

**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
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**COURSE CODE:**  
**PAD 870**

**Course Title: Local Government Administration**

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### Introduction

This course, PAD 870: Local Government Administration is a two (2) credit unit compulsory course for students studying Master of Science (M.Sc) in Public Administration, Master of Public Administration and other related discipline. The aim of this course is to inform, educate, enlighten and expose students to the evolution, principles, practices, theory and workings of local government which is widely acknowledged as a viable instrument for rural transformation and for the delivery of social services to the people.

### Course Guide

The course has been conveniently arranged for you in twenty distinct but related units of study activities. In this course guide, you will find out what you need to know about the aims and objectives of the course, components of the course material, arrangement of the study units, assignments, and examinations. The course focuses on: Forms of Local Governments, Theories of Local Government, Role of Local Government in National Development, Evolution of Local Government in Nigeria, Structure and Functions of Local Government in Nigeria, Local Government Finance, Problems and control of Local Government and Local Government Administration in Some Selected Countries-U.S.A, France and United Kingdom.

### Measurable Learning Outcomes

At the end of the course, the students should be able to:

- i. Explain the meaning and Advantages of decentralization of government
- ii. Discuss the concept, essence, forms and functions of local government
- iii. Discuss problems of local government and local government finance
- iv. Appreciate local government administration in some other countries
- vii. Identify how local government relates with both state and federal governments
- viii. Describe various theories of local government.

### Course Content

The course comprises:

- i. Centralization and Decentralization of Government.
- ii. Overview and Conceptual Clarifications of Local Government
- iii. Theories of Local Government
- iv. Evolution of Local Government in Nigeria
- v. Local Government Finance

### 3. Course Aims

The aim of this course is to inform, educate, enlighten and expose students to the evolution, principles, practices, theory and workings of local government which is widely acknowledged as a viable instrument for rural transformation and for the delivery of social services to the people.

### 4. The Aims will be achieved by

- i. Explaining decentralization of government that gave rise to the development of local government

- ii. Examining the concept of local government and highlighting its essence and functions
- iii. Stating various forms of local government and where they are found.
- iv. Highlighting the various theories of local government.
- v. Identify various sources of finance both statutory and non-statutory open to local government.
- vii. Discussing the place of local government in National scheme of things
- viii. Examining relationship between local government and other tiers of government.
- ix. Exploring local government administration in some selected countries

### **Self-Assessment-Exercise (SAEs)**

Two Self-assessment Exercises each are incorporated in the study material for each unit. Self-assessment Exercise helps students to be a realistic judge of their own performance and to improve their work. Promotes the skills of reflective practice and self-monitoring; Promotes academic integrity through student self-reporting of learning progress; Develops self-directed learning; Increases student motivation and Helps students develop a range of personal, transferrable skills.

### **Summary**

Each Unit contained a summary of the entire unit. A summary is a brief statement or restatement of main points, especially as a conclusion to a work. A brief is a detailed outline, by heads and subheads, of a discourse (usually legal) to be completed: a brief for an argument.

### **Possible Answers to Self-Assessment Exercise(s) within the content**

The materials contained Possible Answers to Self-Assessment Exercise(s) within the content. The possible Self-assessments answers enable you to understand how well you're performing in the contents. It is a way of analysing your work performance and any areas for growth. Reflecting on your strengths, weaknesses, values and accomplishments can help you determine what goals to work toward next.

### **Course Material**

The course material package is comprised of following Modules and unit structure:

#### **MODULE ONE**

- UNIT 1: Overview of Local Government
- UNIT 2: The Essence of Local Government
- UNIT 3: The Functions of Local Government
- UNIT 4: Theories of Local Government
- UNIT 5: Forms of Local Government Management

#### **MODULE TWO**

- UNIT 1: Accountability Theory of Local Government
- UNIT 2: The Role of Local Government on Economic and Agricultural Development
- UNIT 3: Centralization and Decentralization of Government
- UNIT 4: Decentralization in Government
- UNIT 5: Merits and Demerits of Decentralization

#### **MODULE THREE**

- UNIT 1: Local Government in Pre-Colonial, Colonial and Post-Colonial Eras
- UNIT 2: The 1976 Local Government Reforms
- UNIT 3: Local Government Administration Since 1999
- UNIT 4: Financial Management in Local Government in Nigeria

UNIT 5: Some Measures Of Securing Local Government Funds

**MODULE FOUR**

UNIT 1: Functions of Local Government Councils in Nigeria

UNIT 2: Challenges and Problems of Local Governments in Nigeria

UNIT 3: Local Government Administration in Some Selected Countries

UNIT 4: Local Government Administration in United Kingdom

UNIT 5: Local Government Administration in France

## UNIT 1: Overview of Local Government

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Overview of Local Government
- 1.4 The Concept of Local Government
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

When one is talking about local government one is actually talking about government nearest to the people. Local Government comes from decentralization of government. What distinguishes it from family and town union organizations is that it is recognized as a tier or level of government nationally. This unit focuses on the explanation of what decentralization of government entails and how a local government is a form of decentralization, why it is established, and the functions it performs in a country.



### 1.2 Learning Outcomes

**By the end of this unit, you will be able to:**

- i. Explain the Overview of Local Government
- ii. Discuss the Concept of Local Government
- iii. Discuss the essence of establishing local governments in a country
- iv. Analyse the functions of local government



### 1.3 Conceptual Clarifications of Local Government

Local government can simply be regarded as grass roots administration which aims at satisfying the needs and aspirations of the local populace in a given state. The existence and fundamental place of local government is a global phenomenon in governance, regardless of the system of government in practice. The central government is constrained to decentralize its functions and devolve the act of governance in such a way as to enable the citizens use their initiative to perform functions that are central to the well-being of their communities. This is because the central government does not normally have the capacity and grass roots political structure to effectively administer the affairs of the citizenry. In addition, local affairs are better articulated and executed using the human and material resources on the ground, i.e. harnessed within the local environment. The existence of local government has always been defended on the basis that it is a crucial aspect of the process of democratization and intensification of mass participation in the decision-making process. No political system is considered complete and democratic if it does not have a system of local government.

This process of shifting of power from central and state government to local government bodies is deemed to be ‘decentralization’. In a democratic setup, where citizens are authorized to articulate their opinions, decentralizing plays a key role. In this way, citizens are able to participate directly in the decision-making process that concerns them. To put it simply, the local government framework lays emphasis on self-governance.

In Nigeria, local government is the third tier of government. It is the third level of government recognized in the Constitution. In U.S and U.K most local governments divide their jurisdictions into two levels including county and municipal governments.

Some states divide their county governments into townships. It's common in New England for towns to manage the local government functions, leaving perfunctory capacity for the county level, such as census taking. State governments have the power to make decisions about the power and authority that local governments and municipalities have. Typical departments that you might see in local government include:

Police departments, Education, Agriculture, Fire departments, Emergency Medical Services, Libraries, Public works departments, Schools, Parks and Recreation, Streets and sanitation departments, Roads and streets departments, Water sanitation Cemeteries, Housing, Community development, Environmental protection, etc

However, the departments are not the same in every country. It depends on what the constitution of a country says. In Nigeria there are only six departments.

#### **1.4. The Concept of Local Government**

The concept of local government enjoys unanimity of perception among various authorities. For instance, the United Nation Office for Public Administration (1982:14) defines local government as a “political sub-division of a nation or state, which is constituted by law and has substantial control of local affairs, including the powers to impose taxes or to exert labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected.” In a similar vein Marshal (1978:230) approaches the concept by simply identifying three characteristics which need to be present within any given local government authority. These include:

- i. Operation in a restricted geographical area within a nation or state;
- ii. A locally elected or selected membership or a local council; and
- iii. A measure of autonomy

#### **Self-Assessment Exercises 1**

1. What is the major reason of the federal government in decentralizing its operations and authority?
2. Highlight the characteristics of a local government.

Awa (1976:32) conceptualizes local government as “a political authority set up by a nation or state subordinate to a central authority for the purpose of rendering delegated services.” This, however, agrees with the position of Orewa (1991:36), which stipulates that local administration is “the government of a relatively small geographical area by a corporate body which functions within the framework of the law of a central or state government.”

Following the 1978 local government reforms, the Federal government of Nigeria evolved its own definition of local government as:

Government at the 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 power to initiate and direct the provision of services 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 active participation of the people and their traditional institutions, that local initiatives and responses to local needs and conditions are maximized.

From the above definitions, we can deduce that the local government system has the following characteristics:

- a. It is a sub-division of the nation.
- b. It can impose taxes and incur expenses.
- c. It exists within a defined territory and population.
- d. It has its autonomous existence and legal identity
- e. It comprises elected members who run it.



### 1.5 Summary

In this unit local government has been presented and explained as a form of decentralization. The characteristics of a local government have been given as a sub-division of a country; defined territory and population; and a legal entity.



### 1.6 References/Further Readings/Web Resources

Ede, S. (2021). Government at grass root level. [https://bscholarly.com/functions-local-government/http://www.ciesin.org/decentralization/English/General/Different\\_forms.html](https://bscholarly.com/functions-local-government/http://www.ciesin.org/decentralization/English/General/Different_forms.html)

Mentor, ISUFAJ. (2014) Decentralization and the Increased autonomy in Local Governments, Procedia - Social and Behavioral Sciences 109 ( 2014 ) 459 – 463 2nd World Conference On Business, Economics And Management -WCBEM 2013 <http://www1.worldbank.org/publicsector/decentralization/admin.htm>

Stoplearn Team. (2021). Centralization in Government. Social and Behavioral Sciences (2nd World Conference On Business, Economics And Management).



### 1.7 Possible Answers to Self-Assessment Exercise(s) within the content

1. It is to enable the citizens use their initiatives to perform functions that are central to the well-being of their communities.
2. A sub-division of a nation; constituted by law; a legal entity; defined territory and population

## Unit 2: The Essence of Local Government

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 The Essence of Local Government

- 1.4 The Need for Local Government
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

Having been acquainted with what local government is, we shall explore the essence and rationale for its establishment. As noted, the clearest rationale for the existence of local government is as a solution to the problem of local public goods. Whilst many public goods such as defence, are national in extent, other public goods such as local parks, street lighting and refuse collection, have a more limited geographical extent or benefit area.



### 1.2 Learning Outcomes

At the end of this unit the student should be able to:

- i. Explain the essence of Local Government
- ii. Justify the Need for Local Government



### 1.3 The Essence of Local Government

The major advantage of local government is that it allows the local public goods and services it provides to be adjusted to suit the tastes and the preferences of local residents. As pointed out by Alexde Tocqueville, this variation in local provision contrasts with the uniformity likely to arise from centralised provision. 'In great centralized nations the legislator is obliged to give a character of uniformity to the laws, which does not always suit the diversity of customs and of districts' (Tocqueville, 1945) John Stuart Mill argued: 'The very object of having local representation is in order that those who have any interest in common, which they do not share with the general body of their countrymen, may manage that joint interest by themselves' (Mill ( 1991), cited in Sharpe, 1970).

The essence of local government can be seen from the following perspectives:

- i. **As a unifying factor:** The capacity of the local people to understand and conduct their own local affairs, since people in a local community presumably know their locality very well and are likely to understand their needs far better than others from a distance. They can easily adapt public service to local needs than a central government official looking at the locality from afar. This is because, each locality has its own peculiar economic, social and physical advantages and disadvantages; its own stages of historical development; as well as its own norms, values, beliefs and tradition as within the wider context of national culture. It has been observed also that people resist impositions from above and would like to be involved at any level in decisions concerning them.
- ii. **As an instrument of political education:** Local government provides a forum for socializing and engaging in political activities like voting in local party organizations, making financial contributions, assisting in campaigns, standing as candidates for local elections and supporting party organizations in cash and in kind at the local level. In these ways, the local government socializes the citizen in relation to his community and improves his education. In a nutshell, participatory politics is eminent at the local government level.



- iii. **.An Instrument of Political Integration and Nation-Building:** It creates opportunity for political participation, articulation of interests and achievement of sense unity..
- iv. **Promotion of Accountable Governance to the Local People:** To promote the exercise of democratic self-government at the grassroots that encourages local initiative and leadership, it also provides a framework for mobilizing and sustaining developmental initiatives. The local government screens the local populace against over-concentration of power at the higher level.
- v. **Training school for Politicians:** Local government is an excellent ground for creating and training future leaders. The participation of people at the local level in the management of their own affairs, gives them necessary experience to handle bigger affairs later at the state or national level. Thus the local government serves as a training school for democracy. Local government is the best school of democracy and the best guarantee of local government as a general.
- vi. **Outlet for patriotism:** Local government serves not only as a training ground for the politicians to function at the state and national levels, but also it provides an outlet for competent and public spirited persons of the locality to render social service to the community. It is from such a group of experienced and tested persons that there emerge leader who can take up responsibilities at state and national levels. Therefore local government ensures a regular flow of talent to higher levels. It is for these reasons that the local self-government is regarded as the best school of democracy and the best guarantee for its successes.
- vii. **To Reduce the burden of the Central Government:** Since the local functions are performed by the local government, the Central Government is freed from that responsibility and burden, consequently it can better concentrate on affairs of national importance. Local government in a way acts supplementary to the Central Government.
- viii. **Serves as a channel of communication:** The local government serves as two-way channel of communication between itself and the Central Government. “Desires and aspirations of the local community are articulated and carried upward to the State Government, and plans and programmes of the State and the Central Governments flow in the reverse direction. In times of national emergency local government acts as the field post of the distant Centre, transmits national decisions to far-flung corners, mobilizes the people for national tasks and keeps the Centre informed about happenings in the locality.”

We could therefore posit that the principal reason for the establishment of local government councils in Nigeria is to provide services to the citizens using locally collected taxes and government grants. An effective local government system delivers basic services to the citizens at affordable costs, thereby enhancing the standard of living of the people. Provision of basic needs such as potable water, sanitation, basic health-care through functional dispensaries and clinics, and qualitative primary education makes local government councils major instruments for fulfilling the obligations of government towards the welfare of the citizenry.

Being closer to the people, local government councils are intended to be more effective in alleviating poverty and caring for members of the society. Local government councils are also bridges that link higher levels of government with ordinary citizens, especially where the majority live outside the federal and state capitals, thereby facilitating

government penetration of the society. In the process, they also communicate traditional values and demands for consideration and proper response. A properly functioning local government system decongests demands on higher levels of government thereby leaving them to concentrate on major developmental issues.

### Self-Assessment Exercises 1

- 1 Highlight any 4 rationales for the establishment of local governments.
2. Why is local government needed in a country.

### 1.4 The Need for Local Government

The need for local government may be stated specifically as follows:

- a. It is more democratic. This is referring to the fact that it increases the scope for citizenship participation in the government of their locality.
- b. It provides valuable political education. This type of education exposes citizens to power and authority – it is acquisition, its use and its risk.
- c. It trains people for higher public offices. Local government becomes a platform or a springboard for acquiring experiences for higher career in government.
- d. Local knowledge is brought to bear on decision by local government.
- e. It is more sensitive to local opinion. Councilors and representatives are closer to the people and respond much easily to their demands or to be voted out.
- f. Local initiative can easily be identified and taken on board especially in mobilizing the community to gain local support for projects.
- g. Power is more widely dispersed which is a safeguard against tyranny. The local government system protects citizens against this.
- h. Local variations and needs in service provision can better be handled by local government since it understands the needs of its own locality.



### 1.5 Summary

The essence and rationale for local government's establishment were discussed. Some include: as a unifying factor; instrument of nation building; instrument of political education; to reduce the burden of the central government. It is the government closest to the people.



### 1.6 References/Further Readings/Web Resources

- Axon, O. and Jefferson M. (2012) Local Government in Nigeria, Benin: Denmark Publishers
- Bello, A.C. (2012) Challenges Befor Local Government Administrators, Enugu: Fourth Dimension Publisher
- Chukwuemeka, E.E.O. (2003) Public and Local Government Administration in Nigeria: Issues, Theory and Practice, Enugu: HRV Publishers
- Eze, S (2010) Theory and Practice of Local Government. Ado Ekiti: UNAD
- Ezeani, E.O. (2004) Local Government Administration Enugu: Zik-Chuks Nigeria.
- Lucass, D. (2011) Local Government in Nigeria. Ibadan: Dekaal Publishers

Nwachukwu, G. E (2010) Theory and Practice of Local Government in Nigeria Abia: Ark Publishers

Obi, V.A. (2001) Modern Local Government Practice in Nigeria, Enugu: Fulladu Publishing Company.



### 1.7 Possible Answers to Self-Assessment Exercise(s) within the content

#### Answer to SAEs 1

**1. Rationale for local government:** as a unifying factor; instrument of nation building; instrument of political education; to reduce the burden of the central government.

**As a unifying factor:** The capacity of the local people to understand and conduct their own local affairs, since people in a local community presumably know their locality very well and are likely to understand their needs

**As an instrument of political education:** Local government provides a forum for socializing and engaging in political activities like voting in local party organizations, making financial contributions, assisting in campaigns

**An Instrument of Political Integration and Nation-Building:** It creates opportunity for political participation, articulation of interests and achievement of sense unity

**Promotion of Accountable Governance to the Local People:** To promote the exercise of democratic self-government at the grassroots that encourages local initiative and leadership

**Training school for Politicians:** Local government is an excellent ground for creating and training future leaders

#### Answer to SAEs 2

**2. The need for local government may be stated specifically as follows:**

The need for local governments: to harness local initiatives; for training of politicians; for a two-way channel of communication; for efficient service delivery.

a. It is more democratic. This is referring to the fact that it increases the scope for citizenship participation in the government of their locality.

b. It provides valuable political education. This type of education exposes citizens to power and authority – it is acquisition, its use and its risk.

c. It trains people for higher public offices. Local government becomes a platform or a springboard for acquiring experiences for higher career in government.

d. Local knowledge is brought to bear on decision by local government

- 1.1 Introduction
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- 1.4 Summary
- 1.5 References/Further Readings/Web Resources
- 1.6 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

The functions assigned to local governments come from the constitution of the country. There are exclusive and concurrent functions. Concurrent functions are functions that other tiers of government perform, but at different levels. For instance in Nigeria, education function is a concurrent function. Federal government runs Universities, State run universities and secondary education while local government is left with primary education.



### 1.2 Learning Outcomes

At the end of this unit the students should be able to state and explain:

- i. The functions of local Governments;
- ii. Evaluate a local government based on the stated functions.



### 1.3 The functions of local government

**1. Provisions of health facilities:** Health is a very important sector of every country and that is why the local government has to take this function. If there is no good health facility, it simply means that there will be increase in death rate and sick patients in the community. They provide and maintain health facilities such as health centers, maternity homes, dispensaries, public conveniences and toilets,

**2. Maintenance of Law and Order:** In countries where there is police department at the Local government level they maintain law and order through the enforcement of the bylaws which they enact to ensure orderly conduct, avoid breaches of the peace and safeguard lives and property within their jurisdiction. Detectives at that level are plainclothes officers who investigate local crimes. To determine the cause or perpetrator of a crime, detectives collect evidence at the scene and interview suspects and witnesses. These bylaws are operational within a local government area, and are enforced by security agencies. In Nigeria, the local government is known as the chief security officer (Ede,2021).

**3. Control and provision of Markets and motor packs:** This is one of the most important functions of the Local government. In rural areas where there is hardly good motor packs or large market for the people, the local government is expected to provide and control markets and motor parks. In urban areas local governments maintain and manage parks and markets

**4. Naming of streets:** In order to bring development to the local level, as it is at the federal and state level, the local government is given this function. They name streets and number houses and plots of land in the communities of their jurisdiction.

**5. Collection of various rates and taxes:** At the local level, the local government is responsible for collecting taxes and rates. They can also impose fines on the people for different reasons. All this is to ensure development of the nation.

**6. Provision and control of cemeteries and slaughter houses:** In cases where the local government does not exist, it is usually difficult to control the way people use cemeteries. However, with local government, rules are given on how the local people use cemeteries and slaughter houses. This brings about development in the nation and makes the local government organized.

**7. Regulation and issuing of birth, death and marriage certificates:** When someone dies or gives birth in the local community, it is the job of the local government to issue certificates for that. Even after marriage ceremonies the local government gives marriage certificates to the celebrants.

**8. Provision of Educational and Health Facilities:** The local government provides and maintains schools, libraries and adult education facilities. They also provide health education, public health inspection services, and maintain public conveniences like cemeteries, toilets, abattoirs etc.

**9. Enlightenment Campaign:** The local governments carry out enlightenment campaigns to educate the citizens on the policies, directions and expectations of the local, state and federal governments and relay to the other governments the needs of their people.

**10. Maintenance and construction of Feeder Roads, gutters and Culverts:** Local government construct and maintain feeder roads, drainages, culverts, urban streets, etc

The functions are inexhaustible, and depends on what the higher tiers of government assigns to them as their functions. Their functions in UK include police, fire service, forestry etc.

### Self-Assessment Exercises 1

1. List 5 fundamental functions of local government.



#### 1.4 Summary

Local government is the level of government closest to the people. It is a tier of government. The major essence of establishing Local Government is to provide two-way channel of communication between governments and the people. They perform functions assigned to them by the Constitution and other higher tiers of government.



#### 1.5 References/Further Readings/Web Resources

Agagu, A.A. (1997) "Local Government" In Kolawole, D, (Eds) Readings in Political Science, Ibadan: University of Nigeria Press Limited.

Ajayi, K, (2000) Theory and Practice of Local Government, AdoEkiti University of Ado-Ekiti Printing Press.

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## 1.6 Answers to SAEs

### Answers to SAEs 1

**Functions of Local Government:** Registration of births, deaths and marriages; Naming of streets; police in the UK, provision of healthcare; creation and maintenance of markets and abattoirs and cemeteries.

**Provisions of health facilities:** Health is a very important sector of every country and that is why the local government has to take this function

**Maintenance of Law and Order:** In countries where there is police department at the Local government level they maintain law and order through the enforcement of the bylaws

**Control and provision of Markets and motor packs:** This is one of the most important functions of the Local government.

**Naming of streets:** In order to bring development to the local level, as it is at the federal and state level, the local government is given this function

**Collection of various rates and taxes:** At the local level, the local government is responsible for collecting taxes and rates.

## UNIT 4: Theories of Local Government

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Theories of Local Government
- 1.4 Summary
- 1.5 References/Further Readings/Web Resources
- 1.6 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

Theories of LG deals with the nature of relationship with central and local level political system. A theory is an assumption put forward to explain the relationship between or among observable facts. The theories explain the creation and existence of local governments in the world. However, in developing countries there exist a gap between the generally accepted explanations and what really happens. The theories examined here are:

- i. The democratic participatory theory;
- ii. The efficiency school of thought;
- iii. The accountability school; and
- iv. The development schools



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the various theories of local government
- ii. Analyse the reasons for the creation of local government using each theory



### 1.3 Theories of Local Government

**Democratic Participatory Theory:** The arguments of Democratic participatory school are that local government exists to engender democracy at the local level and ensure political participation. LG is needed to create these values relate to Political Education, Training in Leadership and Political Stability. LG facilitates its accountability and preserves the liberty by asserting the right of individuals to be grouped in local communities. LG also works as defense/shield against arbitrary power or centralizing power. LGs are responsive to the demands and needs of the community Centre has to survive with partnership with LG( Haque, 2012).

#### 1.3.1 Accountability Theory

The proponents believe that greater level of accountability can be restored by means of local democracy. It can be said that local democracy have greater control than public corporate, appointed agencies and field administration. The element of 'elective' relates citizen with bureaucrats who makes the entire procedure more meaningful as accountability is more visible in local government. Activities of political nature inside local government like elections, pressure of political nature, rule-formulating, public debate and publicity- Bridge the gap among citizen, and their responsible administration along with the provision of opportunities (Haque, 2012)

#### 1.3.2 Efficiency School

The leading advocates in this school are William Mackenzie and Sharpe. The scholars in this school of thought argued that the purposes of local government are to provide services that are locally characterized to the people at the grassroots. Small local

governments are likely to be better at solving the problem that the right local public goods are produced and go to the right people. The scholars in this school of thought argued that the purposes of local government are to provide services that are locally characterized to the people at the grassroots. In addition, the accuracy with which local authorities are able to match their residents' preferences for local public goods is likely to be enhanced. They can migrate to the local authority that provides the combination of local public goods that is closest to their preferences (Ajulor and Ibikunle, 2016).

William Mackenzie, (1964), in Chukwuemeka, et al (2014) noted that service delivery to the local people is expected to pre-occupy the resources, power and time of the local government. This school's main argument is that the existence of local government is to engender efficient-service delivery to the local dwellers (Kafle and Karkee, 2003). The theory stipulates that local governments exist to articulate and aggregate the interests and aspirations of the people for better and more efficient services. It also argues that what is central and important to the people is the knowledge and articulation of the problem confronting them and finding appropriate solutions to such problems; since the officials of the local government councils are indigenes of the areas, they are in a better position to understand the needs of the people and provide efficient services for their welfare.

#### **1.4 Development School**

The view of development school of thought is that: local government should serve as agent of development. The theories originated from the developing countries in attempt to position local government as agent (Adeyemo, 2011). For example in Nigeria, part of the 1976 local government reforms in Nigeria is to ensure development at the grassroots. The school of thought is criticized on the bases that after many years, local areas in the developing countries still remained underdeveloped. The theory is also biased because of the fact that it does not concern itself with the development of the people at the rural areas. As a result, the benefits and the purpose for establishing local government for the development of the people at the grassroots is defeated.



#### **1.6 Summary**

These theories provided explanations on what local government ought to be in order to ensure the development of the local areas. However, Local governments in developed countries serve the purpose of these theories because they are created by the local people themselves in order to develop their local areas. They are outcomes of concerted efforts of the people at the local level to have governments that can serve the interest of the local people. This cannot be said of the developing countries especially in Nigeria where local government is created through partitioning of the local areas to serve the interest of the political/military elites that created them (Ajulor and Ibikunle, 2016). Using such local governments as agents of development is practically impossible. The inconsistencies in local government creation in Nigeria from the colonial era to the present make it difficult for the adaptation of the various schools of thought to explain how local government is operated in Nigeria.

#### **Self-Assessment Exercises 1**

1. List and Explain the theories of Local Government





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### 1.6 Possible Answers to SAEs

Answers to SAEs 1

#### **Theories of Local Government**

**Democratic Participatory Theory:** The arguments of Democratic participatory school are that local government exists to engender democracy at the local level and ensure political participation.

#### **Accountability Theory**

The proponents believe that greater level of accountability can be restored by means of local democracy. It can be said that local democracy have greater control than public corporate, appointed agencies and field administration

#### **Efficiency School**

The leading advocates in this school are William Mackenzie and Sharpe. The scholars in this school of thought argued that the purposes of local government are to provide services that are locally characterized to the people at the grassroots

#### **Development School**

the view of development school of thought is that: local government should serve as agent of development.

