

Fiscal Federalism in Support of Public Social Capital through Government Entity Investiagtion

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Abstract

Past research considers both fiscal federalism and entity governance principle determinants of local government social capital. However, no study is conclusive enough on this point. Guided by social capital theory, this study surveyed 28 districts, 5 municipalities, and 311 sub-counties of Uganda's north-eastern and eastern regions to investigate fiscal federalism-entity governance-social capital linkages. Structural equation modeling results reveal resource utilization, bureaucracy, and corruption; prominent fiscal federalism attributes, social capital predictors. Its other equally-vital component; job creation, depicts no predictive powers. Moreover, entity governance mediates the fiscal federalism-social capital relationship. Implications of these findings to both theory and practice are discussed.

Keywords: Fiscal Federalism, Entity Governance, Social Capital, Local Government

Introduction

For many sub-national economies, the most important aspect is public and social capital. Empirical research, for example view public social capital or simply social capital as the economic development-oriented individuals-local community network. without reciprocity standards and social trust, the network cannot be successfully supported.

Real social capital in rich or developing nations is difficult to build. see both culture and civiness as important to social capital (Jóhannesson et al., 2003; Portes & Vickstrom, 2015). notably so in resource-strained regional organizations in Sub-Saharan Africa Examples illustrate that social capital development policies must include minority cultures in order to have a long-term impact.

Additionally, some think that comprehension and implementation of local entity fiscal federalism dynamics are responsible for social capital. This is because sub-national (local government service delivery) is mandated under the fiscal federalism system. such factors as resource use, job development, bureaucracy, and corruption all have a role in the expression of social capital The fiscal federalism-social capital links approach remains ineffectual, according to a recent group of scholars

previous empirical discrepancies about specifically local governance, social capital, and capital tend to show that at the present it has no obvious and accurate explanation (Coffé, & Geys, 2007; Welzel et al., 2005). The widening disparity between Sub-Saharan African countries is seen in

their tribal politics and pre-mature partisan politics Against this backdrop, several researchers, notably, propose in-depth social capital research if economic growth is required in the area.

In order to respond, this research implements the idea of social capital Entitlement governance is seen as a plausible mediator in that connection. The research looked at 28 districts, 5 municipalities, and 311 sub-counties in the country's northeastern and eastern areas. Uganda has long been seen as a fiscal federalism leader in Sub-Saharan Africa. This study adds many pieces to social capital theory and the fiscal federalism/local government social capital knowledge body. Admittedly, the social capital hypothesis is on strong ground. Additionally, it has assisted many research initiatives in the past. However, this is surrounded by other unsolved questions. For this investigation, the following theories have not been previously addressed: What does social capital theory explain in Sub-Saharan African local entity public social capital structure? The hypothesis may have ignored crucial social capital factors. There are cultural, resource-strained, and primarily tribalistic regions where the fiscal federalism hypothesis connects social capital.

as a matter of factual reality, local entity-public social capital issues are substantially under researched and neglected by entity officials and prior researchers. Policymakers may have disregarded it inadvertently. Most entities have to deal with it. Apparently, related study underestimated it because of its complexity. The aforementioned works provide the most comprehensive understanding of social capital among African rural small units (Dudwick et al., 2006)

Consequently, one of the noteworthy contributions of this research is that it rips the veil away from economic growth factors and hence has been widely regarded as one of the breakthrough studies of its kind. Thus, its model is influenced by representative social capital traits such as community networks, reciprocity norms, and social trust. Finally, we are adding to our general knowledge of fiscal federalism and social capital building by hypothesizing that it is possible that the mediated effects of entity governance may exist. The approach is focused on strengthening the social capital of the entities within the context of social capital theoretical framework, which assumes that individuals, especially corporate entities, may have many identities. Similarly, fiscal federalism determines the manner in which entities are funded and the budgetary methods they implement. If you're hoping to do something for your community, and you want to depend on money that comes from donations and grants, fiscal federalism is an inevitability. In other words, the present study's fiscal federalism-entity governance-social capital model is deemed to be very suitable in order to mitigate the existing social capital issue that mostly impacts African-based local governments.

