines from 5.17% in 1981 to 2.90% in 1995 and to 2.86% in 1996 and 2.84% in 1997 (Oni, 2010). From the above therefore, there is need to provide and manage transport to help in maintaining the continuous survival of the Nigeria society. Recognizing the complexities in the provision and maintenance of transport, there is further need to evolve effective, reliable and functional management objectives and policies that could yield public-private partnership framework in Nigeria's urban transport system.

HealthCare Delivery

Within health services today, social and physician entrepreneurs are already engaged in laboratory services, medical transport services, walk-in clinic services, long-term residential facilities and personal and occupational therapeutic services. Physician entrepreneurs also deliver surgical services and other elective medical services. Private Service providers are well suited to deliver most chronic care therapeutic services as partners with government hospitals as Consultants. By building these partnerships, the health system is able to better manage cost. Positioning healthcare services with appropriate client-centered, privately delivered service and support helps to alleviate excessive demand on the publicly operated critical care system.

Education

Recent years have seen an expansion and broadening of the private sectors role in the financing and provision of education services in many countries. A key trend has been the emergence of more sophisticated forms of non-state involvement in education through public private partnerships. Ojose, (2009) stated that the development of human resources is the key to sustainable development as the real development of any economy hinged on manpower development through quality education and this cannot be left to the government alone. Through PPPs, education infrastructure such as laboratory equipment, lecture rooms, furniture, toilets, ICT rooms, scholarships, sports equipment, school buses and hostels are possible. The return of some of the public schools back to the missions is a way of re-establishing the partnership that once existed, which is most rewarding because position change is manifesting in many of those returned schools.

Absence of True Local Government Autonomy

According to Jones (2000), a number of factors have continued to challenge local governments existence and capacity, for providing adequate rural infrastructures. The exact status of local government under the 1999 Constitution has not been very clear. This problem arises out of the various provisions in the Constitution which tend to contradict or impair one another. Moreover, some of these provisions lend themselves easily to different interpretations and, if stretched, could lead to operational or functional immobilism.

Section 7 (1) of the Constitution states as follows

The system of local government by democratically elected local government Councils is under this constitution guaranteed; and accordingly, the government of every States Hall, subject to Section 8 of this Constitution, ensure their existence under a Law which provides for the establishment, structure, composition, finance and functions of such Councils. It seems reasonable to conclude from this provision that local government is the responsibility of the State Government.

Second, the framers of the 1979 Constitution, which was more-or-less repeated in 1999, are living witnesses of the fluctuating fortunes of local government since its introduction in Nigeria in the early 1950s. They might have frowned particularly at the careless abandon with which the State executive dissolved local governments and appointed sole administrators in their place.

Third, the framers of the constitution might have envisaged a new and more dynamic role for local governments in the areas of economic development and nation-building. The traditional roles of local government have been confined to the maintenance of law and order in the rural areas, preventive functions in the area of health hazards, refuse disposals and provision of certain basic services to the rural population. But the framers of the 1999 Constitution probably and rightly envisaged a more elevated position for the local government in the overall national objectives. This position can be secured by entrenching the existence of local government in the national Constitution to give it a national image. In this way, local government can transcend the parochial boundaries and mundane issues of States to assume national responsibilities and character.

Undue Political Interference of State Government in the affairs of Councils and abuse of state-Local Government Joint Account:

Kunle (1995) observed that the financial status of local governments under the 1999 Constitution, Section 7(6) states that:

- (i) The National Assembly shall make provisions for statutory allocation of public revenue to local government Councils in the Federation; and
- (ii) The House of Assembly of a State shall make provisions for statutory allocation of public revenue to local government councils within the State.

The provisions of this section place the bulk of the financial burden of local government on both the federal and State Governments. And since he who plays the piper dictates the tune, it stands to reason that both governments can exercise some measure of control over local governments. By this measure of control, local governments now rely mainly on statutory allocation from federation account which is usually inadequate for development activity. This is aptly stated in the 1999 Constitution, Section 162(5, 6 and 8).