## UNIT 5: Forms of Local Government Management

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Presidential and Prefectural forms of Local Government
  - 1.3.1 Presidential Type
  - 1.3.2 Council-Manager, Mayor –Council, Commission a Towns
  - 1.3.3 Mayor-Council
  - 1.3.4 Commission
  - 1.3.5 Town Meeting
  - 1.3.6 Representative Town Meeting
- 1.4 Communist form of Local Government
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

The Constitution or the municipal charter of a country defines the organization, powers, functions, and essential procedures of the city government. The legal document also details the form of local government. There are different forms of local governments. In most cases local governments take the form of the form of government such as parliamentary, presidential or communist forms. Different forms can be found in a country at the same time due to the differences in the states' perception of local government.



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the different forms of local government.
- ii. Analyse their differences features of each form of local government.



### 1.3 Presidential and Prefectural forms of Local Government

#### 1.3.1. Presidential Type

A form of local government known as a presidential type is one in which the legislative and executive branches are divided. The mayor, who is also known as the chairman of local government, is granted full executive authority over the local government under this system.

The local government area's voters directly pick the chairman or mayor. This suggests that his constituency is the whole local government region. The political heads of the local government departments are chosen by the chairman to help him in carrying out the executive functions of the local government. He is the one who is in charge of and answerable to these public officials.

The council, which serves as the local government's legislative body, is in responsibility of establishing laws and policies, controlling finances, and supervising the executive branch.

The council elects its own chairman from among its members. It is made up of council members who were duly elected by the people in their own council wards. The local government's chairman and his staff are not council members. Although the chairman's

term in office is set, the council has the power to remove him or her by means of impeachment. Legislations made by the council must receive the chairman's assent before they become bye-laws. The chairman is empowered to veto legislation made by the council. However, it is usually provided that where the council re-passes the bill by a two-thirds majority, it becomes bye-law without the chairman's assent. The major characteristic of the system is separation of powers and checks and balances. The system engenders forceful and dynamic political leadership at grassroots level. It is also capable of tapping the best human local resources for the administration as the chairman chooses his aides who possess special knowledge and experience from anywhere in the council area. Examples of the presidential type are found in the U.S.A. and Nigeria.

### **The Prefectural form Of Local Government**

The Prefectural system of local government is a French creation. It was originally a highly centralized system and operated a system of chains of command. It is hierarchical in nature with the lower units taking directives from above. The central government appoints prefects who exercised very wide powers over local authorities. Today, the Prefectural system is totally different from the original one which has been criticized as being dictatorial. The French local government system has been transformed completely through the 1982 French local government reforms.

#### **Features**

##### **Three separate units**

The system has three different units. The lowest unit is the Commune. These are found in small towns. The ones larger than the communes are the Departments. They are for areas with populations larger than the communes. In all, there are 96 Departments. The third group is the Regions. They are the largest and newest unit of French local government system. They were formally established in 1986.

##### **Non-hierarchical**

The three different local government units are non-hierarchical. This means they are independent of each other. For instance, the communes function as independent units and do not take commands or instructions from the Departments.

##### **Popular election**

Another feature of the prefectural system of government is the adoption of popular election in the choice of local government officials. The ballot is used in the election of all the local government councils.

##### **Government appointed Prefect**

The government appoints a Prefect over the Councils. Though the powers of the Prefect are not as wide as it was under the traditional system, it is still extensive. The Prefect can submit council bye-laws and decisions to an administrative court to cancel if he feels such laws or decisions are contrary to the law. He can also submit council budgets to a regional audit court for scrutiny.

##### **Agents of the Legislature**

The councils serve as agents of the legislature, and at the same time as agents of the Executive.

##### **Dual allegiance**

All personnel of local government is acting for the national government as well as the local authorities.

### **Arguments For The Prefectural System**

#### **Highly democratic**

The new Prefectural system of local government is regarded as very democratic. There are nearly 36,500 communes which elect over half a million council officers. This means every 76 adults is represented by one representative.

***Efficiency***

The presence of the Prefect and the way he checks on councils ensures that the Councils works efficiently.

**Local decision sync with national goals**

The national government is strongly involved in the Prefectural system of local government. The result is that it ensures that the decisions of local units are always in line with the political goals of the nation.

**Respect for local officials**

Under the Prefectural system, the activities of local authorities are at the same time the activities of the national government. Therefore, individuals attach some respect to officials of local government regardless of whether they were appointed by Paris or elected by the people.

**Arguments against the Prefectural System*****It is expensive***

The system has been criticized on the grounds that it has too many elected persons and administrative structures, and this calls for money to cater for the running of the system.

***Weak and non-viable local government units***

The system creates weak and non-viable local government units. Most of the communes are small in terms of size, mostly, a few thousands, so they are not viable.

***Government interference***

There is a lot of government interference in local government under the new Prefectural system just as it was in the traditional system.

**Self-Assessment Exercises 1**

1. Highlight the features of the Prefectural system of the government.
2. Highlight three advantages of the Prefectural system.
3. What are the major characteristics of the presidential system of local government?

**1.3.2 Council-Manager, Mayor –Council, Commission a Towns**

The Council-Manager type is founded on the outmoded idea that there is a dichotomy between politics or policy and administration. In this case the democratically elected council is concerned with politics or policy while the manager who should be a professional expert administrator is concerned with administration. In this way administration is said to be divorced from politics.

Characteristics include:

- i. City council oversees the general administration, makes policy, sets budget
- ii. Council appoints a professional city manager to carry out day-to-day administrative operations
- iii. Often the mayor is chosen from among the council on a rotating basis

This is the most common form of government. It is most popular in cities with populations over 10,000, mainly in the Southeast and Pacific coast areas. Some examples are Phoenix, Arizona; Topeka, Kansas; San Antonio, Texas, and Rockville, Maryland.

### **1.3.3 Mayor-Council**

Characteristics include:

- i. Mayor is elected separately from the council, is often full-time and paid, with significant administrative and budgetary authority
- ii. Depending on the municipal charter, the mayor could have weak or strong powers
- iii. Council is elected and maintains legislative powers
- iv. Some cities appoint a professional manager who maintains limited administrative authority

This is the second most common form of government. It is found mostly (but not exclusively) in older, larger cities, or in very small cities, and is most popular in the Mid-Atlantic and Midwest. Cities with variations in the mayor-council form of government are New York, New York; Houston, Texas; Salt Lake City, Utah, and Minneapolis, Minnesota.

### **1.3.4 Commission**

Characteristics include:

- i. Voters elect individual commissioners to a small governing board
- ii. Each commissioner is responsible for one specific aspect, such as fire, police, public works, health, finance
- iii. One commissioner is designated as chairman or mayor, who presides over meetings
- iv. The commission has both legislative and executive functions

The commission form of city government is the oldest form of government in the U.S., but exists today in less than 1% of cities. Portland, Oregon operates under a city commission form of government.

### **1.3.5 Town Meeting**

Characteristics include:

All voters meet to decide basic policy and elect officials to carry out those policies. Although the town meeting form of government is generally viewed as the purest form of democracy, because it allows all eligible voters a voice in local policy decisions, it is practiced in only about 5% of municipalities.

The town meeting form of government is found in Marblehead, Massachusetts.

### **1.3.6 Representative Town Meeting**

Characteristics include:

- i. Voters select a large number of citizens to represent them at town meetings, where only they can vote
- ii. Each town meeting must be announced with a warrant that provides the date, time and location of the meeting and specifies the items to be discussed
- iii. The selectmen are responsible for implementing policy

This form of government is found in less than 1% of cities, almost exclusively in small, New England municipalities, such as Lexington, Massachusetts.

### **Current Trends**

Recent examinations of government structure indicate that these forms of government are less distinct than they once were. This is due, in part, to the common practice of incorporating structural features from other forms into one's current form. This mixing is also attributed to local responses to socioeconomic, demographic, and political changes. The most common mixing occurs across the two most prevalent forms, mayor-council and the council-manager. In instances when changes are made to form and structure, the more common reasons for making such a change include increasing or decreasing the number of council members, modifying the method of electing the mayor, and changing the authority of the mayor.

### **Self-Assessment Exercises 2**

1. Highlight 2 characteristics of Council-Manager
2. Highlight two Characteristics of Mayor- Council

### **1.3.7 Parliamentary and Communist Forms**

The parliamentary kind of local government is one in which the legislative and executive branches are combined. Members of the Council include the local government's chairman and secretary. The local government has sufficient local autonomy, which is administered by a council that is chosen by the people and has a set term. The committee system is used by the council, the local government's highest political body. The committee system is a necessary component of this kind and is essential to the delivery of local services since the committees handle a significant portion of the executive activities of the local government.

The council has full control in the management of local government staff. In some nations, Britain and the U.S.A, individual local governments employ and manage their own staff directly, while in others local governments have a common local government staff agency established by the central/state government which is responsible for the appointment, discipline and promotion of local government staff e.g. Local Government Service Board or Commission.

### **1.4 Communist form of Local Government**

The Communist type of local government is one in which the concepts and ideals of socialism are used to create and run the local government. The system is governed by the centralism and one-party dictatorship tenets. The local government is a crucial component of the national planning process and of the central administration. The socialist party provides guidance and control to guarantee that Local Government functions in accordance with the socialist objectives and ideals of the national government, in keeping with the socialist philosophy. In the communist system, the local government is denied autonomy and its staff are integrated with the national civil service. There are uniformity, common standards and unity of purpose in the operation of local government with the socialist states of the world like Russia China etc.

### The Form of Government in Selected Large Cities

Listed below is the form of government for a selected list of large cities in the United States. Note the geographic variation as well as the variation even within an individual state.

<b>Regions</b>	<b>State and form of L.G</b>
<b>Northeast Cities and Mid-Atlantic</b>	i. Boston, MA, Mayor-Council ii. New York, NY, Mayor-Council iii. Philadelphia, PA, Mayor-Council iv. Washington, DC, Mayor-Council  Baltimore, MD, Mayor-Council
<b>Southern Cities</b>	i. Memphis, TN, Mayor-Council ii. Nashville-Davidson, TN, Mayor-Council iii. Louisville-Jefferson Cty, KY, Mayor-Council iv. Charlotte, NC, Council-Manager v. Jacksonville, FL, Mayor-Council
<b>Texas Cities</b>	i. El Paso, TX, Council-Manager ii. Fort Worth, TX, Council-Manager iii. San Antonio, TX, Council-Manager iv. Austin, TX, Council-Manager v. Dallas, TX, Council-Manager vi. Houston, TX, Mayor-Council
<b>Midwest Cities</b>	i. Chicago, IL, Mayor-Council ii. Detroit, MI, Mayor-Council iii. Indianapolis, IN, Mayor-Council iv. Columbus, OH, Mayor-Council v. Milwaukee, WI, Mayor-Council
<b>Rocky Mountains and West</b>	i. Los Angeles, CA, Mayor-Council ii. Phoenix, AZ, Council-Manager iii. San Diego, CA, Mayor-Council iv. San Jose, CA, Council-Manager v. San Francisco, CA, Mayor-Council vi. Seattle, WA, Mayor-Council vii. Denver, CO, Mayor-Council viii. Portland, OR, Commission ix. Las Vegas, NV, Council-Manager

#### Self-Assessment Exercises 3

1. What are the features of a parliamentary system of local government?
2. List 2 countries where communist form of local government can be found.



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### 1.6 Possible Answers to SAEs

#### Answers to SAEs 1

1. Features of Prefectural system: Popular election, 3 separate units, government appoints prefect, prefect representing higher level of government.
2. Three advantages of Prefectural: Efficiency, highly democratic, respect for officials
3. Separation of power among the arms of government

#### Answers to SAEs 2

1. Council- Manager: 1) A professional city manager is appointed; 2) Mayor is chosen among the council
2. Council –Mayor: 1) Mayor is elected from the council; 2) The Council is elected and has legislative powers.

#### Answers to SAEs 3

1. Characteristics of Parliamentary: The executive and legislature are fused in one body; the council is in control of the staff
2. China and Russia



## **MODULE TWO**

### **UNIT 1: Accountability Theory of Local Government**

#### **Unit Structure**

- 1.1 Introduction
- 1.2 Learning Outcomes

- 1.3 Local Government in Development
  - 1.3.1 Political Development
  - 1.3.2 Social Development
  - 1.3.3 Nation Building
- 1.4 Summary
- 1.5 References/Further Readings/Web Resources
- 1.6 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

We will try to go into more detail on the vital part that decentralized institutions, the local government, play in the development process in this section. The over-centralization of the process—the top-down approach—was one of the main drawbacks of past development attempts in the majority of Third World nations. All over the world, the objective of achieving national development is the pre-occupation of all national governments. The essence of national development itself is to enhance the well-being of the populace (i.e. citizenry). National development is the ability of a country(s) to improve on the well-being of its people by providing social amenities such as; quality education, affordable water, transportation, infrastructure, medical care, security and creating a conducive political atmosphere with the participation of citizenry etc.(Goni and Asaju, 2014). Almost all service provided at local level have international implication. Certainly all the service that constitute the core of local government activities are national in character. The local fishpond or town hall project may be of local interest only because this does not affect the viability of the country as a whole, but they are also peripheral to the main services and activities of the local government. For instance, health, education, water supply, and road among others are of national importance, neglect of any of this in any part of the country will be reflected nationally in disease, ignorance and poor community or isolation.



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

1. Discuss the contributions of local government in national development
2. Evaluate the political and social development contributions of local governments.
3. Analyze the role of local government in nation building.



### 1.3 Overview of local government Accountability

Local government Accountability can be explain from the functions of Local government in Nigeria. It comprises functions which involve the participations of such council in the government of a state in respect of the following;

- i. The provisions and maintenance of primary adult and vocational education.
- ii. The development of agriculture and natural resources other than the exploitation of minerals.
- iii. The provision and maintenance of health service; and
- iv. Such other functions as may be conferred on a Local government council by the House of Assembly of the state (FGN, 1999).

#### 1.3.1 Political Development

The democratic-participatory school holds that local government functions to bring about democracy and to afford opportunities for political participation to the citizen as well as to socialize him politically. Local government is therefore, seen as an avenue for

training and inculcating habits of democracy in the grassroots. These habits of democracy are construed to include participation, mobilization, accountability and responsiveness and of course, self-governability. The Local government has also been justified as a training ground for future political leader at various levels in the country. Gboyega (1987) rightly captured the importance of this position when he asserted that local government constitutes a class room for political education. Thus, through the participation of local people in their affairs, they are groomed and developed for future greater responsibilities. Some begin to vie for political elective positions in the LG councils, state assemblies and the national assembly. They can also take up appointive positions in local, state and federal governments and their agencies thereby contributing their quote to overall national development.

### **1.3.2 Social Development**

Section 7(2) of the constitution of the Federal Republic of Nigeria states that the local government has the responsibility to provide its citizens with primary health services. It is expedient to note that a healthy nation is a productive nation, thus good health care delivery at the local government level is paramount. In the area of education and/or human capacity building, the local government plays an important role. The primary education is handled by it. The primary level of education constitutes the foundation of the country's educational system. The educational system of a country cannot be efficient without an efficient primary educational system.

### **1.3.4 National Integration**

The developmental school essentially seeks to make the local government a tool for the promotion of national consciousness and national integration. Its emphasis is the breaking down of primordial loyalties and the transfer of such loyalties to the central and national government. The local government becomes a tool of nation building and national unity. It decongests the activities of the centre by locating such to the locality but in doing this, it brings the influence of the centre to the locality. Nnamani (2012) believed that national peace and harmony can be maintained via the help of the local government. He explained that the third tier government is closer to the people, hence, understands, coordinates and manipulates the psyche of the people than every other tier of government.



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## **UNIT 2: The Role of Local Government on Economic and Agricultural Development**

### **Unit Structure**

- 1.1 Introduction
- 1.2 Learning Outcomes

- 1.3 Role of Local Government on Economic and Agricultural Development
  - 1.3.1 Economic Development.
  - 1.3.2 Agricultural Development
  - 1.3.4 Testing of Policies
- 1.4 Summary
- 1.5 References/Further Readings/Web Resources
- 1.6 Possible Answers to Self-Assessment Exercise(s) within the content



## 1.1 Introduction

Contributions of local governments can be seen from the economic point of view. When local governments engage in commercial activities and infrastructural development that can trigger off economic activities they are said to be contributing positively to economic development.



## 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Explain the contributions of local governments in economic development
- ii. Identify the contributions of local governments in Agricultural development



## 1.3 Role of Local Government on Economic and Agricultural Development

### 1.3.1 Economic Development

The proximity of the Local government to the grassroots makes it especially suited to provide certain functions far more efficiently and in a more cost effective manner than the much more remote government at the higher level. Ajayi (2001) asserted that the local government can mobilize and utilize local resources for economic development. Ajayi observed that micro credit finance, corporative societies, local transport system and community health centers are projects to be embarked by the third-tier government. Omotoso (2001) suggested that national development can be obtained through the participation of local government in commercial activities like building of stalls, shopping malls, renting of chairs, canopies, tables, plants, tractors, and ferries. These activities create employment, reduce rural-urban drift, and hunger. Bhatia (2011) opined that infrastructural deficit can be minimized if the local government affords the federal government an institution where funds can be used to fund housing, electrification, construction of roads, markets and bridges.

### 1.3.2 Agricultural Development

Local governments in developing countries attempt to foster agricultural development and innovation by setting up funding facilities, extension programs, and research centers and by subsidizing private-sector and farm activities through fiscal measures. However, when trying to manage complex innovation processes involving many and different actors, governments sometimes find it difficult to design effective interventions and therefore end up supporting and managing only the public research and extension organizations that directly depend upon them.

Local governments need to promote cooperation of small farms and households (helping them to develop in organic agriculture direction) with agricultural holding companies and emphasizes that development of rural non-farm employment opportunities can be seen as a pillar of the rural development policy. In addition, it is necessary to foster organic agricultural development and provide local governments

with greater authority in order to achieve sustainable agricultural sector and rural areas development

Udunze (2013) posits that the local government can encourage grassroots farmers by supplying fertilizers and improved seedlings; thereby, poverty and hunger will be minimized in the nation. Okonko (1995) asserts that the local government can reduce rural-urban drift, unemployment via the provision of agricultural subsidy to grassroots farmers. Although agriculture is an item in the concurrent list, the local government occupies a very strategic position in the development of the sector. This is in view of the fact that agricultural activities take place in the rural areas where the local government is situated. Majority of the people living in the local government areas engaged in agro and other agro-allied activities. It is the mainstay of their economic activities and a major source of income for the rural dwellers. No wonder Nwankwo (2013) advocates that agriculture among others should be included as part of the principal functions of local government in Nigeria. Apart from food sufficiency, agricultural activities which are mainly based at the rural areas could ginger the establishment of agro-based industries, boast other commercial activities which enhances employment opportunities and reduces poverty. All these have great implication for national development.

#### **1.4 Testing Grounds for Policies**

Manson (2012) posits that the task of interpreting the laws and breaking down of policies of the other tiers of government lies in the enclave of local government. Apart from this the local governments provide a testing ground for implementation of policies and programme that are of great importance at the national level. Some of these include the national polio immunization policy, poverty alleviation programmes and even educational enrolment policies of the federal government. Majorly, accessing important national indices such as Human Development Index (HDI), Infant Mortality Rate etc are predicated on the success of some of these policies and programmes implemented at the local level.

#### **1.5 Summary**

The role of local government in national development can never be over emphasized since they form every part of a nation. Their functions span through the different spheres of development indices, such as education, health, infrastructure, politics, etc. We can have a developed nation if the local government performs its fundamental roles.

#### **Self-Assessment Exercises 1**

1. What was the major draw-back of past development activities of many countries of the world?
2. Highlight the key development spheres local government participate in



#### **1.6 References/Further Readings/Web Resources**

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### **1.7 Possible Answers to Self-Assessment Exercise(s) within the content**

#### Answers to SAEs 1

1. It is over centralization of government or absence of effective decentralization
1. They include political, economic, Agricultural, social and policy spheres

#### Answers to SAEs 2

- 1a. Local governments contributes to economic development by engaging in commercial ventures
- 1b. By developing infrastructural facilities that boost economic activities
- 1 Local governments can contribute to Agricultural development through: mechanization of agriculture; providing improved seedlings to farmers; provision of fertilizers and other farm inputs

### **UNIT 3: Centralization and Decentralization of Government.**

#### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Centralization of Government

- 1.3.1 The idea of centralization of government
- 1.3.2 Reasons for Centralization of government
- 1.3.3. Merits of Centralization
- 1.3.4 Demerits of centralization
- 1.4 Arguments for and against Centralization
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

In a country, there is a government regarded as a central government which is vested with the powers and authority to protect the people, manage their affairs, harness their resources and utilize them for the good of the people. However, due to geographical distance, differences in cultures and peculiarities of challenges, there arose the need shift some powers and authorities to other lesser governments, which can be states or local governments. Local governments derive their existence from the decentralization ideology. Therefore, local government is a form of decentralized government.



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the meaning and arguments for centralization
- ii. Demonstrate the understanding that local government is a form of decentralization



### 1.3 Centralization of Government

#### 1.3.1 Meaning of Centralization of Government

Centralization means high concentration of power, measured by authority, finance, and scope in a few within an organized social group. In government centralization refers to a system of government administration in which power is concentrated in a single central authority ( Stoplearn, 2021). In such a centralized system of government, there is no constitutional provision for the sharing of governmental powers between the single central authority and any other body but powers can be delegated to subordinate bodies. The central government does all decisions, planning, revenue collection and disbursements. It is the absolute retention and concentration of all governmental power. Power and authority reside in one source from where instructions and directives are passed downwards for compliance. The highest degree of centralization is achieved in unitary states. In such a unitary state there is only one legislature, one executive and one judiciary. The central authority that delegate powers to them creates local authorities that exist in centralized states. Unitary states like Britain, Italy, and France etc. are examples of centralization of governmental administration.

#### 1.3.2 Reasons for the Adoption of Centralization

There are reasons for some countries being highly centralized. Some of the reasons are:

- i. The size of the country. Small countries have the tendency to run highly centralized government because of the nearness of every part to the centre.
- ii. Absence of tribal and cultural differences: When there is no differences in culture and tribe e.g religion and language it will be easy to have a unitary government. There will be no cry of marginalization or domination



- iii. Absence of minority groups: A situation where there are no minority groups is good for highly centralized government. Major and strong groups are not easily ignored in a country.
- iv. Strong national values: This is possible where there is strong national values where ethnic and primordial values are highly insignificant

### 1.3.3 Merits of Centralization

#### Arguments for Centralization of governments

- i. Political integration and nation building. It builds national values especially in a multicultural country that does not have a recognized national value.
- ii. Centralized system of government is less expensive to run. This is because the political institutions that serve the people are not duplicated all over the nation and populated with personnel who have to be paid at the end of every monthly cycle.
- iii. A centralized system of government ensures that the nation is developed in a uniform manner and this promotes equitable development.
- iv. Centralized systems of government are useful for handling emergency situations.
- v. They also allow for speedy implementation of policies and programmes.
- vi. In a centralized government the whole nations looks up to the central government as the rallying point which promotes unity and cohesion. The central government unites the aspirations and actions of different areas and people into one folder of purpose.
- vii. In centralized systems, the state has programmes that have to be implemented throughout the nation and every operative of the government is expected to implement the programmes to the letter. This ensures discipline.

#### Self-Assessment Exercises 1

- i. What is centralization?
- ii. Give 3 reasons for its adoption.

### 1.3.4 Demerits of Centralization

#### Arguments against Centralization

- i. Centralized governments are too paternalistic, in the sense that the central government believes that it knows the problems and needs of all the localities.
- ii. The work load might be much on the central government.
- iii. It Encouragement of dictatorship. Since there is too much concentration of power at the centre, there is the tendency on the part of the ruling government to become tyrannical.
- iv. It kills local initiatives. Centralized systems do not give much room for initiatives to be taken at different levels to solve problems that might not be noticeable to the government. It also prevents local autonomy.
- v. Citizens in remote villages and hinterlands might not feel that they have a government because of the distance between them and the officials. It does not suit large territories.
- vi. Locals might not feel like they are part of their government and this goes hand in hand with the difficulty of the central government to identify local needs. It keeps the people far away from government.
- vii. It also leads to domination of minority groups



### 1.5 Summary

Centralization of government has been seen to be the concentration of power and authority in the central government. It is argued that it is for national integration. However, the opponents state that it doesn't recognize diversity.



### 1.6 References/Further Readings/Web Resources

Ede S(2021)Government at grass root level. [https://bscholarly.com/functions-local-government/http://www.ciesin.org/decentralization/English/General/Different\\_for\\_ms.html](https://bscholarly.com/functions-local-government/http://www.ciesin.org/decentralization/English/General/Different_for_ms.html)

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2nd World Conference On Business, Economics And Management -WCBEM 2013  
<http://www1.worldbank.org/publicsector/decentralization/admin.htm>



### 1.7 Possible Answers to Self-Assessment Exercise(s) within the content

1. Centralization means high concentration of power, measured by authority, finance, and scope in a few within an organized social group.
2. **Reasons for centralization**
  - a). The size of the country. Small countries have the tendency to run highly centralized government because of the nearness of every part to the centre.
  - b). Absence of tribal and cultural differences: When there is no differences in culture and tribe e.g religion and language it will be easy to have a unitary government. There will be no cry of marginalization or domination
  - c). Absence of minority groups: A situation where there are no minority groups is good for highly centralized government. Major and strong groups are not easily ignored in a country.
    - i. Political integration and nation building. It builds national values especially in a multicultural country that does not have a recognized national value.
    - ii. Centralized system of government is less expensive to run. This is because the political institutions that serve the people are not duplicated all over the nation and populated with personnel who have to be paid at the end of every monthly cycle.
    - iii. A centralized system of government ensures that the nation is developed in a uniform manner and this promotes equitable development.

## UNIT 4: Decentralization in Government

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Decentralization of Government
  - 1.3.1 Types idea of decentralization of government
- 1.4 Merits of decentralization of government
- 1.5 Demerits of centralization
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s) within the content



## 1.1 Introduction

### 1.1. Meaning

Decentralization refers to a system of governmental administration whereby powers are not concentrated in a single central authority but shared among component regional and local units. Powers allocated to different authorities are clearly specified in a written constitution. It is the process by which the activities of a government, particularly those regarding planning and decision-making are distributed or delegated away from a central, authoritative location or group

Decentralization transfers authority and responsibility of major government functions from central to sub-national governments — including local governments (Ede,2021) Decentralization exists in a federal structure. Federal states such as USA, Nigeria, and Federal Republic of Germany etc. are examples of decentralization of government administration.



## 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the meaning and arguments for decentralization
- ii. Demonstrate the understanding that local government is a form of decentralization



## 1.3 Types of Decentralization

There are three types of decentralization and they are; Devolution, Deconcentration and Delegation.

### 1.3.1 Devolution:

A type of government decentralization is devolution. It is also called political decentralization. When governments devolve functions, they transfer authority for decision-making, finance, and management to quasi-autonomous units of local government with corporate status. The central government sets up or creates subordinate levels of government in different parts of the country. Devolution is when a central government transfers political powers to a local government. Devolution usually transfers responsibilities for services to grass roots governments and municipalities that elect their own mayors, chairpersons and councils, raise their own revenues, and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. Devolved

territories have the power to make legislation relevant to the area. It is this type of administrative decentralization that underlies most political decentralization.