Methods

Due to the mostly documentary evidence-based longitudinal technique applied in other studies a cross-sectional design was used for this study. Moreover, a single-data collecting approach and instrument, as well as a structured questionnaire, was shown to be more efficient for obtaining data from the different purposively and randomly chosen respondents.

Uganda has hosted seven geo-political and administrative areas over the last decade: Western, South-Western, Central, North-Western, Northern, North-Eastern, and Eastern regions. The

previously discussed facts, the country intentionally selected these regions to bring out and investigate the significant financial federalism/social capital discrepancies, which were repeatedly noted in various empirical studies. (Since the districts that have been established in the last few years were confined to the two regions, and have 9 municipalities and 473 sub-counties just 28 districts, 5 municipalities, and 311 sub-counties were purposefully surveyed.) The target population was 772 individuals, with chief administrative officials, resident district commissioners, local council 5 chairpersons, town clerks, department heads, sub-county chiefs, finance-related staff, and community representatives comprising the target demographic.

In order to do this, in accordance with the sampling methodology emphasized it is necessary to provide a target population of 772 breeds a sample size of 263 individuals. Nevertheless, the failure to successfully administer the instruments limited the number of surveys that could be returned (the response rate was 92%) and hence limited the usefulness of the data. The previously described methodological study estimates that a 70% response rate is an acceptable standard. In order to get a good measure of the community networks construct of public social capital, 13 elements were employed. modified scales, those with a Cronbachs ($\alpha = 0.871$) level of reliability were connected to the others. A sample item may be, "The networks have no relevance to the social capital needs of this business."

Two different programs, SPSS and Analysis of Moments Structures (AMOS), were used in the current study for both quantitative and qualitative data analysis. whereas SPSS provided participant biographical data, inter-variable correlation and instrument reliability evaluations, AMOS was used in a study looking for the truth about suggested hypotheses Expand: 8. This sematic-based structural equation modeling methodology (SEM) was used in this instance to investigate both the direct and indirect (mediation) impacts of the suggested research hypotheses. Simulation research is a valuable tool for refining research and identifying the strengths and weaknesses of proposed theories. Thus, as a method to generate relevant hypotheses, this method involved establishing two separate strategies to validate hypothesized models—data validity and model soundness. There are two strategies for double-strategy methodologies: running two models concurrently; one to measure, and the other to simulate. There are two distinct studies measurement models: the one that incorporated any control variable and which was subjected to confirmatory factor analysis (CFA) for better direct and mediation effects generation; and the one that was run without including any control variable, in order to accommodate extreme-score effect computation. Other research has shown that in order for the measurement model's goodness-of-fit indices to be strong enough, both of which have been defined before (public social capital).

Results and Discussion

Biographical Data, Variable Correlations and Instrument Reliability Analysis

six participant biographical characteristics: gender, age, marital status, educational level, and position held were investigated, although they were all considered in the analysis. an expanded set of statistical analysis outputs Male or female (Male is 61 percent, Female is 39 percent). Single persons from the age of 25 to 35 comprise 30% of the population, and they are followed by 48% of those who are married, and then the unmarried population drops down, with just 22% who are widowed. increase by 12% [9% of the respondents have a certificate; 26% have a diploma;

and 65% have a degree, plus] According to the position held, administrators and CFO are assigned 20% of the work, while department heads and finance activity-based professionals handle 25% of the work, while community representatives handle 21% of the work. 22% deployment of one year, 54% of six years, and 24% of one and a half years. According to the information, the companies that have been evaluated are characterized by their employees' educational attainment and family orientation, which has helped ensure their job security (Chang & Lin, 2007). Additionally, it has been shown that gender-balanced entities stay around for extended periods of time in society The Variables, standard deviations, and dependability are shown in Table 1. (2.81-3.17) and standard deviation (1.501-1.570) values. The reliability of the new approaches has also been examined.