From the above provisions, it is clear that even though the federal government shall make statutory allocations to local governments, such allocations must be passed to them through the State Governments. One important point which seems to escape notice and appreciation is the fact that whereas the federal government is to make such allocations to the local government, the State Government has the Constitutional duty only to establish “State-Joint Local Government Account” into which these allocations are paid. What then happens to the funds in the joint account is the business of the State House of Assembly where the amount standing to the credit of the local government Councils of a State shall be distributed among local government Councils of that State on terms and manners prescribed by the House.

Awojobi (2000) highlighted that the issue of the monthly allocation to local governments from the Federation Account should not be treated with levity if Nigerians expect development from below to complement the efforts of the State and Federal Governments respectively. From a total of N289,039,214,204.18 being the total gross revenue allocation by Federation Account Allocation Committee for the month of November, 2010 shared in December, 2010, all the local government Councils got a staggering sum of N55,636,472,011.55 while the States and Federal Government received N73,076,955,890.76 and N127,519,592,774.84 respectively (excluding 13% Derivation Fund and Deductions on Cost of Collections (FIRS, 2010).

See table 1 below:

Table1: Summary of Gross Revenue Allocation by Federation Account Allocation Committee for the Month of November, 2010 shared in December, 2010.

S/No	Beneficiaries	Statutory Allocation (₦)	Excess Crude sales Distribution(₦)	VAT Value Added TAX (₦)	Total (₦)
1	FGN (see Table II)	N124,548,270,116.44	N-	N2,971,322,658.39	N127,519,592,774.8
2	State (see Table III)	63,172,547,029.45	-	9,904,108,861.32	73,076,955,890.70
3	LGCs (see Table IV)	48,703,385,808.63	-	6,933,086,202.92	55,636,472,011.55
4	13% Derivation Fund	30,085,593,804.71	-	-	30,085,593,804.71
5	Deductions: Cost of Collection (FIRS & NICS)	1,895,232,317.21	-	825,367,405.11	2,720,599,722.32
	TOTAL	268,405,029,076.44	-	20,634,185,127.74	289,039,214,204.18

Source: Field Survey (2021)

Gap in Literature

The national commitment to improving the infrastructural demands of the rural populace through a strategic policy of public private partnership intervention option finds a worthy explanation in the many challenges that confront the nation, even in the face of emerging global economy. Unfortunately, most developing African countries like Nigeria and its institutions seem to be worse-hit by decay of infrastructures among the various tiers of government that necessitated the economic transformation of the public sector by the Federal Government. The aim is geared towards effective infrastructural development at the grassroot through PPP model. While it's true that huge volumes of scholarly writings and analysis have been done over 20 years ago on infrastructural development in developing countries by international organizations Scholars like transparency International (1978), Who (2006), World Bank (2000), UNICEF (2001), Ladipo (2009), Nwankwo (1982) and Osisioma (1996) among others. These efforts seem to be more concentrated in discussing issues affecting Local Government in Nigeria as if all the Local Governments are the same without due regard to some of their peculiarities such as environment, rural and urban nature, financial capacity, level of governance, awareness of population, education competitiveness, culture, commerce, trade and politics (Nwankwo, 2011). The contribution of the present study to the existing knowledge is more empirical rather than theoretical in the works reviewed. The study took into consideration those characteristics that distinguish one Local Government from another even if they operate under the same uniform local government laws like Nigeria, where a unified local government and often times Transitional Government Committee arrangements are operational.

METHODOLOGY

The following methods and procedures were employed in the research study:

Research Design

The study critically determined the effect of Public-Private Partnership (PPP) models variously applied in providing rural infrastructural services at the local government level. To determine the effect of the PPPs model of infrastructural development, the study employed are search survey method. Interviews were conducted and questionnaire was also administered on the study population consisting of selected respondents drawn from the State Executive Council Members; State Assembly/Local Government Area; Political representatives; Administrative/Career Staff (MDAs); and Anambra State/Rural Community Stakeholders.