### **1.3.2 Deconcentration.**

This is often considered to be the weakest form of decentralization and is used most frequently in unitary states-- redistributes decision making authority and financial and management responsibilities among different levels of the central government. It can merely shift responsibilities from central government officials in the capital city to those working in states, regions, provinces or districts, or it can create strong field administration or local administrative capacity under the supervision of central government ministries.

### **1.3.3 Delegation.**

Delegation is a more extensive form of decentralization. Through delegation central governments transfer responsibility for decision-making and administration of public functions to semi-autonomous organizations not wholly controlled by the central government, but ultimately accountable to it. Governments delegate responsibilities when they create public enterprises or corporations, housing authorities, transportation authorities, special service districts, semi-autonomous school districts, regional development corporations, or special project implementation units. Usually these organizations have a great deal of discretion in decision-making. They may be exempt from constraints on regular civil service personnel and may be able to charge users directly for services.

## **1.4 Conditions for Effective Decentralization**

The success of decentralization policies depends on the existence of, or the ability to create the following conditions (Rondinelli, 1981:142).

### **i. Favourable Political and Administrative Conditions:**

These include strong political commitment and support from national leaders, government officials and line agencies to decentralization; strong administrative and technical capacity both within central government ministries and agencies and their field agencies and lower levels of government; and effective channels of political participation and representation for rural dwellers that reinforce and support decentralization.

### **ii. Existence of Favorable Organization Factors**

These include the allocation of planning and administrative responsibilities among levels of government based on decision-making capabilities, existing or potential resources and performance capabilities of each level; clear and unambiguous decentralization laws, regulations and directives that outline the relationship among different levels of government and administration; clear division of functions among organizational units as well as the roles and duties of officials; existence of effective communication linkages among local units of administration or government and between them and higher levels necessary for reciprocal interaction, exchange of information and ideas, cooperative activity and conflict resolution.

### **Favourable Behavioural and Psychological Conditions**

These consist of favourable attitudinal and behavioural disposition towards decentralization by both central and local officials as manifest in their willingness to share authority with rural people and accept their participation in planning change of implementation of development activities; a positive change of attitude towards decentralization by local elites and traditional leaders; and existence of trust and respect between citizens and government officials and mutual recognition that each is capable of participating in the planning and implementation of development activities.

### **iv. Resource Conditions**

These include the provision of adequate funds for lower level of government or administration necessary for effective performance; granting of adequate authority to

lower level administration or government to raise or obtain adequate financial resources to perform assigned functions; and existence of adequate physical infrastructure, and transportation and communication linkages, within local administrative or governmental units necessary for easy mobilization of resources and delivery of public services. It is important to mention that there does not exist a universally prescribed precise combination of conditions necessary for making decentralization feasible. The conditions vary from one country to another and must be assessed based on the peculiarities of each country at the time decentralization policies were formulated.

### Self-Assessment Exercises 2

1. What is decentralization?
2. Mention the types of decentralization.
3. Explain conditions necessary for successful decentralization.



### 1.5 Summary

This unit discussed what decentralization are, by showing that decentralization is devolution, Deconcentration and delegation of government powers, authority and functions to lesser levels of government. It highlights local government as a form of decentralization. We equally identified the following conditions for effective decentralization, namely favourable political and administrative conditions, existence of favourable organizational factors, provision of adequate funds to lower level of government etc.



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<https://stoplearn.com/centralization-in-government/>



### 1.7 Possible Answers to SAEs

**Answers to SAEs 2**

1. Decentralization refers to a system of governmental administration whereby powers are not concentrated in a single central authority but shared among component regional and local units.
2. Types of decentralization
  - i. Devolution
  - ii. De concentration
  - iii. Delegation
3. The following conditions for effective decentralization, namely favourable political and administrative conditions, existence of favourable organizational factors, provision of adequate funds to lower level of government

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Merits and Demerits of Decentralization
  - 1.3.1 Merits of Decentralization
  - 1.3.2 Demerits of Decentralization
  - 1.3.3 Problems of implementing Decentralization
- 1.4 Summary
- 1.5 References/Further Readings/Web Resources
- 1.6 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.3 Introduction

Many countries in sub-Saharan Africa at independence inherited their systems of local governments from their erstwhile colonial masters. Thus, for instance, countries under former British colonial rule (Anglophone Africa) adopted the English model while those countries under French rule (Francophone countries) adopted the French model. However local governments in countries have witnessed a number of changes, or in many cases, large scale reforms that today, the system of local governments operating in the erstwhile colonies differ in several fundamental respects from systems or models on which they were originally based. They have equally witnessed different types of decentralization process. In unit, we are going to look at the advantages and disadvantages of decentralization as well as the problems inherent in decentralization.



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Explain the advantages of decentralization
- ii. Discuss the disadvantages of decentralization
- iii. Identify the problems inherent in decentralization.



### 1.3 Merits and Demerits of Decentralization

#### 1.3.1 Merits of Decentralization

There are a number of advantages associated with the transfer of greater powers and responsibilities from the central government to lower units of administration or organizations for development planning and management especially in developing countries. They include:

Decentralization can help national government ministries reach larger numbers of local areas with services;

- i. allow greater political representation for diverse political, ethnic, religious, and cultural groups in decision-making;
- ii. Decision -making becomes quicker and better at the same time, by pushing down the power to make a decision to the operational level, which is nearest to the situation.
- iii. it reduces the extent of direct supervision over subordinates by the supervisor, as they are given the liberty to decide and act accordingly, within limits set by the superior. As a result, the top management gets more time to take policy decisions.
- iv. It brings government nearer to the people.
- v. The fears of minority are removed from the domination by the majority.
- vi. It takes care of the peculiarities of diverse people and their cultures

- vii. An obvious advantage of decentralization from our discussion so far is that it brings the government to the people at the local level.
- viii. Also, the tendency for a dictatorial government to emerge is minimized in a decentralized system.
- ix. Decentralization allows for the central government to give part of its responsibility to the regional and district or local authorities, thus reducing the work load.
- x. Some problems are peculiar to some localities and decentralized governments allow for local solutions to be found and initiatives to be taken.
- xi. Healthy competition among the regions, states and districts is another merit. When a programme is successful in one locality, it could be adopted by other regions.
- xii. In decentralized systems of government, policy implementation is faster.

### **1.3.2 Demerits of Decentralization**

In spite of the advantages of decentralization discussed above, the following arguments which Prod' home, (1995) summarized as the "dangers of decentralization," have often been put forward.

- i. It can obviously be expensive to run since there are more people directly involved in government.
- ii. One of the disadvantages of decentralized systems is that it can often be difficult to get qualified personnel to accept posting to some towns and rural villages.
- iii. Decentralized governments could lead to inefficiency especially when unqualified people are in office.
- iv. It could stifle uniform development since regions that are more motivated or that have more resources tend to develop faster than others leaving them behind.
- v. Where there is too much decentralization, governments at the regional and local levels might want to secede seeing that they feel independent and able to stand on their own.
- vi. Since decentralization brings government to the people's doorsteps, people might see the government close to them as the only government to relate to somewhat leading to divided loyalties.
- vii. There is delay in decision making.
- viii. The centre is weak because of the autonomy of the units.
- ix. Functions in government are duplicated.
- x. The system breeds sectionalism in the country.

### **1.3.3 Problems in the Practical Implementation of Decentralization**

The implementation of decentralization policies in the developing countries have recorded limited success. Commenting about the implementation policies in Tanzania Picard (1980:239-257) notes that while "decentralization has brought about a modicum of Deconcentration of power to the regions and districts, the administrative structure has not been able to establish the mechanisms that will ensure increased participation at the district and sub-district level". The following factors constrain the effective implementation of decentralization policies.

The first is low commitment on the part of the dominant political leaders. This was the situation in Tanzania, Sudan and Kenya. In Tanzania, for instance, Nyerere initially received little cooperation from local leaders. The second and very important constraint to decentralization has been the continuing resistance of central government bureaucrats in both the national ministries and local administrative units. Writing on the situation in East Africa, Rondinelli (1981:140) notes:



The resistance is attributable to not only the unwillingness of central ministries to transfer those functions that provided their base of financial resources and political influence, but also to the deep distrust that technicians and professionals within central ministries have of local administrators and tribal, religious and community leaders.

In the case of Sudan, for instance, president Nimeiry had to reorganize in some cases abolish many central ministries to overcome bureaucratic opposition to decentralization decrees (Rondinelli, 1981:140).

The third is resistance from traditional elites and some local leaders who felt that decentralization will break up or weaken their traditional bases of political influence. The fourth is the centralist attitude of many government officials – both at the national level and in local communities – which make them oppose participation of rural people in development activities.

The fifth constraint to effective decentralization in developing countries is the weak administrative capacity, especially, at lower levels of government. In most developing countries, there is a dearth of high caliber technical and managerial skills, especially, at the lower levels of government needed to carry out development activities. Sixth, decentralization policies in developing countries have been undermined by the failure of the central or federal government to provide the lower levels of government with adequate financial resources or adequate legal powers to collect and allocate revenues within local jurisdiction. This has been a major problem facing local governments in Nigeria.

The lack of adequate physical and communication infrastructure in rural areas also undermines decentralization in developing countries. It makes coordination among decentralized administrative units almost impossible and constrains effective interaction among them the with central government ministries.

### **Self-Assessment Exercises 2**

1. What are the demerits of decentralization?
2. Highlight any four advantages of decentralization



### **1.4 Summary**

In this unit we identified the following advantages of decentralization: it allows local institutions the freedom to tailor development plans and programmes to the needs of heterogeneous regions and groups within the country; it promote equity in the allocation of government resources to various groups; decentralization could lead to capacity building among officials of local government; it is capable of enhancing political stability and national unity by providing opportunities for diverse groups to participate in development decision making; et cetera.

The arguments against decentralization discussed in the chapter include: the federal or central government is in a better position to ensure that economies of scale are realized; it could further weaken a weak state; et cetera. The chapter also examined the main problems in the practical implementation of decentralization in developing countries viz: low commitment on the part of the dominant political leaders; resistance from traditional elites and some local leaders who felt their traditional bases of political influence threatened; weak administrative capacity; inadequate finance experienced by lower levels of government, et cetera.



### 1.7 References/Further Readings/Web Resources

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### 1.8 Possible Answers to SAEs

Answers to SAEs 1

#### 1. Demerits of Centralization

- Centralized governments are too paternalistic, in the sense that the central government believes that it knows the problems and needs of all the localities.
- The work load might be much on the central government.
- It Encouragement of dictatorship. Since there is too much concentration of power at the centre, there is the tendency on the part of the ruling government to become tyrannical.

#### Answers to SAEs 1

2 Advantages of decentralization: it allows local institutions the freedom to tailor development plans and programmes to the needs of heterogeneous regions and groups within the country; it promote equity in the allocation of government resources to various groups; decentralization could lead to capacity building among officials of local government; it is capable of enhancing political stability and national unity by providing opportunities for diverse groups to participate in development decision making

## MODULE 3

### UNIT 1: Local Government in Pre-Colonial, Colonial and Post-Colonial Eras

#### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Main Content
  - 1.3.1 Pre-colonial
  - 1.3.2 Colonial
  - 1.3.3 post-colonial
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s) within the content



#### 1.1 Introduction

Local government administration in Nigeria could be said to have a chequered history which predates the colonial era. We shall approach our discourse in this direction from the following three perspectives: The Pre-colonial era; the colonial era; and the post-colonial (i.e., independence) era.



#### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Pre-colonial
- ii. Colonial
- iii. Post-colonial of Government



#### 1.3 The Pre-Colonial Era

The essence of the Nigerian state is moulded by the plurality of her people as well as the wealth and character of her territory. The main ethnic groups which claim Nigeria as their homeland rest their claim more on their identity with particular local areas than on their identity with the country as a whole. As put by Mae-C. King (1988:21), historically, the country was divided into many independent or autonomous entities. The ancient city-states of Kano and Katsina, the Kanem-Borno Empire, the Istekiri, Brass and Elem kingdom, Kalabari, Benin and Oyo Empires, were examples of this fragmented political past. In terms of administration, the Obas governed the empire of Benin. Here, if you were to be a Bini and live in Benin City, you would have to pledge loyalty to the traditional ruler of the area who was always the Oba of Benin.

In Igboland, there was no central government that exercised power over the various communities; rather, political power was concentrated in the village government which recognized no sovereign political authority outside itself. As confirmed by Mae-C. King (1988:22), the Ama-ala Council of Elders and the assembly of village citizens were the basic government institutions. The segmentary system in the Igbo community was predominant and typical of Owerri Igbos. The Nri Igbos near Awka and those from Onitsha, as stated by Mae-C King (Ibid), had kings from royal lineages who ruled over centralized states. This is because, the two different Igbo communities differed in political culture though they interacted extensively with each other.

### **Yoruba Pre-Colonial system**

In the Oyo Empire of the west, the Alaafin was the supreme ruler. He was selected by the Oyomesi from among the members of the different royal families. The Alaafin acted through three key officials: (i) The Osi-efa, (ii) the Ona-efa and (iii) the Otun-efa, who were charged with political judicial and administrative duties respectively. The Alaafin also appointed personal representatives to reside in the provinces and “vassal” kingdoms of the empire “to ensure support and to collect tribute for the central regime.” In the north, the Sokoto Caliphate was the central authority. The Jihads of the early 19<sup>th</sup> century firmly brought Islamic ideology to the independent states and united the Fulani, Hausa, Nupe and members of other ethnic groups. This made the traditional centres of power such as Katsina, Kano, Argungu, Gwandu and others, bureaucratically and ideologically linked to Sokoto. Through this, the north had a relatively, strong, centralized political system which effectively controlled the area.

It was in 1861 that British rule started in Nigeria with the colonization of Lagos. The British gradually colonized the rest of Nigeria through series of treaties concluded with local leaders – the emirs, obas and chiefs. It was due to the resistance to this colonization, particularly on trade, and the attendant economic consequences, that the British government deported King Jaja of Opobo and Chief Nana from their homes. Between 1886 and 1900, Britain inaugurated a company to govern a large portion of Nigeria. It was under the auspices of this company, called the Royal Niger Company, that Northern Nigeria was conquered and, in 1899, the British crown took over the entire administration of its territories. The local institutions were accorded such great respect by the British government that they used these institutions to establish central authority over the larger territory called Nigeria.

#### **Self-Assessment Exercises 1**

- |  |
|--|
| 1 What was the political authority in Yoruba and Igboland during the precolonial era |
|--|

### **1.3.1 Colonial Era**

Under the colonial government, the British defined the values of the central government and endeavoured to localize them. The technique of the British government then was alien to the local people. It adopted a system which was aimed at perpetuating social distance between the rulers and the ruled. The British introduced the indirect rule system of administration. This was used in an attempt to localize the central government’s policies. The indirect rule system comprised two (2) basic components- the British political service; and the native administration.

Although Nigeria was amalgamated in 1914, the first national legislation on local government administration was enacted two years later. The Native Authority Ordinance of 1916 empowered the Governor-General, Sir Fredrick Lugard, to appoint a native authority for any area for local administration. This colonial legislation replaced all pre-colonial, indigenous systems of local administration. Such systems varied greatly from the hierarchical emirate system of the north through the monarchical system of the west and republican system of the east to the diffused systems of other areas. However, because of necessity, the British could not do away entirely with the traditional authorities where they existed. Instead, the colonial administration incorporated them into the new system of local administration, which, as earlier stated, is referred to as indirect rule.

The primary function of a native authority under this ordinance was the maintenance of law and order. Consequently, the native authorities were empowered to check or prohibit behaviours that the colonial authorities considered offensive. These included the manufacture and distribution of local liquors, the holding of drinking bouts,

cultivation and supply of noxious plants and carrying of arms. In addition, they had power to regulate the cutting of timber and to prevent water pollution, tax evasion and any conduct likely to disturb the peace. The focus of the colonial government on law and order at this time was understandable. British colonial authority over Nigeria was an imposition. Without a reliable system of enforcing its authority, the colonial enterprise would collapse. Thus, the native authorities were subject to the directives of colonial administrative officers. A native authority was liable to a fine if it did not carry out the instruction of an administrative officer.

By 1933, most of the native authorities had fairly effective treasuries and native courts. Consequently, the Native Authority Ordinance, 1933, extended the regulative power of native authorities to cover the migration of people from, or into a native authority area, bush burning movement of livestock, the registration of births and deaths and the cultivation of food crops. In terms of structure, Nigeria was divided into a colony and protectorates (later regions) and the regions were subsequently divided into provinces which were in turn sub-divided into districts. The native administration was supervised by British officers who were appointed as District Officers (D.Os). The native administration consisted of native authorities and native courts. A chief appointed as native authority by the Governor headed the native administration. In areas with a tradition of centralized political organization, such as the emirates in the north and the Oyo and Benin. Empires in the south, native authorities headed by the traditional rulers were usually established. The native courts established in areas of difficulty were headed by warrant chiefs, e.g. Warri, Calabar, Owerri and Onitsha.

Generally, each native administrative area was organized into districts with district heads. It was further divided into villages with a village head who represented the district head. The essence of the native administration was to link the local areas to the centre through the emirs, obas and chiefs.

### **Emergence of Local Government Administration: A Regional Overview**

#### **Western Region**

The passing of the Local Government Law of 1952 by the Western Region ushered in modern local government councils in the west with membership drawn from elected councilors and traditional office holders consisting of one-quarter of the entire membership. The president of the council was the traditional office holder. It was a three-tier system comprising the City Council, the Divisional Council and the Rural Council. In order to overcome the problems encountered in getting experienced councilors to handle the personnel administration of the council's employees, a unified local government system was created. This comprised of all the senior employees of all the local governments in the region under the control of an appointed local government service board. The aim of this was to provide tenure for the officers, make them transferable among the local government councils and enhance their promotion prospects. It was later discovered that the prevailing system of local government in the region was beset with multifarious problems arising from:

- a. The three-tier nature;
- b. Smallness in sizes;
- c. Poor staffing; and
- d. Poor revenue generation

In order to further streamline the activities, the existing 114 local authorities were abolished and replaced with 39 "all-purpose local governments" and 350 area development councils by the Western Region Government.

#### **Northern Region**

In the northern Region, the process of reforming the native authority system began in 1950 when the House of Assembly established a commission of inquiry into the native authority system. This led to the Native Authority Law of 1954. This law established a two-tier system of local government comprising native authority councils and district councils. A traditional ruler was made the President or chairman of each of the councils. Other members of the councils included elected members and village heads.

The traditional ruler who was the chairman of the native authority council had a veto power over the decisions of the council and he had to inform the governor of the region whenever he exercised this power. A peculiar feature in the Northern Region Local Government was “the portfolio council system” (Orewa, 1991:17). This was inherited from the colonial native authorities whereby members of the councils taking up headship of a council also offered leadership to public servants in the departments. The traditional ruler who was the chairman of the council made the selection and the regional government approved it. This practice persisted up to 1967. The councils were graded A, B, or C according to their sizes, volume of transaction and financial capacity. In the former Northern Region, the major area of reform in the years 1954 – 75 was the membership of the councils. District councils formed the electoral college for the election of members into their native authority councils. This was a major effort to democratize the councils. Before the 1976 local government reforms, all the six northern states local government councils provided for the majority of the members being elected.

### **The Eastern Region**

The earliest form of local administration in Eastern Nigeria was the native authority, which was an adoption of the prevailing patterns of government by the British aimed principally at the maintenance of law and order. These native authorities, which came into effect with the passing into law of the Native Authority Ordinance No. 14 of 1916, were essentially a local manifestation of the central government. The central figure in this government was the Resident or Provincial Commissioner assisted by the expatriate officers who were qualified in diverse fields, and the District Officers (DOs) who were, broadly speaking, responsible for everything that went on in their assigned districts, including law, order and good government, (Adamolekun Olowu and Laleye, 1988:21). Unlike in the northern and western regions with pre-colonial histories of centralized government, the local government system in the Eastern Region often met direct frequent involvement of administrative officers in local administration.

Following intense national zeal in the 1940s, the native authorities were abolished in 1950 in response to the provisions of local government law of 1950. The law introduced a three-tier, representative local government system in the region. Members who were functional were under the direct supervision of the British administrative officers (Orewa, 1991:13). The three-tiers were local, rural, district and county councils. In a few, all-purpose municipalities and urban councils “mayors” or chairmen were elected as the team leaders. It follows that all councils established under this law were corporate bodies. They lacked executive functions due to encroachment upon their powers by the regional government. However, the multi-tier local government was beset with lapses arising from its disarticulate structures and general ineffectiveness as a means of generating political participation at the grass roots and allocating resources (amenities) to rural communities (Orji, 1986:3).

In view of this, the Eastern Region Local Government Law of 1955 modified this provision of personnel administration and the management of markets by transferring the management of staff above the lowest grade to the divisional officers and strengthening the procedure for markets and other council administration. Because of this, the Local Government Service Board was set up to advise the then Minister of Local Government on personnel matters, especially as related to senior local

government employees in the region. In 1958, the three-tier system ran into a hitch. The top tier county councils were abolished and their functions transferred to the second tier of district council leaving the local council undisturbed.

It was the 1960 Local Government Law that redesigned the district council as county councils without changing the functions or increasing the number of tiers beyond two. The local government councils in the Eastern Region, comprising East Central, South-Eastern and Rivers States, ceased to function in 1967 due to the outbreak of the civil war. The then East Central State introduced the Divisional Administration Department (D.A.D) by Edict No. 18 of 1971. This lasted up to 1975 (Nwachukwu, 2000).

The military take-over of political power in 1966, we must emphasize, led to radical changes in the system of local government administration in the regions and the states that later replaced them. About this, Oyediran and Gboyega (1988:17) state:

When the military seized political power in 1966, one of the most daunting political problems which confronted the new administration was how to reorganize the institution of local government so as to provide a clearly defined authority, responsibility and functions while at the same time maintaining an effective central presence in the localities in order to be able to determine and control the pace of quality of development largely initiated or generated at the local level. This assessment, therefore, justifies the general perception that the post-military coup of 1966 marked the beginning of a new epoch in the history of local government in Nigeria. The initial reforms focused mainly on correcting the political abuses perpetrated by local officials. Therefore, the local constabulary, courts and prisons were taken over and integrated into the national police, judicial and prison services.

The local government system and its problems were given a national approach in order to have a common administration. It was this that gave birth to the 1976 local government reforms, otherwise called the unification of local government system in Nigeria. Since the introduction of the 1976 reforms, the creation of all the existing local governments in Nigeria have been done by the Federal Government (Nwachukwu, 2000:6).

### **Self-Assessment Exercises 2**

2 What factors led to Lord Lugard's colonial Administration in Nigeria?



### **1.4 Summary**

Prior to coming of colonial masters, various communities were governed through the instrumentality of their traditional political institutions. In the Hausa – Fulani, the Emir, District heads (Hakimis) and village heads performed the functions of local government like maintaining law and order, collecting taxes, and settling minor disputes. Similarly in Western Nigeria, the Oba and his council of Chiefs like Baale, Uloga and other subordinate chiefs did the same. In Eastern Nigeria due to their fragmented, diffused, Republican, democratic and autonomous nature many people participated in the governance like the Chief, Ozo title holders, Age grade, Peoples Assembly (Oha) council of Elders, Umudas the chief priests etc. Lord Lugard administrative system in Nigeria was “practical necessity” that arose from a number of factors. The first was the vastness of the area in terms of geographical territory and population. The second was absence of communication facilities in such vast territories which will indispensable requirements for direct administration. The third factor was poor fund to administer the territory, the fourth was the fear of tampering with religion, the fifth was that the people

particularly their leaders, were opposed the British intrusion and resisted it violently; the sixth was lack of large body of British armed forces which would be used to garrison the whole territory as well as to suppress the aggressive resistance of the people and keep them quite.



### 1.5 Further Reading Materials

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### 1.6 Possible Answers to SAEs

#### Answers to SAEs 1

In the Oyo Empire of the west, the Alaafin was the supreme ruler. He was selected by the Oyomesi from among the members of the different royal families. The Alaafin acted through three key officials: (i) The Osi-efa, (ii) the Ona-efa and (iii) the Otun-efa, who were charged with political judicial and administrative duties respectively. The Alaafin also appointed personal representatives to reside in the provinces and “vassal” kingdoms of the empire “to ensure support and to collect tribute for the central regime.” In the north, the Sokoto Caliphate was the central authority. The Jihads of the early 19<sup>th</sup> century firmly brought Islamic ideology to the independent states and united the Fulani, Hausa, Nupe and members of other ethnic groups. This made the traditional centres of power such as Katsina, Kano, Argungu, Gwandu and others, bureaucratically and ideologically linked to Sokoto. Through this, the north had a relatively, strong, centralized political system which effectively controlled the area

The earliest form of local administration in Eastern Nigeria was the native authority, which was an adoption of the prevailing patterns of government by the British aimed principally at the maintenance of law and order. These native authorities, which came into effect with the passing into law of the Native Authority Ordinance No. 14 of 1916, were essentially a local manifestation of the central government. The central figure in this government was the Resident or Provincial Commissioner assisted by the expatriate officers who were qualified in diverse fields, and the District Officers (DOs) who were, broadly speaking, responsible for everything that went on in their assigned districts, including law, order and good government, (Adamolekun Olowu and Laleye, 1988:21). Unlike in the northern and western regions with pre-colonial histories of centralized



government, the local government system in the Eastern Region often met direct frequent involvement of administrative officers in local administration

### **Answers to SAEs 2**

Under the colonial government, the British defined the values of the central government and endeavoured to localize them. The technique of the British government then was alien to the local people. It adopted a system which was aimed at perpetuating social distance between the rulers and the ruled. The British introduced the indirect rule system of administration. This was used in an attempt to localize the central government's policies. The indirect rule system comprised two (2) basic components- the British political service; and the native administration.

Although Nigeria was amalgamated in 1914, the first national legislation on local government administration was enacted two years later. The Native Authority Ordinance of 1916 empowered the Governor-General, Sir Fredrick Lugard, to appoint a native authority for any area for local administration. This colonial legislation replaced all pre-colonial, indigenous systems of local administration. Such systems varied greatly from the hierarchical emirate system of the north through the monarchical system of the west and republican system of the east to the diffused systems of other areas. However, because of necessity, the British could not do away entirely with the traditional authorities where they existed. Instead, the colonial administration incorporated them into the new system of local administration, which, as earlier stated, is referred to as indirect rule.

The primary function of a native authority under this ordinance was the maintenance of law and order. Consequently, the native authorities were empowered to check or prohibit behaviours that the colonial authorities considered offensive. These included the manufacture and distribution of local liquors, the holding of drinking bouts, cultivation and supply of noxious plants and carrying of arms. In addition, they had power to regulate the cutting of timber and to prevent water pollution, tax evasion and any conduct likely to disturb the peace. The focus of the colonial government on law and order at this time was understandable. British colonial authority over Nigeria was an imposition

## UNIT 2: The 1976 Local Government Reforms

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 1976 Local Government Reform
  - 1.3.1 Main features of the reform
- 1.4 1984 Reforms
- 1.5 Other Reform Issues
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

The year 1976 marked a watershed in the development of local government administration in Nigeria. It was the emergence of a uniform structure of local government from the different forms of local administration, which the federal system of government generated. It will be recalled that the new military government that came to power in July 1975 pledged to return the country to civilian administration within a short period and announced a programme for the disengagement of the military from political administration.