Table 1. Variable Means, Standard Deviations, Reliability Coefficients, and Correlations

	M	SD	1	2	3	4	5	6	7	8	9	10
1. Resource	3.1	1.57	.80									
2. Job Creation	3.0	1.55	.41	.82								
3. Bureaucracy	2.9	1.54	.23	.28	.79							
4. Corruption	3.0	1.54	.13	.35	.29	.81						
5. Fiscal	2.7	1.54	.37	.18	.15	.33	.77					
6. Entity	2.9	1.54	-.27	.45	.34	.12	-	.88				
7. Comm.	2.8	1.52	.43	.13	.27	.16	-.34	.33	.82			
8. Reciprocity	3.0	1.50	.15	.17	.19	.25	.29	.31	.27	.84		
9. Social Trust	3.1	1.55	-	.41	.14	.36	.37	.16	.23	-	.81	
10. Social Capital	2.8	1.55	.42	.32	-	.36	.48*	.33	.13	.25	.38*	.86

Notes: Resource Utilizatn= Resource Utilization; Comm. Networks=Community Networks; M=Mean; SD=Standard Deviation;

Reliability coefficients in parentheses; **Correlation is significant at the 0.01 level (2-tailed); *Correlation is significant at the 0.05 level (2-tailed); n=241

In addition, most inter-variable and construct correlations demonstrate statistically significant coefficients at both (0.01) and (0.05) levels in the 2-tail direction. The coefficients are located between (-0.34) and (0.45) inside the bracket. The relationship between social capital and fiscal federalism (as well as the relationship between social capital and entity governance) was shown to be significant to the degree of ($r = 0.48, p < 0.05$) and ($r = 0.33, p < 0.01$). The growth in social capital activities is 48% and 33% on the y-axis, indicating that the activities of fiscal federalism and entity governance both climb to the same amount. To a rather large degree, entity governance and fiscal federalism are connected (i.e., the degree of correlation is around 0.36). However, that correlation is negative ($r = -0.36, p < 0.01$), suggesting that a reduction in governance standards reduces the overall quality of governance.

Hypotheses Analysis: Direct and Mediation Effects

Although the measurements model confirmation CFA results had item loadings that were moderately significant and a fair goodness-of-fit index, the results of the measurement model's

CFA study revealed a moderately significant coefficient for the measurement model, along with an adequate model fit: ($\chi^2 = 6.815$, $df = 8$, $\chi^2/df = 0.852$; IFI = 0.927; TLI = 0.883; CFI = 0.958; NNFI = 0.973; RMSEA = 0.041; SRMR = 0.07; L.000, H.113). Those findings were commended for the capability of structural model direct-mediation effects investigation.

In addition, the model's CFA structure was applied in Harman's single factor analysis to assist ascertain if data sets' variance techniques had similar levels of variances. Data subjected to extreme random procedures variance (CMV) is typically implicated in jeopardizing instrument accuracy and may eventually affect statistical findings. single factor model goodness-of-fit indices, CMV is only deemed to be a low danger if goodness-of-fit indices do not compare well to those of the measurement model. Also, moreover, furthermore Thus, the present study's Harman indices: ($\chi^2 = 8.764$; $df = 13$; $\chi^2/df = 0.674$; IFI = 0.553; TLI = 0.721; CFI = 0.726; NNFI = 0.894; RMSEA = 0.218; L.000, H.135) seem to indicate that its data set was free of any kind of common methods variance danger. Additionally, the instrument's validity status is appropriate given its use both as a construct. In addition to being subjected to the above-mentioned five hypotheses, the structural model used in the process of verifying the proposed five hypotheses as well was fairly strongly fit by the goodness-of-fit indices: ($\chi^2 = 2.861$; $df = 4$; $\chi^2/df = 0.715$; GFI = 0.974; NFI = 0.909; RFI = 0.895; IFI = 0.985; TLI = 0.968; CFI = 0.989; RMSEA=.003; L.000; H.192). Nevertheless, before to utilizing the model in the direct-mediation effects analysis, the research variables were examined for collinearity risk prior to doing the effects analysis Studies in the field of literature, maintain that multi-collinearity; unusually large inter-variable correlations, adversely affects hypothesis testing outcomes.