Population of the Study

Anambra State came into existence on the 28th August, 1991. It has a land area of about 4415 sq km and estimated population of 5,821,858 (Nigerian Census, 2006). Anambra State is densely populated and having 177 autonomous communities and twenty one (21) Local Governments (Anambra State MOL, 2013). The greater percentage of the population are mainly farmers, traders, civil servants; political actors, community leaders including the clergy. Therefore, the researcher having recognized the diverse nature of the Local Governments, the general poor state our economy and the in accessibility of some major road networks for easy transportation to all the twenty one (21) Local Government Areas, decided to select Orumba North Local Government only for this study. The researcher concentrated on the public service MDAs employees, political officer holders and the Anambra State/Local Government stakeholders for the questionnaire distribution and data collection.

Sample Size and Determination Procedure

In arriving at a sample size for the study and the questionnaire distribution, the Anambra State Human Resource Population was stratified along the following three (3) major groupings: The State Executive Council comprising of Governor, Deputy Governor, Commissioners, Board Chairman, State Assembly Representatives, Local Government Representatives; Secretary to Government, Judiciary Representatives and other political appointees totalling, 70; Administrative/career Staff (MDAs) comprising permanent secretaries, Directors, Administrators, Secretaries and other professional personnel totalling, 220 and Anambra State community leaders comprising traditional rulers, palace chiefs, chairmen of Age grades, president generals and secretaries of Town unions, youth, women and party leaders, civil society organizations and the clergy totaling, 260 (Anambra State BOS, 2015). The grand total population as estimated is 550.

In determining the actual sample size for the study, the researcher applied Allen Yaro Yammane (1967) mathematical method. Yammane (1967: 86) provides a simplified formula to calculate sample sizes. The application assumes a 95% confidence level and level of maximum variability (P=0.5). When n is the sample size, N is the population size and e is the level of precision (allowance error), that is 5% or 0.05.

The formula is as follows:

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

Where,

n	=	Sample size
N	=	Population of 550
e	=	Error size or margin of error, 0.05 (i.e level of significance)
I	=	Constant

Substituting value for the formula as follows:

$$n = \frac{550}{1 + 5.5}$$
$$n = \frac{550}{6.5}$$

n=84.61

n=85 approximately

Therefore, the sample size of this study is 85 randomly selected from the Anambra State Human Resource population which was stratified along three major groupings.

Method of Data Analysis

The bulk of data generated in this study was analyzed using quantitative and qualitative descriptive tools such as percentages, figures, tables, descriptive statistics, illustrative graphs among others.

PRESENTATION AND ANALYSIS

Analysis of Data

From Table 4.3.5 above, an analysis of the State of Internal Revenue and External Fund Allocations to the Local Government during the 5-year periods revealed the following:

In 2010, the Internal revenue receipts achieved a 56.5% performance against 44.4% External funding in the same year; in 2011, the Internal revenue receipts achieved a 54.2% performance against the external funding of 41.6% in the same year; in 2012, the Internal Revenue collections achieved a 60% performance against the external funding of 56%; also, in 2013, the Internal Revenue collections achieved a 52.5% performance against the external revenue of 55% and in 2014, the Internal Revenue receipts achieved a 49.1% performance against the external funding of 40.2 in the same year. The analysis clearly shows that the internal revenue generating efforts remain higher than the external revenue contributions from external sources like the state government, loans from banks, and special funds like the World Bank. The only exception is the revenue accruing from the federal value Added Tax and statutory allocations from the federation account. An increased government funding is needed to make the PPP model of infrastructural provision more effective.