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. 1976 Local Government Reform
- ii. features of the reform
- iii. 1984 Reforms
- iv. Other Reform Issues in Nigeria



### 1.3 1976 Local Government Reform

The reorganization of local government administration was an important feature of that programme for the following reasons.

- a. A strong, representative local government system was considered to be a precondition for democratization at the national level.
- b. After creating 19 states from the former 12 state structure, local government reforms were the next important exercise in the process of building a solid foundation for the return to civil rule.

The government's purposes for reorganizing local government administration were stated in broad terms. In summary, the ultimate objectives of the reforms were stated as follows:

- a. To confer a reasonable measure of autonomy over local affairs on local representatives;
- b. To encourage citizen participation in local administration;
- c. To make local institutions responsive to local needs and purposes;
- d. To mobilize local resources; and
- e. To share power between the state and local communities.

### **1.3.1 Main Features/Highlights of the 1976 Reforms**

These include:

- The termination of divisional administration, especially in Eastern and Bendel States;
- The creation of 299 single-tier local government authorities all over the country;
- The reintroduction of a representative local government system in the states and the making of a fundamental change in the conceptualization and organization of local administration;
- The strengthening of local authorities vis-à-vis the states by assigning to them a realistic range of functions.
- Introduction of a new management structure to strengthen the administrative capacity of local councils all states had to establish local government service boards/commissions with functions similar to that of the civil service commission;
- Provision of uniform guidelines for recruitment, promotion, training and discipline in the unified local government service, regarding of posts to attract more qualified personnel;
- Redefinition of the role of the ministry of local government;
- Creation of 301 local governments with populations ranging from 150,000 to 800,000. Each of them received grants from the state and federal governments.

Local government was to be later enshrined in the 1979 Constitution (see section 7(1). According to Adamolekun et al (1988)

What distinguishes the 1976 Reform from all previous reform exercises in the country is the formal and unequivocal recognition of local government as constituting a distinct level of government with definite boundaries, clearly stated functions and provisions for ensuring adequate human and financial resources.

Consequently, local government is recognized as a partner of the state government in planning the development of the state. This has therefore elevated the status of local governments from subordinates of state governments to partners.

The local government service commissions in the federation were established to provide uniform guidelines for recruitment, appointment, promotion, training, discipline and dismissal of staff of the unified local government services in each state. It is the duty of the commission to lay down uniform and relevant minimum qualification/standard for entry into the service, especially for senior staff. The main features of the 1976 reforms were subsequently embodied in the 1979 constitution, thus guaranteeing a system of democratically elected local government councils.

### **1.4 The 1984 Local Government Review Committee**

This committee, which was headed by Alhaji Ibrahim Dasuki, in its report affirmed the soundness of the 1976 reform. In its view, whatever problems there were, arose from the attitude and behaviour of the system's operators. Its major recommendations therefore, concerned how to restore the main features of the 1976 reform that had been violated. The committee endorsed the main functions assigned to local governments in 1976 but recommended that, given the resources available, local governments should concentrate their efforts on a limited range of services. It frowned at state governments' encroachment on revenue sources of local government and denounced their failure to make statutory contributions to these local governments. Acting on these recommendations, the government began reforms that initially concentrated on correcting past abuses.

The actual reforms implemented by the Federal Government between 1987 and 1992 can be grouped as follows:

- a. **Political Reforms:** Prior to these reforms, the power to lack elected councilors/chairmen of local government councils rested with the state governors who arbitrarily dissolved such councils and replaced them with “sole administrators” who shared the Governor’s political views. In order to avoid this ugly experience that made nonsense of the constitutional guarantee of a democratically elected system of local government, the Local Government Basic Constitutional and Transitional Provisions Decree (No. 15) of 1989 was promulgated. By this decree, the power to remove elected local government officials or the dissolution of the council was vested in the president of the federation. State governors were required to get clearance/approval from the federal government before such dissolution could effected.
- b. **Administrative Reforms:** The administrative reforms embarked upon were aimed at enhancing the executive capacity of the local government. Prior to 1987, the chairman and supervisory councilors were elected through the electoral college comprising mostly councilors of equal status. By virtue of this, the positions of both the chairman and supervisory councilors were weak. The 1987 reforms changed all these as the chairman was directly elected by the entire local government area. This “mandate” greatly enhanced his executive powers. The chairman was equally authorized to appoint supervisory councilors. In 1988, the civil service reforms were applied to the local government and the organizational structure of the local government was to limit the number of departments to six. Also, the office of the secretary to the local government was politicized.
- c. **Financial Reforms:** In order to counter financial difficulties such as inadequate share of the Federation account which stood at 1% and also the diversion of statutory allocations meant for local governments by state governments, the federal government directed that all the statutory allocations from the Federation Account should be made directly to the local government. subsequently, the statutory allocation to the local governments was increased from 1% to 15%, and later to 20%. To ensure accountability, the federal government directed the appointment of Auditor-General of local governments with a right to audit local government accounts and mete out punishment to erring local governments.
- d. **Intergovernmental Relations:** During the period under review, one of the most outstanding reforms was the abolition of the ministry of local government in 1988.t his was replaced with a department of local government in the Governor’s Office to “provide guidance and supervision (not control) to local governments” (Aborishade, et al 1995: 17). To date, this department has played its supervisory role, especially in monitoring/evaluation of projects being executed by local governments.

### Self-Assessment Exercises 1

- |  |
|--|
| <ol style="list-style-type: none"> <li>1. Explain the 1976 Local Government Reform</li> <li>2. Main Features/Highlights of the 1976 Reforms</li> </ol> |
|--|

## 1.5 Issues in local government reforms

The question of local government effectiveness in the present democratic dispensation has continued to agitate the minds of Nigerians. There is the widespread view that the impact of local governments has not been felt across the states of the federation since the inception of the fourth republic in 1999, leading to clamour for reforms to make the local governments accountable and service – driven. Proposals for local council reforms have understandably heightened in the face of the ongoing constitution review process.

While the subject has constitutional, legal, political and administrative implications, this essay is concerned mainly with a tripod of the debate, namely, local government autonomy; state – local government joint account; and service conditions of elected office holders in the local government.

By the common interpretation of constitutional and legal experts, the framers of the 1999 Constitution [as amended] conceived of local governments as extensions of state governments and accordingly granted only semi-autonomous status to local governments. This subordination of local councils to the authority of the states, especially via sections 7 [1] and 162 [5] of the constitution has however been cited as hampering effective operations of local governments. It is argued that the control exercised by the states over local governments has left the latter vulnerable to the manipulations and arm-twisting of the states. With this structural limitation, local government leaderships are under pressure to see their councils as accountable to state governments rather than the constituency that elected them. This is seen as a negation of the principle behind the establishment of democratically elected local government system. The strong need to insulate the local governments from undue influences of the states therefore, forms sufficient basis for granting the former full autonomy.

The aggregate response to the above demand has centred on the traditional concept of federalism as a political system with only two tiers of government. Thus, local government autonomy is objected to on the ground that it is only the federal government and states that are recognised as the coordinate entities of the Nigerian state. Local governments do not qualify as federating units of the Nigerian state. They lack the institutions and structures of authority such as the judiciary and ministries which the recognised tiers of government are endowed with. Consistent also with the two-tier structure of Nigeria's federalism, the constitution has vested states with the power to create local governments and regulate their activities. Consequently, to seek to upgrade local governments to autonomous councils would amount to creating a third tier, a perfect condition for endless conflicts between states and local governments.

While acknowledging the merits of these positions, it is to be noted that we cannot speak in absolute terms in human affairs. It seems to us that the constitution is clear enough about the status of local governments and there is nothing inherently wrong with its provisions in this regard. Local councils should be free of encumbrances to play their roles in governance. There may be need for reaffirming the inviolability of the democratic order of local governments in the constitution. However, a system of checks and balances is necessary to preserve the overall system. Where there is clear evidence of the breakdown of governance, law and order in a local council, the state government should in our view, be empowered to temporarily intervene in the administration of the council in question.

The state joint local government account has proved to be another source of controversy in the relationship between the councils and the states. There have been calls from some quarters for abrogation of section 162 [6] of the amended 1999 constitution which establishes the said joint account for eroding the fiscal freedom of the councils. The joint account has been criticized as detrimental to the interests of the local governments as its operation has allegedly been attended by diversion of council funds; sundry deductions; as well as delay in release of council funds. These factors may have had the cumulative effect of weakening the system and discouraging bright people from wanting to serve in the local government.

The other perspective to the issue of state joint local government account is arrived at from an understanding of the constitutional intent for this system of governance. Local governments as earlier observed, underscore the decentralization of the state into smaller units for closer administration. And a principal means of this grassroots administration is the financial control exercised by the state over the local councils. The case for a joint account is further captured by the combined provisions of sections 1 [a] [i] [ii] and 2 [a] [b] [c] of the fourth schedule of the constitution which itemizes functions of local governments to be carried out in collaboration with state governments. With such extensive joint ventures, the issue of joint account becomes a given. What should be of concern then is devising ways of facilitating operations the joint account to ensure that the councils receive what is due to them accordingly.

It would be worthwhile to have a fixed tenure for elected council office holders. The continued tinkering with the tenure of local governments by state legislatures is retrogressive and an unnecessary display of power. A two-year term of office will hardly achieve anything for obvious reasons. Let the local governments have a constitutionally guaranteed three-year mandate.

In view of the limited functions of local governments, their lean geographical size and financial capability, it makes sense to consider a system of part – time councilors to be paid only sitting allowances and other working expenses. It should be enough to have only the chairman and deputy chairman on full time basis. This view is canvassed mindful of the fact that part of the council's sphere of responsibility also falls within the terrain of traditional rulership and town unions. Part – time councillorship would discourage those who have no value to add to governance from crowding the process.

Focused and committed leadership can make the difference at the local government level. But above all, the electorate must take their destiny in their own hands. The various town unions, interest groups, community associations etc have a duty to periodically demand a report card from the local political authorities. The local governments will be compelled to sit up when the electorate insists on verifiable stewardship.

In June, 1991, the Local Government (Basic Constitutional and Transitional Provisions (Amendment) Decree No. 23) extended the presidential system to local government administration. Under it local government councils acquired full autonomy to approve local budgets and pass bye-laws. This, thus, further enhanced local government autonomy. A circular from the Chief of General Staff underscored the financial autonomy of local governments in August 1992 (Ref. No. VP/925/Vol.1) by removing the spending limits above which local governments needed to obtain the approval of the state authorities. These changes were reinforced by enhanced revenue allocations from the Federation Account. In 1990, the allocation to local governments was increased from 10% to 15%. This was further raised to 20% in 1992. To ensure that citizens derived full benefits from the enhanced revenue allocations, the government tried to revamp its system of internal checks and balances inherent in the presidential system. An internal checks and balances inherent in the presidential system. An “audit alarm” system was introduced with the application of the civil service reforms to local government administration. In addition, each state appointed an Auditor-General of local government to carry out regular audit of local government accounts to deter and detect abuses. However, the government also eroded some of the benefits from these policies by substantially increasing the number of local governments from 301 in 1989 to 449 in 1991.

The exuberance of some local government chairmen in exercising their newly won autonomy led to flagrant violations of the system of checks and balances and financial abuses. This raised doubts as to the wisdom of granting them so much autonomy and provoked fresh restriction on the powers of local governments. In 1995, new guidelines were issued which required local governments to submit to strict control of the state governments as in earlier years. We must emphasize that the Federal Government's initial role of co-ordinating local government reforms progressively expanded because of the inertia of the states. Hence, in 1993, the Federal Government established the Ministry of States and Local Government Affairs to manage intergovernmental relations. In 1995, it was transformed into the States and Local Government Affairs Office and moved to the Presidency. It is the government's main agency for monitoring developments in local government administration, designing necessary reforms and steering them through the various stages of approval at the local, state and federal levels. In 1995 also, the Federal Government appointed a committee on creation of states and local governments based on the recommendations of the constitutional conference of 1994-95. This led to an increase in the number of local governments to 774.

### **Self-Assessment Exercises 2**

1. Discuss issues in Local Government Administration



#### **1.6 Summary**

The 1976 reforms and the 1979 constitution were specifically designed to make local governments autonomous and self-sustaining. To a reasonable government extent, the high hopes placed on the two items did not materialize. Sir Thomas Elyot once said, "no operation or affair may be perfect, nor no science or art may be complete, except experience be there unto added, whereby knowledge is ratified and consolidated". By applying the 1976 Reforms and the 1979 Constitution, it was found that in actual practice there were still certain impediments that militated against the achievement of the desired dream in local government administration in the country. Some of these impediments include noticeable interference of state governments in the following ways:

1. The 1976 Edict has provisions which empowered the military governor to cause enquiries to be held in any local government council at such times and in such places as he might consider necessary.
2. The military governor was empowered to appoint any persons to conduct such enquiries.
3. The 1976 Edict said that where a council in any year failed to hold meetings it was required to hold or where the military governor was satisfied that a council was not discharging its functions in a manner conducive to the welfare of the inhabitants of the area of its authority, the military governor might.
  - a. Suspend the council.
  - b. Appoint a management committee to look after the affairs of the council.
  - c. Declare the seats of the chairman and other members of the council vacant.
  - d. Declare vacant the seats of any members of the council other than the nominated members.



### 1.7 Further Reading Materials

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### 1.7 Answers to SAEs

#### Answers to SAEs 1

#### 1976 Local Government Reform

The reorganization of local government administration was an important feature of that programme for the following reasons.

- c. A strong, representative local government system was considered to be a precondition for democratization at the national level.
- d. After creating 19 states from the former 12 state structure, local government reforms were the next important exercise in the process of building a solid foundation for the return to civil rule.

The government's purposes for reorganizing local government administration were stated in broad terms. In summary, the ultimate objectives of the reforms were stated as follows:

- f. To confer a reasonable measure of autonomy over local affairs on local representatives;
- g. To encourage citizen participation in local administration;
- h. To make local institutions responsive to local needs and purposes;
- i. To mobilize local resources; and
- j. To share power between the state and local communities.

#### Main Features/Highlights of the 1976 Reforms

These include:

- The termination of divisional administration, especially in Eastern and Bendel States;
- The creation of 299 single-tier local government authorities all over the country;



- The reintroduction of a representative local government system in the states and the making of a fundamental change in the conceptualization and organization of local administration;
- The strengthening of local authorities vis-à-vis the states by assigning to them a realistic range of functions.
- Introduction of a new management structure to strengthen the administrative capacity of local councils all states had to establish local government service boards/commissions with functions similar to that of the civil service commission;

Answers to SAEs 1

### **Issues in local government reforms**

The question of local government effectiveness in the present democratic dispensation has continued to agitate the minds of Nigerians. There is the widespread view that the impact of local governments has not been felt across the states of the federation since the inception of the fourth republic in 1999, leading to clamour for reforms to make the local governments accountable and service – driven. Proposals for local council reforms have understandably heightened in the face of the ongoing constitution review process. While the subject has constitutional, legal, political and administrative implications, this essay is concerned mainly with a tripod of the debate, namely, local government autonomy; state – local government joint account; and service conditions of elected office holders in the local government

In view of the limited functions of local governments, their lean geographical size and financial capability, it makes sense to consider a system of part – time councilors to be paid only sitting allowances and other working expenses. It should be enough to have only the chairman and deputy chairman on full time basis. This view is canvassed mindful of the fact that part of the council's sphere of responsibility also falls within the terrain of traditional rulership and town unions. Part – time councillorship would discourage those who have no value to add to governance from crowding the process.

## UNIT 3: Local Government Administration Since 1999

### UNIT STRUCTURE

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Local Government in Nigeria since 1999
- 1.4 Local Government Administration in Nigeria
- 1.5 Challenges before local government Functionaries in Nigeria
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s) within the content



#### 1.1 Introduction

The return of civil democratic rule in May 1999 brought local governments into fresh intergovernmental disputes that were to undermine the smooth functions of local government councils between years 1999 and 2002. Some of the constitutional provisions on local government were interpreted differentially by the different tiers of government, thereby making it difficult for them to work harmoniously on local government administration matters.



#### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the Overview of Local Government Administration Since 1999
- ii. Explain the Importance of Local Government Administration Reform in Nigeria
- iii. Highlight the challenges facing local government functionaries



#### 1.3 Local Government Administration Since 1999

##### 1.3.1 Overview of Local Government Administration Since 1999

The return to civil rule brought in its wake many jurisdictional and constitutional disputes. One of the issues of disagreement was whose jurisdiction it was to create new local government councils and under what conditions that could be done. While the state government thought that the constitution vested authority to create new local government councils in them, local government councils thought otherwise. In fact, the belief of state government in their constitutional authority to create additional local government councils gave the impetus to the following states to create additional local government councils in year 2004; Lagos, Ebonyi, Nasarawa, Katsina and Niger, for which the Lagos State had engaged the Federal Government in a legal tangle ever since.

On the other hand, the National Assembly felt that no new local government council could be created without compliance with the constitutional provisions. Another issue of dispute was the tenure of local government councils. Whereas the Local Government (Basic Constitutional and Transitional Provisions) Decree 1997 had fixed the tenure of local government councils at three years, the elected local government officials argued that, in line with the tenure of elected officials at the state and federal levels, they should enjoy a four-year tenure. This claim was supported by the National Assembly, which claimed that it had authority to extend the tenure of local government councils and tried to do so through an electoral law. The states disagreed with the viewpoint of the local government councils and some even tried to reduce their tenure to two years.

There was also dispute over which authority could conduct local government elections. Other intergovernmental disputes concerned the State Joint Local Government Account, which the constitution provides for, and how disbursements could be made from it. Until 2002, local government councils received their statutory allocations from the Federation Account directly through the Federal Accountant-General's Office. However, the states agitated that the State Joint Local Government Account be activated as provided for in the constitution. The establishment of the account and routing of statutory allocations from the Federation Account through it, has facilitated arbitrary deductions by state governments from local government funds. These intergovernmental disputes have combined with the fact that local government elections that were due to be held in May 2002, but were not, frustrated the constitutional intent of institutionalizing a democratic system of local government administration in Nigeria. In addition, it has raised questions about what should be done to ensure a viable local government system that is capable of delivering service effectively. This led to the setting up of the Etsu Nupe/Liman Ciroma. (Presidential Technical Committee on the Review of the Structure of Local Government Councils in Nigeria).

During its inauguration on June 25, 2003, the President, Chief Olusegun Obasanjo, said: It is critical today to address the challenges of grass roots development. Let us bear in mind that the extensive broadening of the revenue base of the local governments has not translated into tangible development at the grass roots. This Technical Committee on the Review of the Structure of Local Governments in Nigeria is to, among other things, diagnose the crisis of local government system in our country and propose viable alternatives aimed at ensuring that local governments do indeed serve as agencies for grass roots development (Auwal, 2004:9-12).

This statement portends a serious indictment and a challenge to both practitioners and professionals in the third tier of government. The general impression was that, local government councils were "gold mines." Their existence has become questionable, hence the call by Mr. President to the Etsu Nupe/Mallam Liman Ciroma Committee to rationalize their existence in the polity. The fundamental question to ask here is: Are local government practitioners and stakeholders averse to reforms or do they lack the capacity to comprehend and implement reform measures? An appropriate answer to this question manifested during the committee's tour of the country during which it held consultations with stakeholders. The findings from that exercise led to a plausible conclusion that government supervisory bodies do not apply and enforce the in-built mechanisms for accountability in the local government councils. The lack of meaningful supervision and a monitoring agency charged with this responsibility further called to question the status of top functionaries in the local government system.

### **1.3.2 Importance of Local Government Administration Reform in Nigeria**

To a considerable extent, the various reforms embarked upon by the Federal Government on the local government system in Nigeria seem to have had some positive impact on the country. The political sensitization of the citizens at the grass roots can be regarded as a positive development. Added to this is the establishment of the Local Government Service Commission, which has made possible the recruitment of career officials and the transfer of officials from one jurisdiction to another with the desirable cross-fertilization of ideas and the provision of stability in the professional and family life of career personnel.

Despite the reform efforts, stability failed to take root in the system. Often, state civilian or military administrators resorted to the appointment of sole administrators rather than holding elections for local councils. As a result, there has been "uncertainty surrounding the legitimacy and organization of local governments which may adversely affect the capacity to serve as an agent of national development" (King, 1988:100).

Instability among local governments is also caused by constant redrawing of the boundaries between them and the additional creation of more local governments which has been regarded as “one of the most provocative issues of Nigerian politics.” (King, 1988, Ibid). Local boundary disputes precipitated crisis and violence. Such changes in the number of local governments and agitation for more changes created tensions and disrupted continuity. The capacity of local governments is further undermined by their dependence on external resources for revenue.

The history of the federal and state statutory allocation to the local governments has resulted in less efforts to source revenue locally (Gboyega, 1987:172). The dependence on subventions also reduces the autonomy of local governments. Ideally, the tax and revenue bases of local governments in Nigeria have been inadequate for implementing the tasks assigned to the councils (Orewa and Adewumi, 1983:269). In spite of this low revenue base, both the federal and state governments assign local government responsibilities for unbudgeted expenses such as that involving the Independent National Electoral Commission (INEC) at that level, etc. Mismanagement of funds in local governments is widespread. One often reads in the national dailies confessions of local government officials in misappropriating funds meant for development purposes.

The 1976 reforms provides for the appointment of Local Government secretaries. The relationship between the local government secretaries and their chairmen has been “a source of conflict in the local government areas” (King, 1988:99). There has been the tendency for elected council officials not to build a political career in which they need to be sensitive to their reputation over time. As a result, councilors do not expect to serve long and this affects continuity and capacity of the local government areas.

#### **Self-Assessment Exercise 1**

- i. **Importance of Local Government Administration Reform in Nigeria**
- ii. **Overview of Local Government Administration Since 1999**

#### **1.4 Challenges before Local Government Functionaries**

The purpose of good governance is to better the lives of the people. Consequently, top functionaries of local governments, must face the following challenges squarely:

- i. They must have the political will to address the problems identified for the success of the councils;
- ii. They must have the ability to carry out their functions conscientiously;
- iii. They must be ready and willing to bring erring council members and officials before the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC), etc;
- iv. They must imbibe the fear of God and also be accountable to the people;
- v. Accountability and transparency should form the cardinal objectives of administering the people; and
- vi. They must try and be proactive in their management style, and should remember that, they are in the era of globalization.

In more specific terms, the following measures have been severally canvassed:

- a. Local government functionaries should resuscitate and institutionalize the allocation of matching grants to community self-help projects. This will create in the people a sense of pride, ownership and participation in local governance;
- b. In order to monitor implementation of reform programmes, state officials should compile comprehensive data on the operations of local government councils on an annual basis;

- c. They key functionaries should advocate for the abolition of the State Local Government Joint Account. Funding should be direct. It is their reasonability to institute adequate checks and balances to guard against mismanagement of funds;
- d. The Local Government Service Commission and the Office of the Auditor-General for Local Governments should enjoy some constitutional backing to guarantee their independence and enable them enforce the proper operational procedures;
- e. Regular training to develop the management skills of local government staff should be instituted and accorded top priority. Local government officials in states and the Federal Ministry of Intergovernmental Affairs should mandate ASCON and designated universities to carry out this task. Such training should emphasize development in personnel and financial management, budget and planning.
- f. The Local Government Service Commission's role in ensuring efficiency in the local government councils by way of close supervision and monitoring of staff performance must not be overlooked;
- g. Stakeholders must try to create awareness at the local government level through an effective communication machinery between the local governments, community leaders, non-governmental organizations, etc, in order to assess and monitor the performance of local government councils;
- h. Stakeholders should borrow a leaf from the Federal Government by encouraging partnership with private-sector agencies for the purpose of executing capital projects. In this regard, as major shareholders in the Urban Development Bank, local government councils should be advised to take advantage of the bank's services to considerably enhance performance and service delivery;
- i. In view of the epileptic performance of local government councils and the lukewarm attitude of state monitoring organs, the Federal Ministry of Intergovernmental Affairs and Special Duties should provide uniform performance indicators, evaluate, and publish annually a comprehensive report on all local councils;
- j. During the Etsu Nupe/Liman Ciroma Committee's tour for consultation with stakeholders in local government administration, there was a general consensus that the presidential system of government at the local government level was too expensive. Consequently, the parliamentary system of administration was proposed. This, in comparative terms, they argued, would reduce the personnel cost of 774 local government councils yearly by about N3 billion. The argument therefore was that such huge amount, if saved, would go a long way in developing the local government councils. It is therefore up to the stakeholders to critically examine this position to the advantage of their councils. (Auwal, 2004:13-14).

At the Council of State's meeting held on January 19, 2004, it was resolved, in line with the recommendations of the Etsu Nupe/Liman Ciroma Committee, that:

- iii. Only the existing 774 local government 774 local government councils, as contained in the 1999 constitution would continue to be recognized;
- iv. States should continue to pay local government 10% of their total revenue;
- v. Federal and state governments should fund all agencies under them;
- vi. Local government councils must ensure that not more than 45% of their budget is expended on personnel and overhead cost;
- vii. States should fully release to local government councils their statutory allocation; and

- viii. Local government councils will not have to submit their budgets to the House of Assembly for approval. An inspectorate unit will be established to enforce compliance with the approved budget.

### Self-Assessment Exercise 2

#### 1. Explain the Challenges before Local Government Functionaries

### 1.5 Summary

The return to civil rule brought in its wake many jurisdictional and constitutional disputes. One of the issues of disagreement was whose jurisdiction it was to create new local government councils and under what conditions that could be done. While the state government thought that the constitution vested authority to create new local government councils in them, local government councils thought otherwise. In fact, the belief of state government in their constitutional authority to create additional local government councils gave the impetus to the following states to create additional local government councils in year 2004; Lagos, Ebonyi, Nasarawa, Katsina and Niger, for which the Lagos State had engaged the Federal Government in a legal tangle ever since.

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### **1.7 Answer to Self-Assessment Exercise**

#### **Overview of Local Government Administration Since 1999**

The return to civil rule brought in its wake many jurisdictional and constitutional disputes. One of the issues of disagreement was whose jurisdiction it was to create new local government councils and under what conditions that could be done. While the state government thought that the constitution vested authority to create new local government councils in them, local government councils thought otherwise. In fact, the belief of state government in their constitutional authority to create additional local government councils gave the impetus to the following states to create additional local government councils in year 2004; Lagos, Ebonyi, Nasarawa, Katsina and Niger, for which the Lagos State had engaged the Federal Government in a legal tangle ever since.

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#### **Importance of Local Government Administration Reform in Nigeria**

To a considerable extent, the various reforms embarked upon by the Federal Government on the local government system in Nigeria seem to have had some positive impact on the country. The political sensitization of the citizens at the grass roots can be regarded as a positive development. Added to this is the establishment of the Local Government Service Commission, which has made possible the recruitment of career officials and the transfer of officials from one jurisdiction to another with the desirable cross-fertilization of ideas and the provision of stability in the professional and family life of career personnel.

Despite the reform efforts, stability failed to take root in the system. Often, state civilian or military administrators resorted to the appointment of sole administrators rather than holding elections for local councils. As a result, there has been "uncertainty surrounding the legitimacy and organization of local governments which may adversely affect the capacity to serve as an agent of national development" (King, 1988:100).