Table 2. Hypotheses Analysis

Dependent Variable: Social Capital					
Particulars	β	SE	t	TV	VIF
Direct Effects					
Resource Utilization → Social Capital	.793**	.237	.742	.541	1.063
Job Creation → Social Capital	-.409*	.576	.818	.332	4.202
Bureaucracy → Social Capital	.835**	.299	.381	.412	1.405
Corruption → Social Capital	.627*	.307	.671	.609	3.236
Indirect Effect Regular SEM Results:					
Fiscal Federalism → Entity Governance → Social Capital	.483**	.638	.428	.427	2.184
Bootstrap Results: 95% CI [-0.247] ↔ [-0.043] Adjusted R ² [0.711]					

Notes: SE = Standard Error; TV = Tolerance Value; VIF =Variable Inflation Factor; Standardized Beta Coefficients Reported; *p <.05;

**p <.01; Bootstrap Sample Size = 2500; CI = Confidence Interval; Hypotheses Status: Hypothesis 1[Supported]; Hypothesis 2[Not

Supported]; Hypothesis 3[Supported]; Hypothesis 4[Supported]; Hypothesis 5[Supported]; n = 241. Created variables and constructed tolerance values (TVs) and variance inflation factors (VIFs) which satisfied (TV < 1.00) and (VIF < 10.0) criteria; conventional multi-collinearity threat evaluation tools met the requirement (TV < 1.00) and (VIF < 10.0) for the multi-collinearity threat

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evaluation. Further on in the Table 2 document, you will find all of the study's stated hypotheses, both the direct and mediation impact statistical data, and the regression model [Adjusted R2 =.711] value.

Direct Effects

In Prediction 1, it was projected that the two forms of resource usage and public social capital were positively correlated with one another in both local government and the Ugandan-based institutions. It can be deduced from the results of the structural equation modeling-regression analysis ($\beta = .793$, $p < .01$, $t\text{-value}.742$) that the research data support the prediction. According to hypothesis 2, the provision of new work opportunities has a positive correlation with the amount of social capital found in a certain area. However, it is to be noted that the SEM-regression statistical test findings ($\beta = -.409$, $p < .05$, $t\text{-value}.818$) created to that effect reveal that data do not provide evidence in favor of that claim.

Statistical SEM regression findings ($\beta = .835$, $p < .01$, $t\text{ value}.381$) and ($\beta = .627$, $p < .05$, $t\text{ value}.671$) in relation to the three hypotheses and four hypotheses respectively all point to data supporting the two competing viewpoints. For those of you who need a refresher, it had been offered as Hypothesis 3 of the present research that bureaucracy is linked to public social capital. Furthermore; according to Hypothesis 4, practices of political corruption and firm social capital both enhance their associated entities.