Similarly, in case of recurrent and capital expenditure projects statement, in table 4.3.5 (ii), the physical infrastructure performances over the period, account for N22.3m (45%) against the planned target of N49.6 million in 2010; in 2011, infrastructure provision accounts for N21.2m (41%) against the planned target of N51.6 million; in 2012, infrastructure provision accounts for N25.4m (42%) against the planned target of N60.4 million; in 2013, infrastructure provision accounts for N30.5m (44.5%) against the planned target of N68.4 million; and in 2014, infrastructure provision accounts for N35.8 (44%) against the planned performance of N81.2 million. The overall analysis is indication that the infrastructural provision in the use of PPP was moderately achieved. Perhaps more fund is needed in the PPP deal to enable it achieve the planned performance target in terms of rural infrastructural provisions.

Analysis of Research Questions

The data generated on the two research questions of the study are analyzed in this section.

Research Question 1: What projects have Orumba North Local Government undertaken between 2010-2014, whether on-going, completed or abandoned?

Table 4.4.1: State of Infrastructural Projects fully and partly completed at Orumba North Local Government.

A: EDUCATION

School	Pre 2011 No of Blocks	Pre 2011 Functionality (Lib, Lab, Toilet)	2011-10 No of Blocks	2011-2014 Functionality (Lib, Lab, Toilet)	2011-2014 Achievement or Failure indicator	Remarks on Projects
Omogho Nursery	1	Functioning	1	Functional	Renovation of classroom blocks attained	Construction of additional 1 block required
Omogho Primary	2	Functioning	3	Nil	Rehabilitation of school library, lab, and equipped with teaching aids	1 new classroom block needs to be completed
Omogho Secondary	6	Functioning	6	Functional	No renovation	Rehabilitation of 6 classroom blocks needed
Amaokpala Primary	2	Functioning	3	Nil	Renovation of toilets by MDG	On-going classroom blocks needs completion

Enugwu Abor Nursery	1	Functioning	2	Functional	Teaching Aids, D.V.D, Generator, Flat screen TV were supplied.	Rehabilitation of one Classroom block needed.
Ufuma Primary	2	Functioning	3	Nil	School Library fully equipped with teaching aids	On-going construction of a new classroom block needs completion
Ndiowu Central Primary	2	Functioning	3	Functional	All classroom blocks rehabilitated	On-going new classroom block needs completion
B: HEALTH						
Health Facility	Owners hip	Pre 2011 No of Blocks	Pre-2011 functionality	2011-2014 No of Blocks	Achievement or Failure	Remarks
PHC, Awgbu	LGA	7	Nil	8	Equipped. 1 clinical ward under reconstruction	Rehabilitation of 2 Blocks required.
PHC, Oko	Community	1	Nil	1	Functional with one newly built toilet by community	Equipping the PHC needed urgently.
Enugwu-Nanka	LGA	Nil	Nil	1	Non-functional. But renovated by civil organization	Equipping of the PHC required.
C: MARKET PROJECT						
Oye Reserve Ndi-Ukwu-enu	Community	No stalls	Nil	Functional without physical improvement	No rehabilitation	Rehabilitation and construction of new stalls required
Ajalli square	Community	12	Functional	Functional	No renovation	Renovation and expansion of market needed
Ufuma	Community	6	Functional	Nil	No renovation	Renovation and expansion of market needed.
D: V.I.P. TOILETS						
Omogbo comm.	MDG	Nil	Nil	6	Newly built toilets	To be put to use.
E: WATER SUPPLY (BOREHOLES)						
Location	Ownership	Pre 2011 functionality	Pre 2011-14 No.	2011-14	Achievement or failure	Remarks
Awa Civic Centre	Community	Nil	Nil	1	Constructed by Fed. Govt.	Additional water boreholes required
Central school Okpeze	Government	Nil	Nil	1	Constructed by state government	Rehabilitation and construction of additional one needed
Ajalli-Orie Market	Community	Nil	Nil	1	No rehabilitation	Rehabilitation of water borehole required.
F: RURAL ELECTRIFICATION						
Location	Ownership	Major project	2011 Functionality	Pre 2014	2011-2014 functionality	
Market square Ndiowu	Community	Supply of transformer	Functional	2	Not functional due to no rehabilitation	Installation of new transformers needed.
Umueji-Ufuma	Community	Supply of transformer	Functional	1	Additional new transformer supplied by LG	Service is excellent
Awa	Nil	Nil	Nil	Nil	No power line at all.	Extension of electric power supply needed urgently.
G: TRANSPORT (ROADS, BRIDGES & CULVERTS)						
Location	Ownership	Pre 2011 functionality	Road coverage	2014 functionality	Achievement or failure	Remarks
Odor Bridge Awgbu	Government	Nil	20m	None functional	Under construction	On-going work needs completion
Umuawulu Road	Government	Nil	20m	Pavement completed	Maintenance work completed	Service Effective.