Instability among local governments is also caused by constant redrawing of the boundaries between them and the additional creation of more local governments which has been regarded as “one of the most provocative issues of Nigerian politics

### **Answer to SAEs 2**

#### **Challenges before Local Government Functionaries**

The purpose of good governance is to better the lives of the people. Consequently, top functionaries of local governments, must face the following challenges squarely:

- vii. They must have the political will to address the problems identified for the success of the councils;
- viii. They must have the ability to carry out their functions conscientiously;
- ix. They must be ready and willing to bring erring council members and officials before the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC), etc;
- x. They must imbibe the fear of God and also be accountable to the people;
- xi. Accountability and transparency should form the cardinal objectives of administering the people; and
- xii. They must try and be proactive in their management style, and should remember that, they are in the era of globalization

In more specific terms, the following measures have been severally canvassed:

- k. Local government functionaries should resuscitate and institutionalize the allocation of matching grants to community self-help projects. This will create in the people a sense of pride, ownership and participation in local governance;
- l. In order to monitor implementation of reform programmes, state officials should compile comprehensive data on the operations of local government councils on an annual basis;
- m. They key functionaries should advocate for the abolition of the State Local Government Joint Account. Funding should be direct. It is their reasonability to institute adequate checks and balances to guard against mismanagement of funds;
- n. The Local Government Service Commission and the Office of the Auditor-General for Local Governments should enjoy some constitutional backing to guarantee their independence and enable them enforce the proper operational procedures



## UNIT 4: Financial Management in Local Government in Nigeria

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Financial Management in Local Governments
  - 1.3.1 Constitutional Provisions
  - 1.3.2 Sources of local government finance
- 1.4 Measures of safeguarding Local Government funds
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

In this unit we shall explore the constitutional provisions for local government finance, the sources of fund and essential issues of managing local government finance. Finance is the “sinews of war” for any organization to stay alive and provide goods and services to its clients. Local Government in Nigeria is therefore expected to raise revenue and utilize same in carrying out the functions assigned to them by the constitution and in accordance with prescribed rules and regulations. Such functions have been clearly spelt out in part v (section 27 and 28) of Local Government (Basic Constitutional and Transitional Provisions) decree which took effect from 17<sup>th</sup> May, 1989 and in the various Local Government Edicts of the State Governments.



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the various sources and constitutional provisions of local government finance in Nigeria
- ii. Analyse the trends in the changes in the financial fortunes of local governments in Nigeria



### 1.3 Financial Management in Local Government in Nigeria

The functions of Local Government, as discussed in the preceding chapter, cut across sectors, namely: economic, social regional and administration. As earlier observed in chapter 3, some of these functions are expected to be performed exclusively by the Local Government while others like health and education are expected to be performed concurrently with the State and Federal Governments. Thus the Local Government in Nigeria operate in accordance with the principle of ultra-vires that is limited authority for certain functions as against general competence.

It is important to note that the overall aim for the establishment of Local Government is to achieve orderly growth and development i.e. guided development, specifically to alleviate poverty, ignorance and disease at the local level. Adequate revenue is needed to fulfill all of these. Therefore, the basic issues to be addressed in this chapter are:

- i. What means or revenue resources (potential and actual) are at the disposal of the Local Government to achieve the goals set for them?
- ii. How far are the Local Governments able to extract and harness these local financial resources for development, that is their level of extractive capability?
- iii. What are the Local Government constraints revenue-wise in their movement towards the achievement of set goals and objectives?

- iv. What steps can be taken to improve performance capability of the Local Government in revenue generation in order to perform its functions effectively.

These and many other related issues are discussed in this chapter using as our case study, the former Bendel State, now Edo and Delta States. In tackling the issues, we shall also draw on the experiences of other places and countries.

**1.3.1 The Constitutional provisions** of local government finance are highlighted below:

- i. S.7(6)a. National assembly to make statutory allocation to L.G in the Federation
- ii. S.7(6)(b) State house of assembly to make provisions for statutory allocations to L.Gs within the state
- iii. S.162(5) The statutory allocation to L.Gs from the Federation account shall be allocated to the states to the benefits of their L.G on such terms and manner as may be prescribed by the National Assembly
- iv. S.162(6) State-Joint L.G Account for allocations to L.Gs of a state from the Federation Acc. & from the state.
- v. S.162(8) The L.Gs money in a state shall be distributed among them on such terms and manner as prescribed by the state house of assembly.

### Self-Assessment Exercise 1

- 1. Financial Management in Local Governments
- 2. Constitutional Provisions

## 1.4 Sources of Local Government Revenue

Two broad sources of Local Government revenue can be identified, namely:

- i. Internal sources
- ii. External sources

### 1.4.1 Internal Sources

Revenue from these sources are generated from within the local government area and are expected to be collected through the effort of the Local Government itself. They are mainly:

- i. Revenue from Taxes and Rates
- ii. Licenses and Fees;
- iii. Commercial undertakings; and
- iv. General sources

### 1.4.2 External sources

Strictly speaking, most revenue from external sources are not obtained through Local Government fiscal effort in Nigeria but are obtained in accordance with the constitutional provision of revenue sharing between the three tiers of governments, Federal, State and Local Government. The revenue from these sources are derived from:

- i. Federal Statutory allocation (at present increased from 20% to 20.6% of the Federation account from January 1996). This is now channeled directly to Local Government without State Government intervention. Monthly Allocation of Value Added Tax (VAT) proceeds to Local Governments is now part of

- statutory allocation to the third tier system. This was increased from 25% in 1997 to 30% in 1998.
- ii. State Statutory allocation which is 10% of total internally generated revenue of State Government;
  - iii. Loans, Bonds and debentures; and
  - iv. Grants.

We shall first proceed to discuss each of the category of internal sources of revenue listed above.

### **Taxes and Rate**

The power of revenue raising by the Local Government through taxation, whether such sources is flexible enough to take account of inflationary rates and other changes in the economy and whether it can be tapped independently without central control, determine the degree of fiscal autonomy of local government. It also forms one of the important efficiency criteria of measuring the performance capability of the Local Government. Two major sources of taxes and rates that heavily influence local government internal revenue budget are flat rate-tax (community tax or poll tax) and property rate (residential and industrial, commerce and the professions).

Revenue from flat rate tax contributed substantially to the Local Government internal revenue in Bendel State prior to 1980. In the 1979/80 fiscal year, the civilian government abolished the flat rate in Bendel State without consultation and a corresponding compensation for the loss of revenue from the source. The policy decision dealt a heavy blow to the internal revenue collection of the local government in the States. Some other States in the country, during the second Republic, also suspended or abolished, without consultation with the local government, such flat rate tax for political reasons of building mass support for the party in power in a particular State in which the local governments were located. Such political decisions were also taken due to sharp increases of revenue from oil during the period between 1979-1983. Greater Statutory allocations to local government went with the supposition that such flat rate taxes were no longer necessary. The implication of the policy decisions to abolish or suspend flat rate by some State Governments was that the Local Government has no independent jurisdiction over such source of revenue and that the execution of programmes was to be affected adversely. Besides many local governments also had problem with the preparation of accurate nominal roll and some were too large and with scattered population to be covered effectively.

**Investment Income:** Local governments derive revenue by investing their money in profit yielding economic ventures such as buying of shares entering projects that could provide good revenue in return.

**Personal Income Tax:** Local government council collect income taxes from non- salary earners keep some percentage of what is collected, and pay the balance to the state government salary earners are excluded from payment of personal income tax as a result of the Pay As You Earn (P.A.Y.E) system, in which their taxes are deducted at source by their employers and paid directly to government.

**Court Fines:** court fines are imposed on individuals that violate local government bylaws, sanitary regulations and ban on street trading and hawking. Licences for quarrying, registration of stenographic institutes, furniture/vulcanizer workshops, printing presses and building materials, livestock sold in the markets, heaps of palm fruits, heaps of yam.

Fees for customary rights of occupancy, street manning, market stalls and motor parks, agricultural produce, Burial and vault fees

### **Property Tax**

Property tax is a major source of revenue to the local government particularly, the urban ones. In comparison with other sources of taxation, it has the following advantages:

- i. It is capable of providing revenue in small outlying local governments as well as in large cities like taxes on business and trade with bases centred in cities broad, broad property tax base and therefore easy to spread tax burden across a large segment of the population. Significant revenue can therefore be raised even at low tax rates. All municipalities have some taxable real estate within their boundaries. Cost of services can be recovered directly by local government through property taxation if accurate valuation of property is done because property values are enhanced by the provision of local government services. Relatively, only a little of the tax from residential property will be transferred from property owners to consumers in comparison with tax on commercial property, which can be easily shifted to consumers.
- ii. Equitable in the sense that tax burden on the poor can be reduced or eliminated by reducing or exempting taxes on properties below certain value.

### **Some Basic Issues in Property Taxation**

Despite the theoretical advantages enumerated above, property taxes did not form a sizable recurrent receipts of local governments in the then Bendel State and in Nigeria in general except in states like Lagos and Kano. Revenue erosion from property tax is accentuated by the high rate of inflation in Nigeria.

Other problems that confront local governments in property taxation, generally, are as follows:

- i. Difficulty in effecting increase in tax yields. To increase tax yields obviously necessitates increase in tax rates. This leads to inequitable distribution of tax burden as only those tax payers whose properties are on the tax rolls and who pay their taxes in full are taxed.
- ii. Lack of complete tax rolls exemplified by lack of maintenance of property tax records called fiscal cadastre.
- iii. Inaccurate valuations.
- iv. Problem of fixing the property rates.

Against the backdrop of government policy decision to abolish flat rate tax in 1980/81 fiscal year and the difficulties in tapping revenue from property tax, the revenue derived from taxes and rates in proportion to total internal revenue of Local Governments in Bendel State between 1977 and 1983 fell from 38.3% in 1977/78 to 13.1% in 1983.

For property tax to be a viable source of revenue, the following conditions must be fulfilled:

Intensified effort to raise more revenue from delinquent tax payers through more efficient collection as follows:

- a. Regular examination of payment records to identify tax delinquents through, for example, the use of reminders and warnings;
- b. Conspicuous enforcement of penalties

All these are designed to enhance collection of arrears and longer-term improvement in the system. The lessons of experience of a country like India in property taxation can be helpful to Local Government in Nigeria. In Delhi, rebates were granted to tax payers for timely payments and penalties were imposed for late payments. This differential treatment of property tax payers coupled with an improved management information system (MIS) increased revenue by 16% in 1985-86 and 96% in 1986-87. This sharp increase was also attained:

- a. Because tax payers were made to pay their assessment before being able to appeal to court.
- b. There was maintenance of reasonably complete tax rolls i.e. fiscal cadastre because of constantly changing tax base due to rapid urban growth and high inflation. This can also help in planning and providing local services especially infrastructures and in administering and collecting development levies.
- c. There was accurate assessment of properties, continually updated to keep property taxes constant in real terms. General re-evaluation can be done in five years interval to capture changes in property characteristics;
- d. The rate was high enough to make collection worthwhile.

### **External Revenue Sources:**

#### **Statutory Allocation**

Following the 1976 local government reform aimed at reversing the deteriorating treatment of local governments by the state governments and the introduction of a new revenue allocation formula to the three tiers of government, local governments in Nigeria had a new lease on their lives. See Table 4.6 where Federal Statutory allocation to Local Governments in the country increased from 1.48% N100 million in 1976/77 fiscal year to 8.22% N1.16 billion in 1986 after the reform was launched. By 1996 Local Government Councils in the country received from the Federation account N33.3 billion

**Administrative burdens** on Local Government also increased with the reform coupled with the fact that local governments were brought under stricter control of State Government e.g. over Local Government budget approval and attendant delay in programme execution. Local Governments came to view statutory allocations as substitutes for local taxes and user charges, a situation similar to that in Ecuador, Colombia and Mexico; their sense of accountability was reduced while there was no assured access to regular funds because of fluctuation in oil prices. State Governments sat between statutory allocations from the Federal Governments and the Local Governments, some diverting such allocations to other uses without consultation with the intended local government beneficiary. Since the number of local governments in a State determined the level of statutory allocations, there was a craze for the creation of more local governments everywhere. The number of local governments therefore rose from 301 to 781 between 1979 and 1983 during the second republic. The sharp increase in transfers from the federation account has continued to serve as disincentive to internal revenue effort. The situation has remained same over the years.

#### **Grants**

Perhaps, a possible option to stem the post reform low internal revenue generation effort is the adoption of a mix of effective grant system to provide incentives to Local Government to increase tax effort. Grants to local government other than statutory allocations became almost a dead letter after the 1976 reform while it served as a viable source of revenue for local government prior to the reform. Different types of grants existed in Nigeria in the past namely:

- i. **A formula-based system** which is capable of providing the local government of measures of autonomy and simultaneously meeting state and federal objectives. Such grant is based on such criteria as need, kilometers of roads, tax effort, population, and so on.
- ii. **Block/general purpose/lump-sum grants:** This is used to bridge fiscal disparity between local governments due to certain handicaps in fiscal conditions of local governments. It is often called equalization grant. It is practiced in the Philippines and was used during the period of Development Administration (DAD) System in Bendel State. Many Local Governments,

otherwise handicapped by low fiscal capacity utilized the grant for development of infrastructures construction of roads, building of secretariat, and road construction equipment.

- iii. **Categorical grants:** This is usually restricted to particular uses and at times requiring approval of central government in allocating funds to sectors.
- iv. **Matching grants:** This is usually intended to cover part of total amount spend locally in a sector. It is used to match local funds. It can be percentage contribution to provision of health services, primary education, salaries of staff in some critical area of need. Matching grants were also adopted during DAD system in Bendel State.

A single-grant system is contingent on the intended goal pursued, if the goal is to equalize fiscal capacity across local governments, then formula grants should be adopted; if the goal is to increase tax effort, matching grants should be adopted. If the overall goal is to equalize local government fiscal capacity across the board, to stimulate local tax effort, enhance fiscal autonomy and efficiency in provision of services by local government, matching, block and formula-based grants should be adopted.

The present grant system in Nigeria, where it exists, appears not to be transparent. It is opaque for reasons of political upheaval among local beneficiary group hence preference by elected government for all purpose grant.

There is need to make grant more transparent in Nigeria as well as the overriding need to offset the disadvantages of increased statutory allocations with advantages of well-designed grant system to stimulate local revenue promotional supervision from the State and Federal Government.

### **Loans (Borrowing)**

Loans constitute a minor source for Local Government in Nigeria and indeed most of the developing countries. This is a reflection of both the conservative policy of local government and their limited source of loan finance. Perhaps too, the State Government tight financial control of Local Government could be responsible for this situation. There are no reasons why Local Government should not borrow to meet part of their project cost. The debt service of such loans can be linked to user charges from the project for which the loan was procured. In such manner, greater reliance on borrowing will tend to favour self-financing projects, particularly now that there are little or no restrictions on public sector borrowing by local governments. By increasing the quality of capital grant in form of loan to Local Government. Federal and State Governments will shift the burden of capital grant financing and that of general tax payers to local decision makers and beneficiaries where the burden appropriately belongs.

Another option is to provide access to loans while ensuring some central control to preserve macro-economic balance. This can be achieved through the creation of a Loans Board or what can be referred to as Municipal Development Fund (MDF) as was done in Jordan (and as in Nigeria with the establishment of the Urban Development Bank in which State and Local Governments are now to have shares). Two broad objectives are usually behind such establishment of a Loans Board or a Municipal Development Fund, namely:

- i. **To raise additional resources for public investment:** This can be done through counterpart funding, with the Federal and State Government injecting the “seed money” which is usually larger than those of the other contributions. Domestic financial markets can also be tapped through issuance of bonds and debentures. Generally the ultimate aim is to extract additional resources from

- the Local Governments themselves through better revenue administration and cost recovery;
- ii. **To improve the use of resources by Local Government:** This implies development of appraisal criteria and enlarging Local Government capacity for financial analysis of projects to be financed by the Loans Board through assistance given by the Board to Local Government in the design and execution of investment programme as it is done in Turkey and Venezuela and through the improvement of the operation and maintenance of Local infrastructural facilities as it is done in Jordan.

Again, the lessons of experience of Jordan may be relevant here. In 1979, the Government of Jordan established an autonomous cities and Villages Bank to provide investment finance and assistance to municipal and rural councils with the aim of extending access to infrastructures and employment. Jordan Municipal Development Fund was notably successful. It is also in the same spirit that the Universal Investment Development Company (UIDC) was founded by the then Bendel State Government to provide investment capital and other assistance (technical advice and training to Local Government) as well as help to fund the development of infrastructure and industries executed by both urban and rural Local Government. The training workshops organized by UIDC for Local Government high level personnel were a partial fulfillment of that role expected of it by the founding father-Bendel State Government. However, the funding of other development programmes of Local Governments received little or no emphasis from UIDC. Therefore it could not record the same success as Jordan's MDF.

However, there have been problems confronting such bodies where they have been established in Africa, Asia and Latin America, specifically Kenya, Morocco, Honduras to name a few places where capacity for sustained assistance for funding for Local Government on the scale needed has hardly been developed. The focus has been on narrow and passive financial role and offering little technical and financial appraisal to protect finance. There has also been experience of substantial arrears of debt payment in the countries where such funds have been established. Therefore for such a fund to succeed there is need for a buoyant revenue base for debt servicing.

### **1.5 Strengthening Local Government Revenue Raising Ability**

Against the background of a weak revenue generation capacity of Local Government and poor performance record in economic and social development, certain conditions that may improve the situation need to be highlighted:

- i. Widening the scope of activities/functions of Local Governments beyond conventional role which they have been playing since colonial period: Localised functions which affect the daily lives of people should be devolved on Local Governments. Such services include fire services, town planning and so on which they performed effectively in the past but removed from them following the creation of States in 1976.
- ii. Fiscal decentralization: This will involve state and federal Governments widening the scope of revenue sources for Local Government and giving them authority to determine and collect such rates and taxes. Such revenue sources as tax on value of gross business assets located in various Local Government Areas should be ceded to Local Government *Surtax* can also be imposed by Local Government on "income taxes" collected within their jurisdiction as a way of sharing such income taxes with the State Government.
- iii. Reintroduction of flat rate tax abolished in 1980 in Bendel State, and some other States, the consequences of which was a heavy blow on Local Government major source of internal revenue from 1981 onwards:

- iv. The need to link the cost and benefit of local public services more closely as figures have shown that Local Governments tend to be more important as spenders of funds than as collectors of revenue. This will mean resort to “user charges” for most of the services rendered by Local Government. This can be approached in two ways, namely, by identifying user charges which are related to consumption and those related to benefits. Consumption-related charge include development charges or levy for infrastructural development in a locality, rent on developed land, e.g. industrial area/estate.

The point to note here is that local public services are more amenable to such charges because they are closer to beneficiaries than services provided by Federal and State Governments. User charges have so many advantages, namely, they tend to reduce the pressure to raise revenue from general local taxes. They also improve efficiency as cost of public services and infrastructures are borne by beneficiaries. For user charges to be effective, there is need for efficiency administration and collection machinery to be put place as well as an accurate data to be available. Above all, the attitude and level of honesty of collectors are important determinants of success in administering user charges. Although user charges are suited to Local Government finance, they are under-utilized in Nigeria because State and Federal Governments provide most public utilities and services – electricity, telephone, drainage and water. Another reason is the heavy emphasis on statutory allocation to finance local government projects. It thus follows that when not relying on user charges, Local Governments often depend on transfers from statutory allocations and grants that tends to strain central budget. This is followed by a vicious circle of lack of incentive on the part of Local Government to recover cost of investment made with statutory allocation and grant from State and Federal Governments;

- v. The need for effective medium term fiscal plan and a comprehensive annual budget to translate the plan. This tends to force Local Governments to evaluate their needs and to make strong arguments for spending programmes – both recurrent and capital which then serve as foundation for strong fiscal efforts. This will also give both State and Federal Government a clearer picture of Local Government required level of funding. This three year rolling plan, if well-articulated and implemented by Local Government it will go a long way in fostering effective local government financial administration in the country.
- vi. Urgent need for the development of finance and accounting skills in Local Government: This has hampered effective Local Government administration in Nigeria. One solution is to provide for “holding posts” at the State level from where skilled personnel in such areas as accounting, finance, public health, sanitation, can temporarily be assigned to Local Government as done in Malaysia. We recognize the stiff opposition by the Nigerian Union Of Local Government Employees (NULGE) in the past to the development of staff from State Government to Local Government. Such action may be justifiable on the long run but on the short term, it appears that the Union did not quite appreciate the lack or shortage of finance and accounting skills in the Local Government and how much effective Local Government administration has been hampered by such shortage.
- vii. Regular training for Local Government officials to improve tax administration and financial management, need to be intensified especially in the areas of financial analysis, project analysis, current and capital budgeting, tax procedures, including records system.
- viii. The need to explore such option as buying services from the private sector through contract. This will help to stem the shortage of skilled personnel in the



Local Government and to provide flexibility in rendering mix of services. This raises the need for selective commercialization of some of its services for which fees, rates and taxes are charged while privatizing those for which it has the least comparative advantage e.g. refuse collection in cities.

## Self-Assessment Exercise 2

1. Sources of local government finance
2. Measures of safeguarding Local Government funds



### 1.6. Summary

Finance constitutes the life-wire of any organization whether it is public or private, central or local government organizations. For the local government to operate meaningfully as a third tier of government, it should possess a strong financial base which will enable it to acquire high quality personnel and materials for effective executive of all its functions. The 1976 local government Reform as well as the framers of 1979, 1989 and 1999 constitutions of Federal Republic of Nigeria recognized that and consequently provided for elaborate sources of revenue for the local government. Despite all these sources, local governments generated inadequate internal revenue, realized undue share of revenue from the statutory allocations from the state and federal governments, and secured little or nothing from loans.



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## 1.8 Possible Answers to SAEs

### Answers to SAEs 1

#### Financial Management in Local Government in Nigeria

The functions of Local Government, as discussed in the preceding chapter, cut across sectors, namely: economic, social regional and administration. As earlier observed in chapter 3, some of these functions are expected to be performed exclusively by the Local Government while others like health and education are expected to be performed concurrently with the State and Federal Governments. Thus the Local Government in Nigeria operate in accordance with the principle of ultra-vires that is limited authority for certain functions as against general competence.

It is important to note that the overall aim for the establishment of Local Government is to achieve orderly growth and development i.e. guided development, specifically to alleviate poverty, ignorance and disease at the local level

**1The Constitutional provisions** of local government finance are highlighted below:

- vi. S.7(6)a. National assembly to make statutory allocation to L.G in the Federation
- vii. S.7(6)(b) State house of assembly to make provisions for statutory allocations to L.Gs within the state
- viii. S.162(5) The statutory allocation to L.Gs from the Federation account shall be allocated to the states to the benefits of their L.G on such terms and manner as may be prescribed by the National Assembly
- ix. S.162(6) State-Joint L.G Account for allocations to L.Gs of a state from the Federation Acc. & from the state.
- x. S.162(8) The L.Gs money in a state shall be distributed among them on such terms and manner as prescribed by the state house of assembly

### Answers to SAEs 2

#### Internal Sources

Revenue from these sources are generated from within the local government area and are expected to be collected through the effort of the Local Government itself. They are mainly:

- v. Revenue from Taxes and Rates
- vi. Licenses and Fees;
- vii. Commercial undertakings; and
- viii. General sources

#### External sources

Strictly speaking, most revenue from external sources are not obtained through Local Government fiscal effort in Nigeria but are obtained in accordance with the constitutional provision of revenue sharing between the three tiers of governments, Federal, State and Local Government. The revenue from these sources are derived from:

- v. Federal Statutory allocation (at present increased from 20% to 20.6% of the Federation account from January 1996).

#### Taxes and Rate

The power of revenue raising by the Local Government through taxation, whether such sources is flexible enough to take account of inflationary rates and other changes in the economy and whether it can be tapped independently without central control, determine the degree of fiscal autonomy of local government.

- vi. State Statutory allocation which is 10% of total internally generated revenue of State Government;
- vii. Loans, Bonds and debentures; and
- viii. Grants.

### **Property Tax**

Property tax is a major source of revenue to the local government particularly, the urban ones.

### **Strengthening Local Government Revenue Raising Ability**

Against the background of a weak revenue generation capacity of Local Government and poor performance record in economic and social development, certain conditions that may improve the situation need to be highlighted:

- ix. Widening the scope of activities/functions of Local Governments beyond conventional role which they have been playing since colonial period: Localised functions which affect the daily lives of people should be devolved on Local Governments. Such services include fire services, town planning and so on which they performed effectively in the past but removed from them following the creation of States in 1976.
- x. Fiscal decentralization: This will involve state and federal Governments widening the scope of revenue sources for Local Government and giving them authority to determine and collect such rates and taxes.

Reintroduction of flat rate tax abolished in 1980 in Bendel State, and some other States, the consequences of which was a heavy blow on Local Government major source of internal revenue

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## UNIT 5: Some Measures Of Securing Local Government Funds

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Organizational and administrative structure of Local governments
- 1.4 Personnel Management of local governments.
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the Implementation Guidelines on the Application of Civil Service Reforms in the Local Government Service.
- ii. Analyse the Financial autonomy for local governments
- iii. .



### 1.3 Some Measures Of Securing Local Government Funds

#### 1.3.1 Implementation Guidelines on the Application of Civil Service Reforms in the Local Government Service

At this juncture, it is pertinent to observe that according to section 25 of the Federal Republic of Nigeria Implementation Guidelines on the Application of Civil Service Reforms in the Local Government Service (1988);

- i. Failure to collect local government revenue is an offence punishable by surcharge and transfer to another schedule.
- ii. Failure to account for local government revenue s punishable by recovery of the amount involved and police prosecution with possibility of conviction.
- iii. Non-payment for use of local government property is punishable by quick recovery of the amount involved from the officer responsible.
- iv. Poor cash management is punishable by warning and or surcharge.
- v. Splitting of contracts to side-track tender procedure is punishable by demotion in rank and transfer to another schedule.
- vi. Irregular award of contracts, i.e. failure to comply with normal contract procedures is punishable by demotion in rank and transfer to another schedule.
- vii. Non-posting of ledger accounts involving losses shall be punishable by recovery from the defaulting or surcharge; warning where no losses are involved.
- viii. Cash in transit for too long (over 3 months) shall be recovered or surcharged to the defaulting officer in case of losses and warning if there are no losses.

The position of the Auditor General for Local Government has also been established within the new autonomy having regard to the increasing financial responsibilities being assumed by Local Government especially with the enormous amount of money flowing to them from the Federation Account and the 10% of internally generated revenue from State Governments. As earlier remarked, the Auditor-General for Local Government is the Chairman of the Audit Alarm Committee of Local

Government and has the power to carry out, on regular basis, the auditing of Local Government Accounts as well as power of sanction and surcharge of erring officials. He is expected to notify the Public Accounts Committee of an audit alarm of serious significance.

### **Self-Assessment Exercise 1**

1. Explain the Implementation Guidelines on the Application of Civil Service Reforms in the Local Government Service

## **1.4 Financial autonomy for local governments**

The recent directive by the Nigeria Financial Intelligence Unit (NFIU) barring state governments from tampering with local governments' allocations is a welcome development. It is even long overdue. Nigerians had long expected this to happen considering the flagrant abuse of the council funds by state governors for some years now.