Indirect (Mediation) Effect Test

Hypothesis 5, which is based on the previously described structural model, was likewise put to the test with the aid of that model. Fiscal federalism is said to be governed by entity governance; hence, fiscal federalism-social capital is expected to be mediated by that concept. From the findings reported in Table 2, it seems that the SEM-regression analysis data ($\beta = 0.483$, $p < 0.01$, $t\text{- value}.428$) show that the data supported the claim. Mediation and moderation research, the legitimacy of the SEM-based mediation results for quite some time It should be mentioned that SEM mediation stand may not be meaningful enough due to its use of a single sample framework and latent component inclusion methodology. Thus, advise using a multiple sub-sample approach. In particular, bootstrapping was highly recommended since it allowed for a comprehensive validation of the SEM mediation findings (Dorrance Hall et al., 2017; Elock Son et al., 2019). It was determined in the present investigation that 2500 sub-samples were utilised to carry out the bootstrap analysis. Using the expected mediation component, the findings pertaining to entity governance, had a 95% bias-corrected confidence interval (CI) of: [a value of -0.247 to a value of -0.043]. suggests that, because of the confidence interval or range having no zero value in it, it is deemed statistically significant. However, most critically, the occurrence of a non-zero content CI indicates that a mediation effect is there. Furthermore, this starting position in SEM-regression corroborates the standard SEM-mediation position expanding out In short, the conventional SEM-bootstrapping mediation joint stand can be summarized as having the following local entity operations practical meaning: Exactly as with fiscal federalism operations, an entity's social capital structure may be significantly influenced by financial federalism operations, but without governance intervention, this influence is likely to be unproductive.

Local government budgetary performance (or efficiency) is largely tied to the health of the public

social capital (e.g., families, friends, social networks, and other civic associations) (Szreter & Woolcock, 2004; Andrews, 2012). Not only is it intended to help boost the local economy by supporting economically oriented community members and leaders, but it is explicitly designed to create economic development ties by binding these people together. The lighting of people as community leaders not only promotes local government authority collaboration, but also strengthens the city's commitment to progressive policies. In the first part of this passage, it is shown that the concepts of social capital identified in the community networks, reciprocity norms, and social trust. However, as previously shown, achieving effective social capital in pre-maturity democracies in Sub-Saharan Africa, including in the cases of Botswana and Malawi, is very impossible. Additionally, two notable characteristics have emerged; fiscal federalism and governance via separate entities, and they have often been reported. To understand these patterns, the research undertook an in-depth examination of various resources used, the creation of jobs, the presence of bureaucracy, and corruption. These patterns have already been identified as some of the different forms of social capital. Moreover, fiscal federalism and social capital linkage were assessed to see whether they might mediate the fiscal federalism-social capital linking ability.

The same conclusions were reached Hypothesis 1 in which it was predicted that a resource utilization-social capital positive link would exist in local entities was confirmed by data. More significantly, argues that local governments needs enough technical capability in order to efficiently handle the various resources available. In the absence of adequately educated human resources, organizations cannot carry out entity budgets and associated financial management obligations effectively. In addition, it was implied that the assertion was Hypothesis 2 that in local government, employment development is related to social capital activities. This study's associated statistical findings demonstrate that the data did not support the hypothesis. When talking about such disclosures, one might point to the previous empirical perspective and express that the discovery was expected due to the particular local situation. The vast majority of countries in the fiscal federalism area, especially Uganda, are victims of tribalism and pre-mature party politics. Both reasons, and especially the need for manpower, are known for exacerbating ethnic divisions and for causing disagreement prior to attempts at consensus. The positions created by the local government are only somewhat successful in stimulating job-seeking behavior since prospective job seekers don't make use of them. Ultimately, a self-defeating employment creation strategy is of little use to society since it seldom produces social capital.

The prediction of the hypothesis, commonly known as Hypothesis 3, was that bureaucracy and social capital had a favorable relationship. In line with the literature of fiscal federalism, the theory of social capital is linked to the literature of bureaucracy and considers an open operational framework that inspires personnel and improves the goals of the entity. Bureaucracy as a mechanism focused on rent-seeking and corruption, go on to state that bureaucracy itself is, in practice, characterized by service delays and frustration as well as an increased desire for bribes, according to their findings. Regarding the author's ideas, one of the most prominent elements in their pre-dominates the fiscal federalism-social capital triangulation in Africa is the claim that the compromised bureaucracy perspective predominates on the continent. Residents in the region would agree that because of severe poverty, most communities in the area realize the difficulty they have with their social problems. Once bureaucracy is accommodated, social

capital networks are unable to function efficiently. Thus, unfortunately, the belief system has a negative impact on reciprocity norms and social trust. Social capital theory places a strong emphasis on social capital components.