Umuogem-Umuneboro road	Government	Nil	20m	Only culverts completed	Road still on-going	More funds required to complete work.
H: ADMINISTRATION (SECRETARIAT)						
H: ADMINISTRATION (SECRETARIAT)						
Major project	No. of blocks	Pre2011Functionality	2011-14	Achievement or failure	Remarks	
Rehabilitation & furnishing of T/Rulers, Hall and Staff Canteen	4	Functional	Functional	Partly rehabilitated and furnished	Adequate furnishing and equipment of offices required.	
Additional office blocks	Nil	Nil	Nil	Nil	Injection of fund and political will required for take-off	
Civic centre	Nil	Nil	1	Building completed	Furnishing and equipping required	

Source: Field Survey (2021).

Test of Hypotheses

The hypotheses for this study were tested using the chi-square(χ^2) method of analysis.

Decision Rule

When the observed chi-square(χ^2_0) is less than the expected chi-square figure(χ^2_E), we shall accept the Null Hypothesis(H_0) and thus, reject the Alternative Hypothesis (H_i) and vice versa.

Hypothesis One

H_0 : The Effect of PPP on rural infrastructure provision has not improved the state of infrastructure and social services since the adoption of the model.

H_i : The Effect of PPP on rural infrastructure provision has improved the state of infrastructure and social services since the adoption of the model.

The data from question 5 was used to analyse the hypothesis while the hypothesis was tested using chi-square(χ^2) = $\sum \left(\frac{O_i - E_i}{E_i} \right)^2$

Table4.5.1

Response	O_i	E_i	$O_i - E_i$	$(O_i - E_i)^2$	$\left(\frac{O_i - E_i}{E_i} \right)^2$
Agree	35	85	-50	2,500	29.41
Disagree	46	85	-39	1,521	-17.89
No Idea	4	85	-81	6561	77.19
Total	85				124.49

Source: Field Survey, 2021.

Test of Hypothesis

Decision: The calculated $\chi^2=124.49$, Table $\chi^2=4.60$, degree of freedom is (3-1) =2, level of significance = 0.05. But since the calculated chi-square(χ^2) value of 124.49 is greater than the table chi-square value of 4.60 at alpha level of 0.05 and degree of freedom 2, we therefore accept the Alternative Hypothesis (H_i) which states that, the effect of PPP on rural infrastructure

provision has improved the State of infrastructure and social service since the adoption of the mode land reject the Null Hypothesis (H_0).

Hypothesis Two

H_0 : The PP model of rural infrastructural provision does not compare favourably with the traditional methods of developing projects.

H_i : The PP model of rural infrastructural provision compare favourably with the traditional methods of developing projects.

The data from question II was used to analyse the hypothesis and tested using chi-square (χ^2) method of analyses.

Table4.5.2

Response	O_i	E_i	$O_i - E_i$	$(O_i - E_i)^2$	$\left(\frac{O_i - E_i}{E_i}\right)^2$
Agree	12	85	-73	5329	62.7
Disagree	62	85	-23	529	6.2
No Idea	11	85	-74	5,476	64.4
Total	85				133.3

Source: Field Survey, 2021.