For years, the governors have used the councils' funds the way they like and willfully neglected the development of the councils. The third tier of government, which is recognized by the 1999 Constitution, has been bastardized and rendered impotent by state governors throughout the country.

The councils have ceased to be the centers of grassroots development they were conceived to be. Most of the councils' headquarters look so decrepit and abandoned. Therefore, the NFIU order which takes effect from June 1, 2019 is a decisive step towards ensuring financial autonomy for the emasculated 774 local governments in the country. As from the June 1 deadline, all local governments' allocations must go straight to their respective bank accounts.

No doubt, the NFIU's action must have been prompted by the misappropriation of the funds allocated to the local councils by the state governments through the State Joint Local Government Accounts (SJLGA). The NFIU's action was also necessitated by the threats from international financial watchdogs to sanction Nigeria as a result of abuse of the local governments' funds.

The NFIU has also realized that abuse of the SJLGA poses serious corruption, money laundering and security threats at the grassroots levels and to the entire financial system and the entire country. Under the new directive, the SJLGA which subsists now can only be for the receipt of allocations from the federation account and not for disbursement.

To ensure immediate compliance with the new directive, the NFIU has warned that any bank that flouts the order will be sanctioned. What the NFIU has done is in compliance with Section 162 (6-8) of the 1999 Constitution (as amended) which states that "Each State shall maintain a special account to be called "State Joint Local Government Account" into which shall be paid all allocations to the local government councils of the State from the Federation Account and from the Government of the State.

"Each State shall pay to local government councils in its area of jurisdiction such proportion of its total revenue on such terms and in such manner as may be prescribed by the National Assembly. The amount standing to the credit of local government

councils of a State shall be distributed among the local government councils of the State on such terms and in such manner as may be prescribed by the House of Assembly of the State.”

The SJLGA is meant to serve as a collection account which does not give state governors the power to disburse the allocations the way they like. It is worth recalling that during the Olusegun Obasanjo presidency, the councils were given direct allocations from Abuja for some years but it was later stopped.

But the operation of SJLGA has been detrimental to the absence of government at the council level and may have contributed to the groaning poverty and rising crimes and general insecurity across the country. In the absence of elected council chairmen and councilors in most states of the federation, there is need to ensure that elections should be held in those councils without elected officials before the NFIU’s directive can be effective.

In fact, there is need to amend any law that may affect the implementation of the NFIU’s order. Section 7 (1) of the Constitution states that “The system of local government by democratically elected local government councils is under this Constitution guaranteed; and accordingly, the Government of every State shall 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.”

Section 7 (3) of the Constitution states that “It shall be the duty of a local government council within the State to participate in economic planning and development of the area referred to in subsection (2) of this section and to this end an economic planning board shall be established by a Law enacted by the House of Assembly of the State.” Unfortunately, the provisions of the foregoing laws are never observed by the state governors.

This can explain why development has been stalled at the grassroots and why criminals have taken over some areas. While what the NFIU has done is good, it is still a palliative to one of the diseases afflicting the country. The nation’s other diseases cannot be cured by the NFIU.

To cure our national ailments, which go beyond tampering with the councils’ funds, the country must be restructured as being canvassed by eminent Nigerians and groups. There is no running away from that hard fact of our socio-economic existence. The rising insecurity across the country is a symptom of a failing system. The escalating banditry and kidnapping can only take place in a sick system.

Until the country is restructured and run like a truly federal system, each federating unit according to its pace as we have in the first republic, the nation’s woes will continue unabated. Anything being done now is a way to postpone the doomsday. The centralized policing system currently in operation cannot guarantee adequate security across the country.

The United States from where we borrowed the present system of government and missed to emulate some of its ethos has federal, state and county police. Why are we foot-dragging over the decentralization of the nation’s police? Why are some people afraid of resource control when every state has one or more minerals to exploit and pay royalty to the Federal government? Why are we afraid of our shadows?

However, the good news is that every state can do well in agriculture and even have enough food for its sustenance and export. Why are we not investing more in agriculture? The nation's overdependence on oil is killing its industrialization and development initiative. The less we think of oil, the better for all of us and the economy of this giant of Africa.

As individuals think of where they want to be in ten- or twenty-years' time, nations also do the same and dream of where they want to be in the next forty or fifty years. Where do our leaders want this country to be in the next 50 years? Our leaders should read, think and dream where they are taking us in the next 50 years. All the grandstanding by politicians over 2023 when we are yet to deliver on 2019 cannot take us anywhere.

#### **1.4 Review of Revenue Sharing Formula**

1. Public discourse on this all-important subject is paramount at this period when the present administration is deepening the reforms for higher growth trajectory. The central importance of this subject is better appreciated especially in our federal arrangement, where the political system has been designed to respond to specific political, economic, social realities and balances. Most noteworthy also is the premium which the government places on the promotion of understanding, dialogue, harmony, peace, good governance and fairness in the distribution of resources in the federation.

2. The practice of modern democracy began as a struggle over public revenue in England. Merchants demanded a say in how tax money was spent. The battle cry for democracy in that conflict between merchants and the monarchy was 'no taxation without representation'.

This marked the beginning of concern by ordinary citizens that the peoples' representatives manage public revenue. Virtually every constitution in the world has subscribed to this fundamental principle of democracy. Our 1999 Constitution has entrenched this principle by granting the National Assembly and the State Assemblies the exclusive power to appropriate funds and oversee their expenditure.

3. The concept of fiscal federalism was first introduced in Nigeria in 1946 following the adoption of the Richards Constitution. The period 1947-1952 marked the beginning of the recognition of sub-national governments during which financial responsibilities were devolved to the three regions- North, West and East. Revenue Allocation Arrangement

4. In July 2002, the 'Modification Order 2002' provided for distribution as follows: FGN 54.68%, States 24.72%, LGAs 20.60% and derivation 13% (Mineral revenue only). The breakdown of the Federal Government share is as follows: FGN 48.5%, FCT 1%, FGN share of derivation and ecology 1.46%, Stabilization fund 0.72% and the development of minerals 3%.

5. This order was adjusted in January 2004 giving birth to the existing revenue allocation formula of FGN 52.68%, States 26.72%, LGAs 20.60% and derivation 13% for mineral resource only. Again, the breakdown for the Federal Government share is FGN 48.5%, FCT 1%, FGN share of derivation and ecology 1%, Stabilization fund 0.50% while development of natural resources is 1.68%.

6. The 1.46% FGN share of derivation and ecology was created following the Supreme Court ruling on the resource control case in April 2002 stating that the Ecology and derivation funds were illegal. Prior to that judgment, 2% of the total Federation Account

was provided for the amelioration of ecological problems in part of the country and 1% for the derivation. Therefore to comply with the ruling of the Supreme Court, the 2% Ecology Fund and 1% Derivation were distributed as follows: FGN 1.46%; States 0.72%; LGAs 0.60%. The shares of the States and LGAs were added to their allocations. With the adjustments in January 2004, the FGN share was reduced to 1% and it is paid into a fund administered by the Federal government but it is still being used for amelioration of derivation and ecological problems in any part of the country in accordance with such directions as may be issued in that behalf by the president from time to time.

7. In the 2002 Order, 0.72% was allocated for stabilization fund but adjusted in January 2004 to 0.50%. The allocation is added to the FGN share and held in trust for all beneficiaries for unforeseen emergencies. The 3% allocated for the development of natural resources in the 2002 Order was also adjusted in January 2004 to 1.68%. The allocation is for the exclusive management of the FGN to develop alternative sources of revenue for the nation as may be directed by the President.

In the present formula(2019), about 52.68 per cent is allocated to the federal government from the Federation Account, 26.70 per cent to the 36 states and 20.60 per cent to the 776 local government areas.

The formula, being used by the Revenue Mobilisation Allocation and Fiscal Commission (RMFAC), was first enacted in 1982 before it was brought into operation at the inception of the Fourth Republic in 1999, with amendment.

8. The 26.72% allocated to the States and the 20.60% for Local Government Areas are distributed amongst the States and the Councils using the following formula; Equality 40%, population 30%, Landmass and terrain 10%, Social development factors 10% and Internal revenue generation effort 10%.

9. The Value Added Tax (VAT) was introduced in 1993 and it replaced Sales tax in the states. The formula for the distribution when it was first introduced was 50% to FGN; 35% to the States; and 15% to LGAs. With effect from January 1999, the formula was adjusted as follows: FGN 15%, States 50% and LGAs and area councils of the FCT 35%. The share of the States and that of the local Governments is shared amongst them using the factors of Equality 50%, population 30% and derivation 20%.

10. The funding of the non-oil revenue collecting agencies, Nigeria Customs Service and the Federal Inland Revenue Service is through the Federation Account and was implemented in June

2005 with effect from January 2005. The NCS is getting 7% of its monthly collection while the FIRS gets 4% of its monthly collectible revenue. The funding is based on the provision of Section 165 of the 1999 Constitution.

11. Revenue sharing thus constitutes an important instrument of inter-governmental financial adjustments in the Nigerian federalism. The revenue collectable to the federation account is shared with the other tiers of governments as provided for in Section 162 of the 1999 constitution. To ensure the revenue sharing is done in a rational manner, the exercise has usually been guided by the recommendations of the Revenue Mobilization, Allocation and Fiscal Commission which the constitution have saddled



with the primary responsibility of constant review of the bases of revenue sharing among the three levels of government.

12. Although, no system of fiscal federalism can be adequate and suitable for all times, revenue allocation in Nigeria has been challenged by; lack of correspondence between revenue availability and expenditure responsibilities of the different levels of government, political interference and lack of consensus on the criteria. There is need therefore to resolve these problems if the country is to derive maximum benefits in its fiscal federalism arrangements.

13. The success of fiscal federalism is hinged on local autonomy, liberal democracy, administrative capacity and revenue mobilization. Provisions of the 1999 Constitution on the roles of the Tiers of Government

14. On the federal exclusive list are the functions over which authority has to be centralized because of their implications for security, political stability and macroeconomic performance of the country. Such functions include the provision of public goods, which cover the entire country or have significant amount of externalities and effects that spill over the boundaries of the States and local governments.

15. The functions of the States in the federal system are those specified on the concurrent legislative list, which include provision of public services whose consumption could be confined to the areas within their jurisdiction, secondary education, health, industry and agriculture. The local government, which is the third tier, has the responsibilities that can best be discharged at the grassroot level. These include refuse disposal, provision and maintenance of primary education, motor parks, market stalls etc.

16. The adoption of federalism in Nigeria lies mainly in the plurality and heterogeneity of the society, the regional differences and the diversity of functions which a modern government is expected to perform. The allocation of functions to these different tiers of government has fiscal implications. This is due to the fact that the discharge of the assigned functions involves expenditure and revenue. Consequently, a federal system has to deal with counterpart issue of intergovernmental fiscal relation.

17. The Federal Government of Nigeria has assumed so much responsibilities overstretching the resource availability. For example, all prisoners in the country are the responsibility of the Federal Government even though the offence committed was against the laws of a state government. The advantages of true fiscal federalism are best appreciated when one considers the persistent pressure towards greater political centralization. Politics of Centralization of power

18. We acknowledge that the ideal of democracy is that power should be dispersed but there is always a tendency in democracies for its centralization because centripetal forces dominate centrifugal forces. A fundamental flaw in our present arrangement is the temptation by States to free ride on other States' contributions to the federal government. We should be competing on wealth creation rather revenue formula and sharing.

19. It is argued that centralization of power is necessary for efficient performance of government because as problems become increasingly complicated, people become increasingly mobile and more services are demanded of government to generate

benefits that extend beyond the boundaries. State and local governments will fund services like education, public health and poverty relief below levels that maybe efficient since they recognize that their contribution would be insignificant and they can conveniently free ride on the contribution of others.

20. The efficiency-enhancing explanation for government centralization would be credible if government decision makers at all levels are sufficiently informed and motivated to determine and promote some common vision of the public interest. In this era of private-interest model of government, political outcomes emerge out the interaction of diverse and competing interest groups. There is no presumption of efficiency in the private-interest model of government. Efficient outcomes may or may not emerge; depending on how well the political process matches up those who realize benefits from government and those who pay for those services.

21. The more central the collection of revenue, the more the political process rewards organized interest groups, and State and local governments, for demanding projects that are 3rd class with 1st class cost, and the less it will reward them for implementing such projects efficiently. But regardless of the inefficiencies, it is in the interest of each group to demand more spending on its programs and to push for the political centralization that amplifies that demand. Making Sub-national Governance Competitive

22. Competition among States is necessary to provide the information and motivation for efficiency in political activity, as in market activity. Most people see competition as a constraint on government's ability to promote the public interest. But by rejecting competition among governments they have implicitly bought into the view of government as a benevolent promoter of inefficiency.

23. Government responsibilities will be assigned appropriately only in response to the pressures of a competitive process that gives those who are paying for government services more power to determine which services are provided and which government jurisdictions provide them. Fiscal responsibility at these levels of governance would go a long way in creating such a competitive process.

24. The competitive pressures on the tiers of government would improve the connection between those who pay for government services and those who benefit from them. Many government expenditures would be rendered a lot less essential than they are under the current arrangements where many States and local governments are free riders.

25. Imposing accountability on spending decisions always risks passing up some desirable spending, but this is a reasonable price to pay for reducing the level of inefficiency that characterizes so much current government spending at States and local levels. Also, worthwhile government services are not provided, or provided poorly, because they are crowded out by an avalanche of special-interest spending, or provided in the absence of competitive pressures.

26. The case for downsizing the federal government maybe strong, focusing its attention on truly national and international concerns, with government responsibility for the most domestic concerns being shifted to the states and local levels. The

popularity of such a shift is reflected in the ubiquitous campaign promises to return government to the people. But the political process, as currently instituted, is more responsive to narrowly focused groups than to the general public. Fiscal discipline and prudent procurement process at the sub-national levels maybe a way out of the myriad of macroeconomic problems that beseech our polity.

27. The above submission should not be misconstrued as belonging to the group of optimists who believe that fiscal responsibility is the only solution to the myriad of problems of governance at the sub-national level rather I would conclude that if accountability is an important political objective for our country and we can establish the institutional framework to make Sub national governments work with a reasonable degree of efficiency, then making states compete through fiscal responsibility is a good policy.

### **Self-Assessment Exercise 2**

1. Financial autonomy for local governments
2. Review of Revenue Sharing Formula



### **1.5 Summary**

At this juncture, it is pertinent to observe that according to section 25 of the Federal Republic of Nigeria Implementation Guidelines on the Application of Civil Service Reforms in the Local Government Service (1988);

- i. Failure to collect local government revenue is an offence punishable by surcharge and transfer to another schedule.
- ii. Failure to account for local government revenue s punishable by recovery of the amount involved and police prosecution with possibility of conviction.
- iii. Non-payment for use of local government property is punishable by quick recovery of the amount involved from the officer responsible.
- iv. Poor cash management is punishable by warning and or surcharge.
- v. Splitting of contracts to side-track tender procedure is punishable by demotion in rank and transfer to another schedule.

The recent directive by the Nigeria Financial Intelligence Unit (NFIU) barring state governments from tampering with local governments' allocations is a welcome development. It is even long overdue. Nigerians had long expected this to happen considering the flagrant abuse of the council funds by state governors for some years now.

For years, the governors have used the councils' funds the way they like and willfully neglected the development of the councils. The third tier of government, which is recognized by the 1999 Constitution, has been bastardized and rendered impotent by state governors throughout the country.

The councils have ceased to be the centers of grassroots development they were conceived to be. Most of the councils' headquarters look so decrepit and abandoned. Therefore, the NFIU order which takes effect from June 1, 2019 is a decisive step towards ensuring financial autonomy for the emasculated 774 local governments in the

country. As from the June 1 deadline, all local governments' allocations must go straight to their respective bank accounts.

No doubt, the NFIU's action must have been prompted by the misappropriation of the funds allocated to the local councils by the state governments through the State Joint Local Government Accounts (SJLGA). The NFIU's action was also necessitated by the threats from international financial watchdogs to sanction Nigeria as a result of abuse of the local governments' funds

In the Review of Revenue Sharing Formula, the following are adhere to:

1. Public discourse on this all-important subject is paramount at this period when the present administration is deepening the reforms for higher growth trajectory. The central importance of this subject is better appreciated especially in our federal arrangement, where the political system has been designed to respond to specific political, economic, social realities and balances. Most noteworthy also is the premium which the government places on the promotion of understanding, dialogue, harmony, peace, good governance and fairness in the distribution of resources in the federation.

2. The practice of modern democracy began as a struggle over public revenue in England. Merchants demanded a say in how tax money was spent. The battle cry for democracy in that conflict between merchants and the monarchy was 'no taxation without representation'.

This marked the beginning of concern by ordinary citizens that the peoples' representatives manage public revenue. Virtually every constitution in the world has subscribed to this fundamental principle of democracy. Our 1999 Constitution has entrenched this principle by granting the National Assembly and the State Assemblies the exclusive power to appropriate funds and oversee their expenditure.

3. The concept of fiscal federalism was first introduced in Nigeria in 1946 following the adoption of the Richards Constitution. The period 1947-1952 marked the beginning of the recognition of sub-national governments during which financial responsibilities were devolved to the three regions- North, West and East. Revenue Allocation Arrangement

4. In July 2002, the 'Modification Order 2002' provided for distribution as follows: FGN 54.68%, States 24.72%, LGAs 20.60% and derivation 13% (Mineral revenue only). The breakdown of the Federal Government share is as follows: FGN 48.5%, FCT 1%, FGN share of derivation and ecology 1.46%, Stabilization fund 0.72% and the development of minerals 3%

In the present formula(2019), about 52.68 per cent is allocated to the federal government from the Federation Account, 26.70 per cent to the 36 states and 20.60 per cent to the 776 local government areas.

The formula, being used by the Revenue Mobilisation Allocation and Fiscal Commission (RMFAC), was first enacted in 1982 before it was brought into operation at the inception of the Fourth Republic in 1999, with amendment.

8. The 26.72% allocated to the States and the 20.60% for Local Government Areas are distributed amongst the States and the Councils using the following formula; Equality 40%, population 30%, Landmass and terrain 10%, Social development factors 10% and Internal revenue generation effort 10%.

9. The Value Added Tax (VAT) was introduced in 1993 and it replaced Sales tax in the states. The formula for the distribution when it was first introduced was 50% to FGN; 35% to the States; and 15% to LGAs. With effect from January 1999, the formula was adjusted as follows: FGN 15%, States 50% and LGAs and area councils of the FCT 35%. The share of the States and that of the local Governments is shared amongst them using the factors of Equality 50%, population 30% and derivation 20%



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### Answer to Self-Assessment Exercise

#### Answer to Self-Assessment Exercise 1

#### Implementation Guidelines on the Application of Civil Service Reforms in the Local Government Service

At this juncture, it is pertinent to observe that according to section 25 of the Federal Republic of Nigeria Implementation Guidelines on the Application of Civil Service Reforms in the Local Government Service (1988);

- i. Failure to collect local government revenue is an offence punishable by surcharge and transfer to another schedule.
- ii. Failure to account for local government revenue is punishable by recovery of the amount involved and police prosecution with possibility of conviction.
- iii. Non-payment for use of local government property is punishable by quick recovery of the amount involved from the officer responsible.
- iv. Poor cash management is punishable by warning and or surcharge.
- v. Splitting of contracts to side-track tender procedure is punishable by demotion in rank and transfer to another schedule.

vi.

## **Answer to Self-Assessment Exercise 2**

### **Financial autonomy for local governments**

The recent directive by the Nigeria Financial Intelligence Unit (NFIU) barring state governments from tampering with local governments' allocations is a welcome development. It is even long overdue. Nigerians had long expected this to happen considering the flagrant abuse of the council funds by state governors for some years now.

For years, the governors have used the councils' funds the way they like and willfully neglected the development of the councils. The third tier of government, which is recognized by the 1999 Constitution, has been bastardized and rendered impotent by state governors throughout the country.

The councils have ceased to be the centers of grassroots development they were conceived to be. Most of the councils' headquarters look so decrepit and abandoned. Therefore, the NFIU order which takes effect from June 1, 2019 is a decisive step towards ensuring financial autonomy for the emasculated 774 local governments in the country. As from the June 1 deadline, all local governments' allocations must go straight to their respective bank accounts.

No doubt, the NFIU's action must have been prompted by the misappropriation of the funds allocated to the local councils by the state governments through the State Joint Local Government Accounts (SJLGA). The NFIU's action was also necessitated by the threats from international financial watchdogs to sanction Nigeria as a result of abuse of the local governments' funds

### **Review of Revenue Sharing Formula**

1. Public discourse on this all-important subject is paramount at this period when the present administration is deepening the reforms for higher growth trajectory. The central importance of this subject is better appreciated especially in our federal arrangement, where the political system has been designed to respond to specific political, economic, social realities and balances. Most noteworthy also is the premium which the government places on the promotion of understanding, dialogue, harmony, peace, good governance and fairness in the distribution of resources in the federation.

2. The practice of modern democracy began as a struggle over public revenue in England. Merchants demanded a say in how tax money was spent. The battle cry for democracy in that conflict between merchants and the monarchy was 'no taxation without representation'.

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3. The concept of fiscal federalism was first introduced in Nigeria in 1946 following the adoption of the Richards Constitution. The period 1947-1952 marked the beginning of the recognition of sub-national governments during which financial responsibilities

were devolved to the three regions- North, West and East. Revenue Allocation Arrangement

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## MODULE FOUR

### UNIT 1: Functions of Local Government Councils in Nigeria

#### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Constitutional Functions of Local Governments in Nigeria.
- 1.4 Specific functions of local governments in Nigeria.
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



#### 1.1 Introduction

This unit will look at the Constitutional Functions of Local Governments in Nigeria. The Fourth Schedule of the 1999 Constitution provides for the functions of the local government in Nigeria. However, when compared with what obtains in other developed countries issues like police, fire service, secondary education are not handled by the local governments. The functions listed in the Constitution are not all actually carried out by the local governments.



#### 1.2 Learning Outcomes

At the end of the unit you will be able to:

- i. Outline the Constitutional functions of local governments;
- ii. State and explain the specific functions of local governments in Nigeria.



#### 1.3 Constitutional Functions of Local Governments in Nigeria

As provided in the Fourth Schedule to the 1999 Constitution, these functions are:

- a. Consideration and making of recommendations to a state commission on economic planning or any similar body on;
  - i. The economic development of the state, particularly in so far as the areas of authority of the council and of the state are affected; and
  - ii. Proposals made by said commission and body.
- b. Collection of rates and issuance of television licenses;
- c. Establishment and maintenance of cemeteries, burial grounds and homes for the destitute and infirm;
- d. Licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheelbarrows and carts;
- e. Establishment, maintenance and relocation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences;
- f. Construction and maintenance of roads, streets, street lighting, drains, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a State;
- g. Naming of roads and streets and numbering of houses;
- h. provision and maintenance of public conveniences, sewage and refuse disposal;
- i. Registration of births, deaths and marriages;
- j. Assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a State;
- k. Control and Regulation of:



- i. Outdoor advertisement and boarding;
- ii. Movement and keeping of pets of all descriptions;
- iii. Shops and Kiosks;
- iv. Restaurants, bakeries and other places for sale of food to the public; and
- v. Laundries.

The functions of a local government council shall include, participation of such councils in the government of the state with respect to the following matters.

- a. The provision and maintenance of primary education;
- b. The development of agriculture and natural resources other than the exploitation of minerals;
- c. The provision and maintenance of health services; and
- d. Such other functions as may be conferred on the local government council by the House of Assembly of the State.

It is important to note that these functions are both executive and legislative in nature. They are executive or administrative in the sense that these are the areas over which the chairman must concentrate and exercise his administrative control in the day-to-day administration of the council. These functions are also legislative in that the council is restricted to these specific areas in its making of bye-laws.

#### **1.4 Specific Functions of Local Government**

More specifically, the functions of local Government can be categorized into two, namely:

- i. Exclusive functions
- ii. Concurrent functions

Exclusive functions are those functions which under constitutional provisions i.e. part v (27) of Local Government (Basic Constitutional and Transitional Provisions) Decree No. 15 of 1989 are solely to be performed by the Local Government. These functions are as follows.

1. Formulation of economic planning and development schemes for the Local Government Area;
2. Collection of rates and issuance of radio and television licenses;
3. Establishment and maintenance of cemeteries, burial grounds and homes for the destitute or infirm;
4. Licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheel barrows and carts;
5. Establishment, maintenance and regulation of slaughter house, slaughter slabs, markets motor parks and public conveniences;
6. Construction and maintenance of roads, streets, streets lightings, drains, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the Military Governor or House of Assembly of a State;
7. Naming of roads and streets and numbering of houses;
8. Provision and maintenance of public conveniences, sewage and refuse disposal;
9. Registration of all births, deaths and marriages;
10. Assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the Military Government or House of Assembly of a State.
11. Control and regulation of: Out-door advertising and boarding;
12. Movement and keeping of pets of all descriptions;
13. Restaurants, bakeries and other places for sales of food to the public;
14. Shops and kiosks;

15. Laundries; and
16. Licensing, regulation and control of the sales of liquor.

Concurrent functions are those functions which Local Government cannot perform singly but in conjunction with the State or Federal government of Nigeria. They are also those functions which the State or the Federal Government of Nigeria can perform meanwhile on behalf of Local Government until local Government is in a position to carry out such functions. Such functions are:

- a. The provision and maintenance of primary, adult and vocational education.
- b. The development of agriculture and natural resources, other than the exploitation of minerals;
- c. The provision and maintenance of health services; and
- d. Such other functions as may be conferred upon a Local Government by the Governor or the House of Assembly of a State.

As part of the National Policy on Health, Local Governments are expected to assume full responsibility for the management of the Primary Health Care delivery of which Oral Rehydration Therapy (ORT), Extended Programme on Immunization (EPI) and Family Planning are vital components. This is carried out in conjunction with the Federal and State Governments with the assistance of various international organization like WHO and UNICEF providing inputs towards the prosecution of the programme.

The effectiveness of Local Government in service delivery depends largely on the type of structure (political, financial and administrative) which Local Government operates. In this chapter, we are mainly concerned with the administrative and political structure, leaving the details of the financial structure to the next chapter.

### **Self-Assessment Exercises 2**

1. What are the Concurrent functions local governments perform with other tiers?
2. Highlight any four functions of the local government service commission in Nigeria

### **General Evaluation**

1. State the role and responsibility of the Chairman of Local Government council.
2. Distinguish between statutory and adhoc committees of Local Government.
3. The Local Government Service Commission is an appellate body. Discuss this in relation to its other functions.
4. The institutions of Auditor General Local Government and Audit Alarm Committee are intended to enhance accountability in the local government system in Nigeria Examine this statement.
5. What do you understand by
  - a. Exclusive function of local government?
  - b. Concurrent functions of local government? Illustrate with examples.

### **1.7 References/Further Readings/Web Resources**

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4. Federal Republic of Nigeria Guidelines for Local Government Reform, Op cit., p7.