Corruption Proposition 4, which follows logically from corruption Hypothesis 3, is highly tied to the bureaucracy component. According to this hypothesis, it was predicted that in local government, a positive correlation would exist between corruption and social capital. With evidence supporting this concept, it means that in organizations with increasing corruption practices, social capital is also expected to grow, and inversely, social capital deficits lead to more corruption. This empirical stance may be maintained as long as the connected entity-local community contacts include the linked compromised bureaucracy that was indicated before. To put it another way, it's a fact in other decentralized African nations as well, namely, the corrupt judicial systems in Africa are worsened by lack of judicial autonomy and independence.

The last hypothesis, known as the H5 model, predicts that entity governance has a mediation impact on the relationship between fiscal federalism and social capital. It was found to be consistent with earlier studies and this conclusion was validated by the study data. A skillful governance or administrative machinery is essential for pursuing social capital economic development-oriented aims (Krishna, 2002). Furthermore, this kind of structure is capable of combining the authorities' own corporate social responsibility activities with the community's grassroots level initiatives, and thereby publicizing these activities openly (Warren, 2001; Hainard, & Verschuur, 2003). Ensuring unbiased results, nevertheless, is a challenge in Sub-Saharan Africa, since most local government processes are seldom independent. In Uganda, the problem is that politics that comes before it is ready, ethnicity and tribalism, and various personnel selection methodologies complicate government aims. This malady has afflicted the community, and without a positive remedy to help in the near future, it has created community social capital structures that are disorganized in most local government jurisdictions.

Implications for Theory, Literature and Practice

This research has given rise to something new. We may be seeing the emergence of something new here, such as the study of fiscal federalism-entity governance- public social capital links in Sub-Saharan Africa. Previous study has overlooked these difficulties, since they are particularly relevant in nations that have recently decentralized, such as Uganda. In light of the selected cross-sectional approach, collection of relevant data was greatly enhanced and development of relevant entity-social capital models was simplified.

As a result, this study is building on the foundation established by past studies, providing a meaningful addition to the local government knowledge body. Community networks, reciprocity norms, and social trust are important when thinking about social capital in localized contexts which stressed the role of community networks, reciprocity norms, and trust as basic ideas of application. These theorists fail to clearly identify the factors that account for the whole of the social capital mechanism; in particular, they do not explain why the factor exists in resource-strained organizations in developing countries. A similar assertion can be found in other works. But an opposing stance also exists. It's argued that both fiscal federalism and entity governance have to do with social capital.

Furthermore, the results of this research reinforce previously proposed theoretical insights: that the presence of social networks, reciprocity norms, and trust are all necessary components for the creation of social capital. Additionally, it lends more credence to the empirical theory of fiscal federalism by showing that, tentatively, fiscal federalism may generally explain the formation of social capital. Other scholars, as illustrated identify fiscal federalism attributes such as resource utilization, job creation, bureaucracy, and corruption as global predictors of social capital. In contrast, the research here finds no support for the idea that job creation is an integral fiscal federalism attribute. As a result, the existing literature's stance in this respect will be impacted, and so there may be a future opportunity for research.

Additional academic results from the research also extend a note of general usefulness to municipal governments. To fight the pathology of tribalism-premature politics that afflicts the continent of Sub-Saharan Africa, developing world entities, in particular those of tribalism-premature politics who are in Uganda, need to realize the significance of various social capital points. Even if you are able to accomplish model levels of social capital on a sustained basis, it will not be simple. In light of the present study results, it is possible to state that successful entity-local community cooperation may be a significant milestone. This rule emphasizes the importance of compliance for city officials and staff, who should always attempt to adhere to the mandate established by fiscal federalism regulations and make that demand a reality. Finally, as noted in social capital theory the research results support the notion that fiscal federalism and social capital would favor partnerships between entity and community. A governing mechanism that is efficient is a requirement for such partnerships.