Decision: The calculated $\chi^2=133.3$, Table $\chi^2=4.60$, degree of freedom is $(3-1) = 2$, level of significance = 0.05. But since the calculated chi-square (χ^2) value of 1.33.3 is greater than the table chi-square value of 4.60 at alpha level of 0.05 and degree of freedom 2, we therefore accept the alternative hypothesis (H_i) which states that, the PPP model of rural infrastructural provision compares favourably with the traditional methods of developing projects. This seems to suggest that the common militating factors in ensuring effective rural infrastructural provision could be poor financing, corruption, absence of investment friendly environment, among others.

Discussion of Findings

A critical analysis of Table 4.4.1 above revealed that there were lots of infrastructural upgrades in many sectors while some received little attention with in the period. Construction and rehabilitation of many classroom blocks and Primary Healthcare centre, roads, VIP toilets were observed while many boreholes constructed were not functional. Market projects, on the other hand received little attention.

Education: From table4.4.1 (A), out of a total of fifty seven public schools within the Local Government Area (Comprising forty public Nursery/primary Schools and thirteen secondary Schools) available records indicated that there were a total of one hundred and sixty classroom blocks as at 2010 out of which 47% were fairly functional (in terms of quality of infrastructure) while the remaining classroom blocks were incompletely dilapidated conditions. Also, the period from 2010–2014 witnessed some improvements in the quality of infrastructure within the education sector. Various blocks in thirty-two schools were rehabilitated while new classroom blocks in twenty-one schools are in various stages of construction. Blocks in fifteen schools were neither rehabilitated nor newly constructed within the period. This might have been as a result of insufficiency of funds to complete the abandoned classroom blocks in fifteen schools.

Health: From table 4.4.1 (B), out of the 21 Primary HealthCare delivery centres in the Local Government Area, most of the blocks were dilapidated as at 2006 while 2 Health facilities did

not have functional blocks during the period. However, during the period between 2010–2014, blocks in 15 Health facilities were rehabilitated; 7 blocks were under various stages of construction; 5 Health facilities were fully equipped. If the MDG Goals on health by 2015 is to be achieved, infrastructural facilities in various Health facilities should be improved by rehabilitating 7 Blocks in 6 Health facilities; complete the construction of a Health facility and equip nine health facilities.

Markets: From table 4.4.1 (C), most markets were in sub-functional status. However, there was nothing concreted one to take-over the local markets from the communities for possible development. Little improvements in some of the markets were affected by the communities.

VIP Toilets: From table 4.4.1 (D) above, very important personality (VIP) Toilets existed in some of the communities. In 2010, only four locations had VIP toilets. Other toilets were built between 2011 and 2014. In order to achieve the MDG’s on health and education, for all, many more toilets need to be built before 2015.

Water Supply (Boreholes): From table 4.4.1 (E), no water boreholes existed in the year 2010. Between 2011 and 2014, about twenty two (22) boreholes were constructed in various communities and most of them were not functional. This might be as a result of sub-standard work done during the construction. There needs to be adequate injection of capital fund to obtain a quality service delivery.

Rural Electrification: From table 4.4.1 (F), results indicate that about five (5) new transformers were supplied to various communities between 2011 and 2014 to boost power supply. Of these supplies, none has been put to use, perhaps due to inadequate logistic supports and manpower to install the transformers. Also, rural electrification projects are on-going in three (3) communities while most of the communities are yet to benefit from electrification.

Research Question 2: Has the PPP strategy been able to compare favourably with traditional methods in rural infrastructural provision like quality education, potable drinking water, adequate healthcare, among others?

Table 4.2.2: Use of PPP Model applicable comparable with traditional methods

Options	No. of Respondents	Percentage (%)
Agree	12	14.12
Disagree	62	72.94
No Idea	11	12.94
Total	85	100.0

Source: Field Survey (2021).

From Table 4.2.2 above, 62 respondents representing 72.94% who form the majority indicated that PPP application does not compare favourably with traditional methods. Few others involve 12(14.12%) had contrary opinion.