### **1.8 Possible Answers to SAEs**

Answers to SAEs 1

2. Concurrent functions of local governments are:

- i. Provision of primary, adult and vocational education.
- ii. Development of agriculture and natural resources
- iii. Provision of health services

**Answers to SAEs 2**

- i. To appoint, promote and discipline Local Government employees on Grade Level 07 and above.
- ii. To set up general uniform guidelines for appointment; promotion and discipline;
- iii. To monitor the activities of each Local Government on appointment, discipline and promotion of Local Government employees on Grade Level 01-06 in order to ensure that the guidelines are strictly and uniformly adhered to;
- iv. To serve as an Appellate Body for all petitions from Local Governments in respect of appointments, promotions and discipline.

## Unit 2: Challenges and Problems of Local Governments in Nigeria

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Challenges of local government Administration.
- 1.4 Suggested Measures to address the Challenges
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

This will explore the challenges confronting the local government administration in Nigeria and its failure to meet the basic and social services provisions of the people at the grassroots. Some of the teething problems are corruption, inadequate funding, political meddling, epileptic training etc. Measures to address those malaises would be examined.



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Discuss the various challenges affecting effective local government administration in Nigeria.
- ii. Evaluate measures that could be adopted to address these challenges.
- iii. What are the Concurrent functions local governments perform with other tiers?
- iv. Highlight any four functions of the local government service commission in Nigeria



### 1.3 Challenges and Problems of Local Governments in Nigeria

#### Political meddling

Evidently, this is the main issue facing Nigerian local government. Autonomy goes a long way to determine the effectiveness of any local government. Since the local government is meant to be an independent entity, its efficacy would unquestionably be hampered if the federal government and state governments are constitutionally permitted to meddle in its operations.

This does not imply, however, that local government and the national and state governments do not collaborate.

#### Corruption

Corruption is one of the main issues facing modern Nigeria. It has continued to thrive, advance, and prosper. The acceptance of corruption as a component of our system is a result of institutionalization of the problem. Although corruption is present everywhere in the world, the extent to which it manifests itself differs from system to system (Lawal and Oladunjoye, 2010). The biggest problem facing Nigerian local government administration is corruption. Corruption has historically been accepted, encouraged, and glorified by the system on a local level. In the context of local government, corruption is a significant barrier to effective governance. It has been identified as one of the problems confronting effective local government administration in Nigeria, also non-adherence to provisions of the financial memorandum (FM), conspicuous consumption of the part of the local officials, lifestyles that are not commensurate with official sources of income, imposition of leaders on the local government through corrupted

political process and low wages of local government officials (Ali, 2008). According to Bolatito and Ibrahim(2019) some of the areas where corruption thrives in local government in Nigeria include the following:

- a) Inflation of prices of bought items;
- b) Over estimation of cost of projects;
- c) The ghost worker syndrome;
- d) Poor financial base and limited revenue
- e) Award of contracts and subsequent abandonment;
- f) Payment of huge sums of money to political godfathers;
- g) The age-long belief by the officials that people are ignorant, illiterate and unenlightened;
- h) Lack of accountability

The level of economic crisis and its attendant poverty in Nigeria has made corruption a lucrative venture and a way of life in the civil service. As in other levels of government, local government administration is heavenly plagued by the canker-worm of bureaucratic and political corruption which have eaten deep into fabric of the entire society and public service in particular. Corruption in local government have arrested rural and community development which behind their creation and supposed to be the pivot of national development. Public interest is now a second priority in the Nigerian vocabulary. As overwhelmingly and complex as these constraints may appear, they are not insurmountable. Indeed, they can be managed and possibly be ameliorated. In the following section, we shall turn our search light on how this can achieved.

### **Lack of Autonomy**

Autonomy simply refers to freedom, independent, free from external and remote control but in Nigeria the reverse is the

case, Local Government are totally independent, they are managed by the federal and state governments who dominate over the local government administration through the state government offices of local government affairs, the ministry of local government, and the local government service commission. All these government agencies are denying the autonomy of self-dependent administration of Local Government in Nigeria. The issue of autonomy of local government administration has been a recurring one as witnessed in the on-going constitutional review where the issue of local government autonomy got almost 100 percent support. While efforts have been made since 1976 to bring about local government as a tier of government under a three tier federal system, local government administration is still seen as an appendage of the state governments. In spite of the constitutional provision which defined functions and sources of funding of the system, local governments in the country have not been able to extricate themselves from the apron string of state governments. State governors appoint Caretaker Committees to whom they dictate and direct on how to run the operations of local governments in their respective states. Yet, these committees are dissolved at will(Bolatito and Ibrahim, 2019; and Agbodike, et al,2014).

### **Inadequate Funding**

In Nigeria, funding for local government administration is still a phantom. Following the constant interference in the activities of the local government. Sometimes, it does not get the complete fund allocated to it from the federal government. Thus, there will be shortage of fund. Almost everything in leadership requires fund and where there is incomplete funds to carry out local projects, the local government will not be able to do anything. This is why there are thousands of unfinished local projects in Nigeria.

Local governments in the country operate a joint account with their respective state governments, which makes it difficult, if not impossible, for them to fulfill their constitutional duties and responsibilities. This is true despite the constitutional provisions and the guarantee that local governments will receive funding from the federation account. Local governments get funding from state governments exclusively to pay staff wages, and in certain cases, those payments go unpaid for several months. However, the lack of financial resources in local government administration might be attributed to local government managers' unwillingness to seriously consider internal sources of revenue creation.

### **Leadership Challenge**

The candidate who must run for local government office is appointed by and blessed by the ruling party in the majority of Nigerian states. Such candidates are unable to prevail in elections without their support. The Local Government Council's interim chairs are likewise chosen by the different state governments; these individuals are typically stooges and appendages of the state governor.

Even after elections are held, the state's ruling party and administration, in particular, rig and manipulate the results to support their favoured candidates. Whoever pays the piper calls the music in this scenario, without a doubt. Again, this results in ineffective administrative performance and the diversion of local government duties, as well as local community-focused projects.

One of the most difficult obstacles to grassroots sustainable development in underdeveloped nations continues to be the lack of leadership at the local government level. While we acknowledge that Nigeria's leadership crisis is a widespread issue, local government administrations have long faced harsh criticism for inadequate service delivery and weak governance.

Due to the keptocratic and patronage system of politics at this level of government, both political and administrative leadership are lacking. The majority of local government executives have a rigid mindset that prevents creativity, new ideas, and fresh initiative. Some local government chairmen are busy bootlicking state governors, donors, and donor organizations rather than focusing on developmental activities (Anazodo, Igbokwe- Ibeto, Osawe & Nkah, 2014).

### **Unskilled Workers**

Local government in Nigeria are faced with the problem of inadequate skilled workers such as engineers, accountants, medical doctors, town planners, statisticians, etc. Reasons for this unfortunate development are that, there is a very low image of local government in the minds of these professionals. Again, there is lack of job satisfaction that can keep them in the local government. Most skilled and qualified personnel's and professionals prepare to gamble their luck either in private organisations or establish their own firms rather than risk staying at the local government where there are no incentives, and they may be wasted away. This has forced local governments to depend on unskilled labour. For example, some are diploma and certificate holders who cannot defend the certificates they hold. These circumstances are a great challenge to local government efficiency. People who don't know their left from their right in what they do can hardly be productive and effective.

### **Inadequate and Poor Budgetary Allocation:**

Local governments in Nigeria are known to suffer from inadequate and poor budgetary allocation. This is done by deliberate cut-offs of budgetary allocation to the local government by some States Governors either for political reasons or absolute

corruption. The siphoning of funds through frivolous activities and fictitious contracts to their party members and friends greatly affects the financial needs of local governments. This is one of the major reasons why local government in Nigeria usually performs below expectation, thereby making the third tiers of government meaningless and lacking the diffidence of democracy.

#### **Administrative Inefficiency**

Local governments in Nigeria suffer from administrative inefficiency and ineffectiveness resulting from low educational qualifications of staff, poor motivation, autocratic leadership, poor work environment, etc. There is administrative/managerial credibility gap in most local government administrative structure in the country. The inability of local government councils in recruiting and retaining skilled and experienced human resources coupled with poor staff remuneration has given rise to the phenomenon of brain-drain in the system. Thus, inefficiency, ineffectiveness and low productivity is the hallmark of local government administration in Nigeria.

The management and control of finances is a central factor in the management of local governments. The quality and promptness/effectiveness of local government services depend on the quality and quantity of workers in the system. Politically, politicians divert from their campaign promises through scheming of ways to remain in office and swell their private financial bank accounts with public funds from the local government. They abandon principles of good governance and democratic ideals that are fundamental in promoting administrative efficiency in order to satisfy their selfish desires.

#### **Epileptic or Absence of Training**

Training, retraining and staff development are supposed to enhance the performance of local government staff irrespective of their quality on entry into the civil service. However, training and development have been epileptic and nothing to write home about in the local government administration. Local government administrators would make an appreciable impact on the people if they are more innovative and imaginative in their methods of meeting societal needs. Many local governments do not send their staff to training any longer. However, as a result of the increase in institutions of higher learning, there are competent hands emerging from them. But is highly regrettable that a new problem has since emerged in the area of quality of human resources in the public sector; most public administrators are ill-trained and abhor training where available (Akhakpe, 2012).

#### **Lack of provision of Basic Social Amenities**

The decline in delivery of social services for the people at the grassroots is perhaps, felt more by common people. This revealed that the local government administration has failed in meeting the basic needs of the people – good roads, metro-transport, potable water, regular electricity supply, sanitations and rehabilitation of local road under their local jurisdiction, qualitative healthcare delivery and education. Close on the heels of this is poor or non-maintenance of existing social services. Local Governments appear to have failed in this respect thereby leading to strong voice for the cancelation or eradication of the third tiers of government which is Local Government Administration in Nigeria.

#### **Self-Assessment Exercises 1**

1. Highlight any 5 challenges of local government administration in Nigeria
2. Highlight 2 measures to address the challenges

#### **1.4 Suggested Measures to address those challenges.**

1. The crisis of governance, which spawned the crisis of service delivery, must be addressed forcefully and sincerely. A successful decentralization strategy must be implemented to prevent an excessive concentration of resources and authority in the federal government. It is necessary to do away with centralization.
2. Positive leadership is crucial to the success of any human endeavor local government administration inclusive. Therefore, there is the urgent need to bring about political and administrative leadership anchored on rule of law, transparency and accountability, administrative probity and culture of good governance. The local government system needs missionary and visionary leaders with democratic credentials and readiness to transform the local government system in the country. The elite at all levels of government should show sufficient commitment to making the local government system work in the interest of all in the society. On the part of the people, beyond paying their taxes, rates, levies, fees, etc greater vigilance is required from them particularly in the area of ensuring that their votes counts and by stepping up their participation in all activities of local government councils in their areas.
3. Local government autonomy as captured in the constitution should be activated to forestall the undue state governments' interference in the management of local in the country. Yet, funding is critical to the success of local government administration. In this regard, internal sources of revenue generation in local government areas as enshrined in the constitution should be tapped. This will bring about both political and economic autonomy instrumental for the development of communities.
4. The importance of community-based organizations, which also happen to have organizational skills to get things done, is diminished by the concentration or overconcentration of power in the central government.
5. The Local Government should be more empowered to promoting rural development, reducing poverty and inequality, and stemming excessively high rates of rural-urban migration while corruption must be deterred and punished in the local government system to enhance efficient and effective service delivery at the grassroots level.
6. The Fourth schedule of the 1999 constitution of the Federal Republic of Nigeria can be amended, to stop interference in local government activities then local governments in Nigeria will be more effective. This is because that part of the constitution provides that the local government should have a joint account with the state. In other words, federal allocation of revenue will get to the state government before it gets to the local government. Trust me; this will increase the fund of the local government as the state government will not be able to temper with federal allocation of revenue to the local government. It will also reduce the rate of corruption in the country as well.
7. There is need for civil society to constantly demand transparency and accountability from local government officials and there should be explicit and enforceable constitutional and statutory provisions that will make local governments



responsive and accountable to local people. Accountability and transparency must be encouraged and promoted in the local government administration system so as to attain good governance for effective development at the grassroots level.

8. Local government administration should place more emphasis on staff training, retraining and developments. This will enhance employee performance and productivity irrespective of their quality on entry point. In this era of globalization, competition is the order of the day and local governments cannot be left out. For local government staff to compete with their counterpart elsewhere they should be well motivated financially and work environment made conducive. One major approach through which these objectives can be achieved is service orientation, attitudinal and behavioural change and procedural fairness. The local government officials should be equipped with better education and training and a sound orientation about value system and democratic cultures. Thus, they are required to be truly democratic administrators," real service providers, efficient decision makers, and dynamic grassroots transformers. They should also, endeavour to imbibe real democratic practices in order to promote value systems and democratic ethos at the grassroots level.
9. VI. The local government should provide special mechanisms for active and maximal participation of local residents in local government affairs. People should be allowed to participate in the initiation and implementation of the projects in the local government system.

### Self-Assessment Exercise 2

What are Suggested Measures to address challenges of Local government administration



#### 1.5 Summary

In this unit we examined the challenges of effective local government administration in Nigeria from different dimensions such as funding, training, autonomy, corruption among others and seen how they have vitiated the roles of local government in development. Suggestions were made to address those malaises.



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## 1.8 Possible Answers to SAEs

### Answers to SAEs 1

1. Corruption, political interference, unskilled workers, inadequate funding, inefficiency
- 2. Inadequate Funding**
3. In Nigeria, funding for local government administration is still a phantom. Following the constant interference in the activities of the local government
- 4. Leadership Challenge**
5. The candidate who must run for local government office is appointed by and blessed by the ruling party in the majority of Nigerian states
- 6. Unskilled Workers**  
Local government in Nigeria are faced with the problem of inadequate skilled workers such as engineers, accountants, medical doctors, town planners, statisticians, etc.
- 7. Inadequate and Poor Budgetary Allocation:**  
Local governments in Nigeria are known to suffer from inadequate and poor budgetary allocation. This is done by deliberate cut-offs of budgetary allocation to the local government by some States Governors either for political reasons or absolute corruption.

### Answers to SAEs 2

Suggested Measures to address those challenges

1. The crisis of governance, which spawned the crisis of service delivery, must be addressed forcefully and sincerely. A successful decentralization strategy must be implemented to prevent an excessive concentration of resources and authority in the federal government. It is necessary to do away with centralization.
2. Positive leadership is crucial to the success of any human endeavor local government administration inclusive. Therefore, there is the urgent need to bring about political and administrative leadership anchored on rule of law, transparency and accountability, administrative probity and culture of good governance. The local government system needs missionary and visionary leaders with democratic credentials and readiness to transform the local government system in the country. The elite at all levels of government should show sufficient commitment to making the local government system work in the interest of all in the society. On the part of the people, beyond paying their taxes, rates, levies, fees, etc greater vigilance is required from them particularly in the area of ensuring that their votes counts and by stepping up their participation in all activities of local government councils in their areas.
3. Local government autonomy as captured in the constitution should be activated to forestall the undue state governments' interference in the management of local in the country. Yet, funding is critical to the success of local government administration. In this regard, internal sources of revenue generation in local government areas as enshrined in the constitution should be tapped. This will bring about both political and economic autonomy instrumental for the development of communities.

4. The importance of community-based organizations, which also happen to have organizational skills to get things done, is diminished by the concentration or overconcentration of power in the central government.
5. The Local Government should be more empowered to promoting rural development, reducing poverty and inequality, and stemming excessively high rates of rural-urban migration while corruption must be deterred and punished in the local government system to enhance efficient and effective service delivery at the grassroots level

## **UNIT 3: Local Government Administration in Some Selected Countries**

### **Unit Structure**

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Local Government in United States of America
  - 1.3.1 United States of America Local Government System
  - 1.3.1 Functions of Local Government in U.S.A
  - 1.3.2 Types of Local Governments in U.S
- 1.4 Local Councils in United States
  - 1.4.1 Home Rule, Statutory, and Territorial Charter Municipalities
- 1.5 Special Purpose Local Governments
  - 1.5.1 Special Districts
  - 1.5.2 School Districts
  - 1.5.3 Counties
- 1.6 Summary
- 1.7 References/Further Readings/Web Resources
- 1.8 Possible Answers to Self-Assessment Exercise(s) within the content



### **1.1 Introduction**

#### 1.1 Introduction

We had earlier said that local government is a global practice. It is practiced in every country of the world. However, the practice differs from country to country and even from state or region to the other. In this section we shall look at how the government that is closest to the grassroots is practiced in some selected countries. The United States has one of the greatest complexity of local government laws in the world. While municipal systems among many states are similar in policy, method, and practice, there are numerous variations, exceptions, and differences in form and function. These differences may even exist within states.



### **1.2 Learning Outcomes**

1. By the end of this unit, you will be able to:
2. Explain the forms of Local Governments in the United States.
3. State the functions of Local Governments in the United States.



### **1.3 Local Government in United States of America**

#### **1.3.1 United States of America Local Government System**

In the U.S.A, using their constitutions or laws, all states establish mechanisms by which local governments are created. Some are created by direct state action – through a charter, for example. However, most are created because state statutes authorize citizens in a particular geographic area who need or desire local services to form a local unit of government. States also determine how much authority each type of government may exercise.

#### **1.3.1 Functions of Local Government in U.S.A**

Local governments serve three primary functions- health and safety, welfare and housekeeping. In the area of health and safety, local governments are responsible for police and fire protection, immunizations for contagious diseases, hospital services, local roads, garbage collection, and safe drinking water. Sanitation, housing, and air and water pollution are also under local jurisdiction.

In the area of welfare, education is the largest expense. However, libraries, museums, parks, recreational facilities and mass transit also fall under local control. In some communities public housing and economic development may also be a function of one of the local governments.

Housekeeping functions include keeping records of births, deaths, marriages, and property transfers. Collecting taxes and administering elections are also local government responsibilities.

### **1.3.2 Types of Local Governments in U.S**

To simplify this description, the classifications developed by the U.S. Census Bureau will be followed. The Census Bureau designates two categories of local government, General Purpose and Special Purpose. Counties, municipalities, towns and townships constitute the general purpose local governments.

There are four main types of local government- counties, municipalities (cities and town), special districts, and school districts in US. Counties are the largest units of local government, numbering about 8,000 nationwide. They provide many of the same services provided by cities.

Municipalities include cities, villages, and boroughs and they number about 19,000 in the United States. Often called city government, municipalities provide services such as police and fire protection, parks and recreation, streets and sewers, among others. Most of the more than 15,000 school districts in the U.S. operate independently of city government. New York City and a few other communities in the Northeast operate their own public school systems. A municipal charter is the legal document that defines the organization, powers, functions, and essential procedures of the city government. The charter also details the form of municipal government, of which there are historically five forms: council-manager, mayor-council, commission, town meeting and representative town meeting.

All municipalities generally have similar powers and perform similar functions. Geographically, municipalities lie within counties, although they may cross county boundaries. Historically, towns and cities were distinguished by their distinct methods of deliberation. For example, all qualified citizens in a *town* deliberate and vote together, while *cities* have representatives who vote. Today, the distinction between towns and cities, and similarly with the other nomenclature, generally is one of population size.

The 33,000 special districts nationwide are organized to provide one or more services such as water and sanitation, mosquito control, transportation, parks and recreation, flood control, etc. Special districts have the authority to levy taxes and to spend public money.

## **1.4 Local Councils in United States**

### **Cities**

A city is a unit of government that has certain rights and responsibilities to its citizens. Cities collect taxes, make contracts, provide services, and make laws or ordinances for the health, safety, and well-being of its residents.

The elected leaders of a city are the mayor and city council members. In some cities people elect the mayor. In other cities a council member is elected by his/her fellow city council members to be mayor. Only in large cities is the mayor a full-time job. The mayor and city council members make policy decisions about the way the city is run. The people who carry out the policy decisions of the city council are not elected. They are hired employees of the city. The city council hires a city manager or city administrator to manage the daily operations of the city. He/she in turn appoints department heads who are responsible for activities within their departments. Public works, Finance, Planning and Building, Parks and Recreation, and Public Safety (fire and police) are examples of city departments.

The City must also have a City Attorney for handling legal issues, a Municipal Judge who presides over the court, and a City Clerk who handles records and documents of the city.

### **Funding of cities**

Cities in the United States can trace their beginnings back to the ancient Greece “city-states” where people lived in groups and created a governing body to settle disputes and provide services. Cities depend heavily on sales tax revenue. That means the city collects a percent of every item or service purchased within its boundaries. Cities also receive revenue from fees such as water service to your home, and licenses such as dog or bike licenses. Other sources of revenue for municipalities are the motor fuel tax, vehicle registration fees, cigarette tax, lottery, police and fire pension funds, mineral lease, and funds from the state. Cities are responsible for providing police protection, water, sewers, streets, and in some cases airports, zoos, sports stadiums, and libraries. Cities must also have a judicial or court system for cases involving municipal laws.

### **Towns**

Towns are incorporated areas generally 2,000 and under in population, and cities are incorporated areas generally above 2,000 in population. Some differences in organizational structure and legal powers exist between cities and towns.

Township governments are distinct from municipal governments because they are established to govern areas without a minimum population concentration. Town government in its classic form is distinguished from township government, as the former is governed by an annual town meeting. Townships, if similar to municipalities, have a municipal form of government. Otherwise, townships are commonly governed by an elected board of three to five part-time trustees and rely almost exclusively on property taxes for revenue. New England, New Jersey, and Pennsylvania townships, for example, enjoy broad authority and perform functions similar to municipalities. Some New England townships govern schools, and Midwestern townships typically perform limited government functions.

Inhabitants (people who live in a certain area) who wish to become a city may file a petition for incorporation with the district court of the county where they live. Incorporation gives a city all the legal rights and responsibilities granted to cities by the State Constitution.

Next, an election is held where voters decide on becoming a city. If passed, then the city elects a mayor and six or more council members. One of their first items of business is to pass a resolution or law allowing the city to collect property tax for the purpose of funding city services.

#### **1.4.1 Home Rule, Statutory, and Territorial Charter Municipalities**

Essentially home rule status means that the citizens of a city or town have the right to decide how their local government should be organized and how local problems should be solved. For instance, Article XX of the Colorado Constitution grants home rule municipalities, “the full right of self-government in local and municipal matters.” The home rule process is initiated with an election establishing a study commission made up of the municipality’s residents, who meet to write a charter governing the affairs of the city. Then an election is held to adopt or reject the charter. Home rule gives local control to cities and towns, providing them important policy and legal flexibility.

Statutory Charter means the charter set up by the state for the municipalities. These are under greater legal control of the General Assembly of the state with respect to their creation, organization, and powers than are home rule municipalities. In general, a home rule municipality looks first to its charter and ordinances (or laws) to see what it can and cannot do. Whereas, a statutory municipality looks first to state law to see what it can and cannot do.

Two municipalities in Colorado, Black Hawk and Georgetown, operate under charters originally granted to them by the territorial state government. These two municipalities are known as territorial charter cities. Their charters are amended from time to time by the General Assembly.

#### **Self-Assessment Exercise 1**

- |  |
|--|
| 1. Discuss the Local Councils in United States |
|--|

### **1.5 Special Purpose Local Governments**

Special purpose local governments include special districts (such as water and sewer districts) and school districts.

#### **1.5.1 Special Districts**

Special districts, as defined by the U.S. Census, are local entities “authorized by state law to provide only one or a limited number of designated functions, and with sufficient administrative and fiscal autonomy to qualify as separate governments; known by a variety of titles, including *districts*, *authorities*, *boards*, and *commissions*.” These districts are local governing units that vary widely in authority, function, and structure. They are governments whose boundaries cross over city and county lines. Special Districts are formed to provide one or more specific services to citizens. Their functions range from street lighting to a large port authority with a large staff and project portfolio. For example, in Colorado there are metropolitan (city) park and recreation, fire, hospital, sanitation, water, and water and sanitation districts. However, Special Districts also provide services such as mosquito control, television relay, and museums.

All special districts are governed by a board, but their governance structures vary; some boards may be elected by the public while the majority are appointed by the states, counties, municipalities, or townships that have joined to form the special district. Some

local governments that cannot finance public improvements without increasing taxes will rely on special districts because special districts have several sources of revenue, and some have more than one source. They may have the authority to levy property taxes, impose service charges, accept grants, share taxes with other areas, or rely on other special assessments or taxes. Mainly, Special Districts are funded (get their money from) property taxes. That means if you own property, every year you are taxed by the county. The amount of tax is based on how much your property is worth. A part of that tax goes to the Special Districts in the county. Because of this variability, the special districts may operate in very different intergovernmental political and fiscal frameworks.

Also known as *ad hoc governments* because they are created to fill in the cracks of the existing government, special districts can overcome jurisdictional, legal, and financial inadequacies of existing governments. For example, proximity to a watershed or river basin may better suggest the area of service than political boundary lines, necessitating a new service provider. Or existing city and county areas may be too small for effective management of certain functions. For all their benefits, special districts have occasionally been created to evade constitutional tax and debt limits on local governments. They also reduce the discretionary authority of local governments, fragment service provision, and may produce coordination problems. Special districts also raise the issue of local government accountability, as appointees, only a few of whom may be local elected officials, govern the districts. The state Statutes grants special districts the same powers as the other local governments. They are the power to sue and be sued, enter contracts, hold property, and collect taxes.

### **1.5.2 School Districts**

The public-school systems in the United States are either defined as *independent* or *dependent* systems. Independent school systems are also known as *school districts*, or local entities providing public school for which state law determines they have sufficient administration and fiscal autonomy to qualify as separate (or *special purpose*) governments. These entities operate similar to a city in that they are accountable for the service they provide, and may exercise the powers of eminent domain and taxation, except in Virginia. A nonpartisan elected board called a school board, board of trustees, board of education, or school committee, governs more than 80 percent of these independent school systems. This governing body of 5 to 15 members is typically elected by direct popular vote but may be appointed by other governmental officials. While the board may share power with a larger institution, such as the local department of education, it is responsible for setting education policy and appointing a professional superintendent to manage school administration.

Dependent school systems are not counted as separate governments. These entities are instead classified as agencies of the local, county, or state government and are accordingly paid for, in part or in whole, by taxes. In some cases, the state legislature may allow the mayor and city council to dissolve the school board in favor of appointing one themselves. Termed *mayoral control*, this is the case in cities including Boston, Chicago, New York City, and Washington, D.C.

### **1.5.3 Counties**

A county is the one form of local government in U.S.A that is not created by citizens. The state Constitution created counties. They perform some of the same functions as cities, but often they provide services that smaller cities cannot. Counties have court systems and jails, libraries and museums, health departments, airports, and



animal control facilities. Counties also help to provide social services such as Aid to Families with Dependent Children, social security, and food stamps- programs that are funded also by the state and federal government. Counties generally cover more territory than cities, and may in fact have several cities within their boundaries.

Organized county governments are found in every state except Connecticut and Rhode Island – which have geographic regions called counties but without functioning county governments – and the District of Columbia. Counties are known as boroughs in Alaska and parishes in Louisiana. There are also limited portions of other states in which certain county areas lack a distinct county government. Priorities and service delivery responsibilities vary considerably from among counties, as does their size and number. In general, counties have more mandates, less discretionary funds, and are more vulnerable to state budgetary action.