Study Limitations

Conventionally, an investigation is surrounded by controllable and non-controllable elements. Like all previous investigations, the current research was faced with uncontrollable and non-controllable aspects. The conclusions of the research are based on just one instance, yet there was significant detail to the investigation. The sole study in the north-eastern and eastern parts of Uganda, where two sets of local governments were situated, should have been conducted. The goal was to explore links between fiscal federalism, entity governance, and social capital in reference to fiscal federalism-entity links. Based on prior research, especially a strategy that relies on theory generalization rather than impactful statistical generalization usually produces theoretical rather than impactful statistical generalization. An adequate and reliable statistical generalization can be generated by researchers who believe in generalizing across broad units. Researchers who favor longitudinal studies, like and other scholars recommend studying the subject across a broad unit (e.g. population) for the best generalization. While resource utilization, bureaucracy, and corruption have been found to have the capacity to diminish social capital, the current study's findings pointed out that in local government, these aforementioned entities were found to increase resource utilization, which increased bureaucracy, and led to increased corruption. However, employment creation does not indicate anything in regards to the fourth fiscal federalism factor. Although the above results were observed, the study did not examine the strength of the relationship between social capital and cause. Three other study designs, such as the literature reinforce the causal evidence by providing three additional designs. Using a longitudinal design one may collect information on what is needed before social capital may be used. A limitation of this technique is that it may be limited by the inclusion of

control groups that work in realistic settings and the danger of compromising external validity. As a third approach, certain research agendas incorporating research using data from longitudinal participants administered under observation, as opposed to naturalistic observation, have considerable advantages in the research aims. However, make an additional comment, to say the least, with regards to whether statements based on testimonial evidence have evidence to back them up.

Future Research Direction

A number of possible explanations and recommendations may be found within this study, however many of them are either partial or broad. This means that they will need supplemental study in order to expand the fiscal federalism entity governance social capital knowledge body. As a concrete example, in Uganda's examined local governments, the fiscal federalism traits; resource use, bureaucracy, and corruption were shown to be significant predictors of social capital. In contrast, employment creation was shown to be incapable of developing this capability. Furthermore, the research findings shows that the linkage between entity governance and fiscal federalism and social capital is mediated by that connection. these locales function in predominantly tribalistic, non-autonomy justice systems, and politics-driven contexts where events occur before they are needed. Additionally, since the examination was more or less a case study, it cannot be said that the results, explanations, and theories were universally accepted even in the locations where such malaise is quite minor. While empirical opinions might not be generally applicable in other Sub-Saharan African nations, the principles of such views may still be valuable in the specific country in question. In any case, nations that practice very mature politics, operate reasonably autonomous judicial systems, and endure little tribalism impacts may still be described as democracies. To sum up, the research above all addressed three main points. The results showed that in addition to engaging alternative research designs, it was recommended that longitudinal, experimental, and observational data be used to re-examine the fiscal federalism-entity governance-social capital configuration in other settings. Conducting research of this kind remains vital to nations that have recently accepted fiscal federalism for the first time. Local communities in these nations have not yet adopted fiscal federalism as a system, and yet it is certain that economic progress will occur.

Conclusion

This research has made a huge stride in not only finding greater understanding of the social capital component in local government, but it has also made a suggestion for the significance of both fiscal federalism and entity governance in that arrangement. It expands local community perspectives; notably in African countries, with regards to whether or not institutions like businesses and government bear responsibility for economic growth and the part they (communities) have to play. Thus, it aims to foster a future in which new research will reexamine fiscal federalism, entity governance, and social formations and lays the groundwork for improved management of traditional behaviors such as tribalism, ethnicity, and judicial bias.

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