Table 4.4.3: Corruption a cause for Poor Service Delivery

Options	No of Respondents	Percentage (%)
Agree	76	89.4
Disagree	9	10.6
No Idea	0	0
Total	85	100

Source: Field Survey (2021)

From the table above, 76 respondents representing 89.4% who constitute the majority indicated that corruption is critical to poor service delivery in the Local Government Council, while the remaining few involving 9(10.6%) of them had contrary opinions.

CONCLUSION AND RECOMMENDATIONS

Conclusion

PPPs have continued to attract the attention of policy makers, public administrators, and academic researchers in search of organizational concepts, mechanisms that hold promise for mobilizing resources beyond those available to public sector entities and offering solutions to complex problems (Brinkerhof and Brinkerhof, 2011).

Infrastructure Service Provision is the primary function of state government in collaboration with local governments. Due to limited financial resources, governments especially state governments (e.g Lagos State) has been compelled to find alternative service delivery mechanisms in order to fulfill its mandate of ensuring that services meet the expectations of the people. In this regard, the government has identified PPP arrangements as an instrument for addressing service delivery challenges experienced at local government levels. (ie the dearth of infrastructures or dilapidated infrastructures). These must be revived as parties to partnership stake practical steps by harnessing the public-private partnership strategy, while tailoring them to the needs of the different sectors of the economy.

There is a pressing task to reconstruct regulatory and accountability regimes to make them more consistent with contemporary public sector management, and to enable greater congruence between alternative public and private providers (CEP, 1999). Therefore, in order for Local Government to deliver the maximum standard of services, products and or care required for a PPP to thrive, it must put in place, laws, regulations and institutions or enhance existing ones, as well as improve the enabling environment for private sector participation (PSP) in the provision and development of infrastructure to occur. Stakeholders' commitment to the PPP would be accomplished by focusing on micro, small and medium-sized operations, involve community leaderships like community development associations, town unions, non-governmental organizations, local, state and/or federal government including private company operators.

Above all, for Orumba North Local Government and Nigerian Local Governments attempting to adopt PPP and reap the benefits of infrastructural development, they must adopt the international best practices in the conduct and implementation of PPPs. The issue of unilateral review of PPP contract by succeeding Governments and sometimes cancellation of contract after a private partner had made investment in the project is a matter Nigerian Government from Federal, State and Local Governments should view as an aberration and a major disincentive to PPP investment. Government is continuous and past obligations should be honoured. The problem of succeeding governments dishonoring the PPP contracts executed by previous government is counter-productive and should be consciously avoided.

Recommendations

In the light of the above Principal/Agency Theory Framework and Research findings, the following recommendations are made as bold and innovative strategies to improve the infrastructural delivery services at the local government levels:

The career officers who have the required cognate working experiences should be properly placed on relevant work schedules commensurate with their educational qualifications to motivate them for increased productivity;

Increased capacity building and adequate information and communication technology are required on the part of the potential partners. By this, the federal, state and local governments need increased capacity to create, sustain appropriate, effective, consistent, enforce able policy frameworks and regulatory systems that will promote effective partnership between the public and private sectors;

A public enlightenment campaign should be carried out through the various print and electronic media to give wide publicity on the introduction of Public-Private Partnership model of rural infrastructural provisions in critical sectors like education, access road, water supply, agriculture, power supply among others. Thus, creating employment and eradicating poverty. The present anti-corruption crusade by the Federal Government and its agencies should be intensified. The effort of the Economic Financial Crimes Commission (EFCC), and Independent Corrupt Practices and other related Offences Commission (ICPC) to curb the scourge of corruption in our society should be complimented by individuals and non-governmental organizations and Freedom of Information Act.

There is the need for the federal and state governments to increase the funding of local governments while the State should further stop its interference on funds directly allocated to Councils; and Government should keep to the terms of contract agreement between the partners. Any breach of terms must be sanctioned by court litigation.

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