### **County Leadership**

There are ten officers in county governments, nine of whom are elected. In counties of populations of 70,000 or less there are three elected commissioners who manage the affairs of the county. In counties larger than 70,000, five commissioners are elected. The county officers are elected for four-year terms. Other elected positions include a clerk, who keeps records and documents of the county, a sheriff who is the head law enforcement offices, a coroner who determines the cause of death, a treasurer who receives and pays out all county money, an assessor who determines the value of property in the county, and a surveyor who measures county boundaries. In addition, a county attorney may be elected or appointed by the commissioners to handle legal issues.

### **Funding of Counties**

collects revenue from property and sales taxes, and fees. Property tax is money collected on the value of property within the county. The rate of tax or mill levy changes every year. The mill levy is the rate of tax paid by a property owner for every \$1,000 of assessed value of his/her property. They have the power to sue and be sued, to buy and sell property, to make contracts, maintain mass transportation, and to establish special taxing districts. Conflict between cities and counties sometimes occurs because the total amount of territory in counties decreases as cities grow and annex, or include new areas in their boundaries.

### **Regions**

As metropolitan areas encompass multiple counties and cities, or straddle state lines, governance becomes more complex. The need for coordination and cooperation among the local governments challenges public policymaking authority and service provision leading to the development of cross-jurisdictional organizations called *regional government*, *regional councils of local government*, and *regional multi-purpose or single purpose authorities*. These regional structures are independent legal entities operating at the sub-state level with a governing board whose members represent the region rather than the member municipalities.

### **Self-Assessment Exercises 2**

2. Who creates the counties, state or the citizens?
3. What is the meaning of the home rule status of a local government?



## 1.6 Summary

Local governments in U.S.A are very complex. Different states have their own form of local governments. Their functions are derived from the constitution and the states' laws. There are also, special purpose local governments.



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## 1.8 Possible Answers to Self-Assessment Exercise(s) within the content

### Answers to SAEs 1

A city is a unit of government that has certain rights and responsibilities to its citizens. Cities collect taxes, make contracts, provide services, and make laws of ordinances for the health, safety, and well-being of its residents.

The elected leaders of a city are the mayor and city council members. In some cities people elect the mayor. In other cities a council member is elected by his/her fellow city council members to be mayor

Towns are incorporated areas generally 2,000 and under in population, and cities are incorporated areas generally above 2,000 in population. Some differences in organizational structure and legal powers exist between cities and towns.

Township governments are distinct from municipal governments because they are established to govern areas without a minimum population concentration. Town government in its classic form is distinguished from township government, as the former is governed by an annual town meeting. Townships, if similar to municipalities, have a municipal form of government.

Inhabitants (people who live in a certain area) who wish to become a city may file a petition for incorporation with the district court of the county where they live. Incorporation gives a city all the legal rights and responsibilities granted to cities by the State Constitution.

### Home Rule, Statutory, and Territorial Charter Municipalities

Essentially home rule status means that the citizens of a city or town have the right to decide how their local government should be organized and how local problems should be solved. For instance, Article XX of the Colorado Constitution grants home rule municipalities, "the full right of self-government in local and municipal matters." The home rule process is initiated with an election establishing a study commission made up of the municipality's residents, who meet to write a charter governing the affairs of the city. Then an election is held to adopt or reject the charter. Home rule gives local control to cities and towns, providing them important policy and legal flexibility

### Answers to SAEs 2

1. The citizens
2. Essentially home rule status means that the citizens of a city or town have the right to decide how their local government should be organized and how local problems should be solved.

## UNIT 4: Local Government Administration in United Kingdom

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Local Government Administration in United Kingdom
  - 1.3.1 Local Government Administration in United Kingdom
  - 1.3.2 Electoral Systems and Wards
  - 1.3.3 Local Government Funding United Kingdom
- 1.4 Structure of Local Government in England
  - 1.4.1 Structure of local government in Wales
  - 1.4.2 Structure of local government in Northern Ireland
  - 1.4.3 Structure of local government in Scotland
- 1.5 Local Government Administration in England
- 1.6 Functions of local government
  - 1.6.1 Intervention in local government
  - 1.6.2 Boundary changes and restructuring: Creating a unitary authority
  - 1.6.3 District council mergers
  - 1.6.4 The Local Government Finance Settlement Funding included
- 1.7 Summary
- 1.8 References/Further Readings/Web Resources
- 1.9 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

The systems of local government in each part of the UK have developed separately, though in many respects they have developed in parallel. This note focuses on local government in England and those devolved to Scotland, Wales and Northern Ireland. It outlines the structure and functions of English local government, together with elections and historical development



### 1.2 Learning Outcomes

1. By the end of this unit, you will be able to:
2. Explain the local government system in United Kingdom.
3. Identify different local government structures and operations in Scotland, Wales and England
4. Evaluate the funding of local government funding in UK.



### 1.3 Local Government Administration in United Kingdom

#### 1.3.1 Local Government Administration in United Kingdom

English local government is divided in some areas into county councils (the upper tier) and district councils (the lower tier). A major reform in 1972 established county and district councils throughout England, Wales and Scotland (excluding three Scottish island authorities). Since then, unitary authorities have been established in a number of areas. The creation of unitary authorities has frequently been contingent on Government policy, or local initiative, at a given time, rather than any fixed rationale relating to local economy, geography or identity. Local government is a devolved matter, meaning that there the local government system varies in many ways between the four nations of the UK-England, Scotland, Wales and Northern Ireland.

In England, Scotland, and Wales, councils are responsible for social care and provide some aspects of transport, housing, and education. They are also in charge of a range of neighbourhood services including libraries and waste collection.

Local government in Northern Ireland is more limited. Councils provide some neighbourhood services such as waste collection and street cleaning. However, they are not responsible for education, libraries, or social care.

### **1.3.2 Electoral Systems and Wards**

Local authorities in England and Wales use the First Past the Post electoral system. Local authorities in Scotland and Northern Ireland use the Single Transferable Vote, with multi-member wards. Local authorities are divided into wards, represented by councillors. Wards are based on parish areas where they exist. The Local Government Boundary Commission for England carries out ‘electoral reviews’, of ward boundaries in England, as it sees fit. Up to 2009 there was a statutory requirement for every authority to be reviewed every 10-15 years.

In England, councillors are elected on four-year terms to single or multi-member wards using the first past the post electoral system. Council seats are elected altogether every four years (in 67% of councils); by thirds three years out of every four (31%); or in halves every two years (2%).

In Scotland, councillors are elected to multi-member wards via single transferable vote, a proportional voting system which allows voters to rank candidates. Councils are normally elected as a whole every four years. In 2015, the Scottish Parliament extended the franchise in local elections to 16- and 17-year-olds.

In Wales, councillors are elected to single and multi-member wards using first past the post, and councils come up for election as a whole every four years. In 2020, Senedd Cymru (the Welsh parliament) voted to extend the local franchise – as in Scotland – to 16- and 17-year-olds.

In Northern Ireland, councillors are elected via single transferable vote to multi-member electoral areas. All councillors are elected every four years. Local government finance is devolved to Scotland, Wales and Northern Ireland. In each of the devolved territories, the devolved legislature operates a comparable annual procedure, though with differences regarding the funds included.

### **1.3.3 Local Government Funding United Kingdom**

#### **Sources of finance**

English local authorities have four principal sources of finance, as follows. The bulk of the funds from these sources is not ‘ring-fenced’ – i.e., local authorities can spend the money as they choose.

#### **Council tax**

Local authorities set their own levels of council tax and retain all of the revenues locally. The Government fixes council tax bands, and the Valuation Office Agency (VOA) allocates properties to the bands. Annual rises in council tax are subject to ‘referendum principles’ set by the Secretary of State (see the Library briefing Council tax: local referendums).

#### **Business rates**

Local authorities collect business rate revenue. Some of this is retained locally, some

passed to central government, and some redistributed within the sector (see the Library briefing Business rates). The Government intends the sector to retain a larger proportion of rate revenue in the future ('75% business rate retention': see the Library briefing Reviewing and reforming local government finance). This was to have been introduced from the 2019- 20 financial year, but it has now been postponed. Currently, local government as a whole retains 50% of business rates revenue

### **1. Central government grants**

Central government passes a number of grants to local authorities. The largest is the annual Revenue Support Grant (RSG). This grant is not ring-fenced. Some additional grants are ring-fenced (e.g. the Public Health Grant). Others are not, and may be spent as local authorities choose (e.g. the New Homes Bonus, Rural Services Delivery Grant). Each of these grants are distributed between authorities according to separate criteria.

### **2. Local fees and charges**

Local authorities have hundreds of powers to charge fees for services provided. In most cases, fees must not exceed the cost of providing the service, and in many cases fee levels are set nationally. The income is retained locally but must be treated as a contribution to the provision of the service for which it is paid. Thus it is not treated as a separate source of revenue in local government accounts. Local authorities may also receive commercial income deriving from their ownership of assets, or from investments. (the 'local share'), with the other 50% being passed to central Government (the 'central share'). The 'local share' is subject to a system of redistribution between authorities (the 'tariff and top-up' system). In short, areas with high rate revenues pay a 'tariff' in, and areas with low rate revenues receive a 'top- up' out. Additionally, a number of areas have piloted local retention of 100% of rate revenue from 2017 Councils across the UK are funded by a combination of central government grants and local taxes. The balance between these funding sources varies.

In England, in 2020/21, 55.7% of funding came from central government grants (adjusted to remove Covid business relief grants), 28.7% from council tax, and 15.6% from business rates revenue (which is collected locally but then redistributed via a nationally-run system).

In Scotland, 68% of council funding came from the Scottish government's General Revenue Grant, 14% from business rate revenues, and 19% from council tax. The Scottish parliament has increased council tax for by highly valued households while reducing revenue funding, meaning that Scottish councils are becoming more reliant on local taxation.

In Wales, there is greater reliance on grants from the Welsh government, which make up 65% of council funding, compared to 22% from council tax and 13% from business rates revenues.

Councils in Northern Ireland are funded differently. They draw their income from district rates (70%), which are a property tax like council tax, as well as grants from the Northern Ireland executive (8%) and fees for services including building control and waste collection (22%).

## **1.4 Structure of Local Government in England**

There are 333 local authorities in England. The structure of government varies between them. They cover:

- i. **Two-tier areas, where authorities share local government functions.**  
County councils and district councils cover these areas. There are 24 county councils, which provide social care and some aspects of transport and education. The counties are sub-divided into 181 district councils, which manage neighbourhood services like waste collection.
- ii. **Single-tier areas, where one authority carries out all local government functions.** These areas comprise the 32 London boroughs, 36 metropolitan districts (including in areas like Greater Manchester and the West Midlands), and 58 unitary authorities such as Bristol and North East Lincolnshire. The Isles of Scilly is a unitary authority, but some local services are provided in conjunction with Cornwall unitary authority. The City of London has a unique governance structure.

In April 2023, North Yorkshire, Cumbria and Somerset county councils will be restructured into unitary authorities. Somerset and North Yorkshire will form single unitary authorities, while Cumbria will split into two new authorities: Cumberland, and Westmoreland and Furness unitary authorities. Elections for these new authorities took place on 5 May 2022.

Most local authorities in England are run by a leader and cabinet from councillors of the majority party or a coalition of parties in cases of no overall control. Other authorities use a committee system, in which decision-making is delegated to committees of councillors from all parties. Budgetary decisions in these cases must still receive the support of a majority of councillors.

Fifteen English local authorities, including those in Bristol, Liverpool, and Watford, have transferred leadership powers to executive mayors. To date, mayors have been elected via the supplementary vote system, which allows voters to choose their first and second-preference candidates. In the future, mayors will be elected using the first-past-the-post system, the same one used to elect Westminster MPs. In May 2022, Bristol residents voted in a referendum to revert back to the committee system to lead the council from 2024.

These local mayors are distinct from ‘[metro mayors](#)’, who are elected across a number of local council areas and exercise strategic economic and public service functions in partnership with other local leaders, who collectively form a ‘combined authority’ for the region. The most recent metro mayor election was held in [South Yorkshire](#) in May 2022.

### Self-Assessment Exercise 1

1. Explain the electoral system in Britain
2. State and Explain the Source of Financing local Government in Britain

#### 1.4.1 Structure of local government in Wales

There are 22 local authorities in Wales. They are all unitary authorities led by a leader and cabinet elected by the council itself.

Following the 2022 local government elections, Labour has the largest number of councillors in Wales (42%), followed by independents (25%) and Plaid Cymru (16%).

#### **1.4.2 Structure of local government in Northern Ireland**

There are 11 local authorities in Northern Ireland. As in Scotland and Wales, all of Northern Ireland's councils are unitary authorities. Councils in Northern Ireland typically use a committee system of governance and are led by a chairperson (or mayor) chosen by the council for a one-year term.

At the local elections in 2019, the DUP (Democratic Unionist Party) gained the most seats (26%)<sup>[7]</sup>, followed by Sinn Féin (23%), the UUP (Ulster Unionist Party – 16%), the SDLP (13%), and Alliance (12%). No party holds a majority on any council.

#### **1.4.3 Structure of local government in Scotland**

There are 32 local authorities in Scotland and they are all unitary authorities. Scottish councils are led by a council leader and cabinet as well as a provost – a ceremonial figurehead – chosen from and elected by their councillors. Elections took place to all Scottish local councils on 5 May 2022.

In 2017, the Scottish government launched a review of local governance, exploring how to improve local democracy by increasing capacity for community decision-making and public governance. The first results were collated and published in a report in May 2019 and the review remains ongoing.

At the 2022 local elections, the SNP took the most seats (37%), followed by Labour (23%) and the Conservatives (17%). There are only five Scottish councils with majority control, three run by independents and one each by Labour and the Scottish National Party respectively. All others are run by coalitions or minority administrations.

### **1. The franchise**

Individuals who are citizens of the UK, Republic of Ireland, a Commonwealth country or a member state of the European Union and who are 18 years old or over, and resident in the UK, may register to vote in local elections in the UK. In Scotland and Wales, the voting age for local and devolved elections is 16 years or over.

## **1.5 Local Government Administration in England**

There are a total of 333 local authorities in England. The system of local government in England today is the product of unique history, culture and waves of local government reforms over the years.

### **1. There are two different forms of council set-up.**

In some areas there is just one council, responsible for every local government function. These are known as '**single tier**' councils. In other areas, there are two councils – one smaller and one larger – and they split local government functions between them. These are known as '**two-tier**' areas.



There are two different types of **two-tier** council, where local government functions are split between two councils: a county council and a district council. (Sometimes county councils are referred to as ‘upper tier’ and district councils as ‘lower tier’.)

## 2. County councils

There are 24 county councils. They tend to cover large historic, more rural county areas such as Surrey, Warwickshire and Nottinghamshire. County councils are mostly responsible for strategic services such as transport and people-facing services such as public health, children’s services and adult social care.

## 3. District councils

There are 181 district councils, and they represent a much smaller area within a county council. Within any area covered by one county council, there will be approximately 5-7 district councils.

District councils are mostly responsible for more place-related services such as housing, planning and licensing. They can cover small cities, like Cambridge, and more rural areas, like Fenland, which are both districts within the county of Cambridge shire. There are three different types of **single-tier** council, where just one council carries out all local government functions:

## 4. Metropolitan boroughs

There are 36 metropolitan borough councils, representing the largest urban areas outside London. Between them they cover the areas of Greater Manchester, Merseyside, South Yorkshire, West Yorkshire, Tyne & Wear and the West Midlands. Some represent big cities directly such as Manchester or Newcastle, and some represent an area which contains a few different towns alongside the suburbs and rural areas between them, such as Wakefield or Dudley.

## 5. London boroughs

There are 33 borough councils in London, and between them they cover the capital city. One of these is slightly different – the City of London, which represents the historic financial district. It performs the same functions as the others, but it is not formally a London borough – it has an ancient ceremonial status as a county, in fact the smallest county in England.

## 6. Unitary councils

There are 59 unitary councils. These are all in areas that were previously two-tier, but which went through a process of reform known as ‘unitarisation’ – in other words they were merged. One local authority now carries out all the functions of a county and district council. Unitary councils are the hardest to categorise together because they are each the product of a particular local government reform at a certain point in time, mostly during the 1990s and 2000s.

They come in all sizes:

- i. Some big unitary councils cover large county areas such as Cornwall, Wiltshire and County Durham.

- ii. Some unitary councils cover a city or large town which sit within a wider county area that is administratively separate, such as Derby City Council in Derbyshire or Blackpool Council in Lancashire.
- iii. Some unitary councils are basically former counties split in two or three. For example, Cheshire, which is now covered by East Cheshire Council and Cheshire West & Chester Council.
- iv. A few unitary councils are smaller, and cover areas previously similar to district size councils. An example of this is Berkshire, which has six unitary authorities, including Wokingham and Slough.
- v. One unitary council defies all other attempts at categorisation: the Council of the Isles of Scilly, which serves only 2,000 people. The Isles of Scilly are a separate administrative entity to Cornwall, although in practice some services such as health are shared between the two. For ceremonial purposes the Isles are considered part of the county of Cornwall, and they are part of the Duchy of Cornwall. There are a few other types of local government bodies, which exist in many but not all areas of the country.

Some exist at a smaller, more local level and others at a larger, more strategic or regional level to councils.

## **7. Parish councils**

At a smaller, hyper-local level, are parish councils. There are approximately 10,000 parish councils in England. They can variously be known as town councils, neighborhood councils or village councils. (They are sometimes referred to as ‘local councils’, and to distinguish them from single or two-tier councils the latter can be collectively referred to as ‘principal councils’.) Usually operating in rural areas, parish councils cover small areas mostly representing under 2,500 people and just under a third of the country is covered by one. Their only legal duty is to provide allotments, but they also have powers to run local neighbourhood facilities such as community buildings, parks, playgrounds and public toilets

## **8. Regions**

At a larger, strategic or regional level there are two types of authority.

## **9. Combined authorities**

There are ten combined authorities in England.

Since 2009, groups of local authorities outside London have been able to seek permission from Government to “combine” by pooling responsibilities and then receive certain new strategic powers in areas such as transport and economic policy.

The councils within a combined authority remain separate entities delivering their existing council functions, but are able to carry out new activities collectively across their region.

Ten regional areas have been successful in their bids to establish combined authorities.

Examples include

- i. Greater Manchester and Sheffield City Region, which combine their respective metropolitan boroughs
- ii. Cambridgeshire & Peterborough, which includes the two-tier county and districts councils of Cambridgeshire and the unitary council of Peterborough.

Most combined authorities have been required to create a new role of directly elected mayor as part of the new arrangements. These are often known as the ‘metro mayors’. (The North East Combined Authority is the only one without a directly elected mayor.)

## **10. Greater London Authority (GLA)**

London has its own unique form of ‘strategic authority’. The GLA is made up of two parts: an executive – the Mayor of London, and the London Assembly, which scrutinises the decisions of the Mayor and is made up of 25 Assembly Members.

The GLA has a range of strategic responsibilities including in areas of transport, policing, housing and economic development.

## **11. Differences between the GLA and combined authorities**

There are lots of differences between combined authorities and the GLA. Notably, London borough councils have no legal relationship with the GLA, which operates strategically across them and has entirely separate powers and remit. But combined authorities are directly composed of groups of councils, which means the leaders of each constituent council have formal decision-making powers as part of the combined authority executive, along with the directly elected mayor.

### **1.6 Functions of local government**

A breakdown of the functions of county and district councils in two-tier areas can be found in the Appendix. Councils in single-tier areas undertake all of these functions. Some are ‘concurrent’ responsibilities, which may be undertaken by either tier of government.

Under section 101 of the Local Government Act 1972, counties and districts are at liberty to agree to undertake functions for one another. If they do so, the responsibility for the function remains with the council to which it belongs in law. Many public services are delivered by national organisations that are not accountable to local government. Examples include health services (via the NHS), welfare benefits and employment services, probation, and prison services.

Many further national organisations have been established by Government to carry out functions and/or distribute funding, but they are not accountable to local government. Examples include the Environment Agency, Natural England, the Homes and Communities Agency, Highways England, the Arts Council, the Skills Funding Agency and the Education Funding Agency. Many local authorities will have working relationships with them, but these bodies are accountable to their sponsoring central government department. They are often known as non-departmental public bodies (NDPBs), or ‘quangos’. All parts of England are covered by (at least) one Local Enterprise Partnership. These are voluntary bodies, established in 2010-11 to co-ordinate economic development and growth policy in local areas. They have a close

working relationship with local authorities (and any combined authority) in their area, frequently with councillors sitting on their management boards, but they are not formally accountable to local authorities. Further details can be found in the Library briefing paper *Local Enterprise Partnerships*.

### **1.6.1 Intervention in local government**

In England, the Government has broad legal powers to intervene in the running of a local authority, which permit the takeover of any local functions by the Secretary of State or appointees. Intervention takes place under section 15 (6) of the Local Government Act 1999. Formal Government interventions in the running of local authorities are rare. Each intervention begins with a formal direction notice. Typically powers are returned to the local authority after a period of years, although they may not all be returned at once.

The circumstances of each intervention have differed. For instance, the Government intervened in Rotherham MBC in the light of a report on child sexual exploitation in the borough by Dame Louise Casey. The intervention in LB Hackney was focused on social services, education and waste management.

As of May 2022, eleven interventions have taken place under the 1999 Act:

1. London Borough of Hackney (2001-2007)
2. Hull City Council (2003-2006)
3. Stoke-on-Trent City Council (2008-2010)
4. Anglesey Council (2009-2013: intervention by Welsh Government)
5. Doncaster Metropolitan Borough Council (2010-2014)
6. London Borough of Tower Hamlets (2014-2017)
7. Rotherham Metropolitan Borough Council (2015-2019)
8. Northamptonshire County Council (2018-2021)
9. Liverpool City Council (2021-24)
10. Slough Borough Council (2021-24)
11. Sandwell Borough Council (2022-24)

In each case, the Secretary of State (the Welsh Ministers in Wales) appointed ‘commissioners’ to take over certain functions of the councils in question. The breadth of commissioner responsibilities has varied between the interventions.<sup>2</sup> The Communities and Local Government Committee examined two interventions in its 2016 report *Government interventions: the use of Commissioners in Rotherham and Tower Hamlets* ‘Non-statutory’ interventions have also taken place in Birmingham City Council (the Birmingham Independent Improvement Panel, 2015-19), the Royal Borough of Kensington and Chelsea (the Independent Grenfell Recovery Taskforce, 2017-20), and Nottingham City Council (2020-present). A joint report from MHCLG and Birmingham City Council stated that the participants “regard this model as having been successful in Birmingham, with opportunities for application elsewhere. Fundamentally, this model will only work where a host council accepts the need for change, takes collective responsibility for legacy failings and wants to pro-actively improve”. There is no fixed policy governing when the Government should intervene in a local authority. However, in May 2020 the Government published a guidance note outlining the Government’s approach to best value inspections and statutory interventions.<sup>4</sup> The guidance notes that a Best Value inspection (see sections 10-13 of the Local Government Act 1999) may precede an intervention, but that this is not a statutory requirement:

If, based on the evidence, the Secretary of State is satisfied that the authority is failing to comply with the best value duty, officials will issue a “minded to” letter to the

authority setting out proposals for an intervention. Although this often means the appointment of Commissioners, it is important to stress that the Secretary of State's powers also make provision for alternative actions such as directing the council to carry out certain actions (such as preparing and implementing an improvement plan or making certain appointments). The authority, and other interested parties, will have the opportunity to make representations on the Secretary of State's proposals (generally 10 working days). Of the eleven interventions listed above, the intervention in Sandwell is the only one as of May 2022 not to have been preceded by a Best Value inspection. The Government's guidance note also explains the circumstances under which a Best Value inspection will be commissioned. An inspector will be appointed via a letter of appointment, and details provided via a Written Statement in both Houses of Parliament. The local authority must pay all reasonable costs of an inspection.

The note also provides details of the role of commissioners once an intervention is under way, and the process of ending an intervention. In June 2020, the Government published a short note outlining lessons learned from recent interventions.<sup>6</sup> This covered matters such as corporate and political leadership, cultures of poor behaviour within a local authority, and scrutiny and transparency. In July 2020 the Government published a further 'lessons learned' document written by the commissioners appointed to Northamptonshire County Council in 2018.

### **1.6.2 Boundary changes and restructuring: Creating a unitary authority**

The procedure for the creation of a unitary authority can be found in sections 1-7 of the Local Government and Public Involvement in Health Act 2007. The Secretary of State can 'invite' a proposal from a local authority to make a proposal for a county or district, or group of districts, to become unitary. The Local Government Boundary Commission for England (LGBCE) can be, but need not be, asked for advice on any matter related to the proposal. Regulations may be made covering how local authorities should go about preparing their proposal. The Secretary of State may then make an order implementing the proposal, or s/he may reject the proposal. Both Houses of Parliament must approve the regulations. In practice, such regulations are normally debated in the Lords but not in the Commons. The Government has published guidance indicating the criteria on which it would assess proposals for mergers or restructuring

### **1.6.3 District council mergers**

Where two district councils wish to merge into a single district council, a separate procedure exists, in sections 8-10 of the 2007 Act. Under this procedure, the LGBCE may undertake a review at the request of the Secretary of State or of a local authority. The review may propose boundary changes, including the alteration of a boundary, the abolition of a 'local government area' (i.e. a council area), and the constitution of a new local government area. This legal procedure would also be used to implement a proposal to divide a council into two or more councils, or to 'return' a unitary authority to a county council that it once formed part of. However, there have been no examples of those two types of change since the 1972 reorganisation. The trend in recent decades has been towards larger rather than smaller units, as reflected in the Government's current criteria for structural change. The creation of new parish councils is also a separate legal procedure. This takes place under part 4 of the Local Government and Public Involvement in Health Act 2007. Further details can be found in the Library briefing paper Parish and town councils: recent issues. There is no legal procedure to 'promote' a parish or town council to become a district council or unitary authority. Any attempt to create a new district council would have to take place under the procedure outlined above. There would be no formal role for a pre-existing parish or town council.

### 1.6.4 The Local Government Finance Settlement Funding included

Each year, levels of central government grant for local authorities in England are decided via the annual Local Government Finance Settlement. This involves the setting of redistribution provisions for business rates revenue ('tariffs' and 'top-ups') and the fixing of Revenue Support Grant levels. These sums, together with a few smaller grants are known as an authority's Settlement Funding Assessment (SFA). The annual settlement covers all county, district and unitary authorities in England, plus fire and rescue authorities and the Greater London Authority. It has also recently included mayoral combined authorities. Police and education funding are not included in the annual settlement. Nor is spending on housing benefit (which is administered by local government to central government requirements). However, some central government statistical publications list all of these lines of funding as elements of 'local government funding'. The funding mentioned here solely consists of revenue funding. Local authorities also receive annual allocations of capital funding, which must be accounted for separately.

#### Self-Assessment Exercise 2

1. Briefly Explain the Greater London Authority (GLA) in England
2. Differences between the GLA and combined authorities in England
3. Explain the Intervention in local government in England
4. Discuss the Local Government Finance Settlement Funding in England



### 1.7 Summary

We have examined the local government in the United Kingdom by looking at what is common among them in England, Wales, Scotland and Northern Ireland. Particular attention was paid to the local government administration in England due to the fact that it has the greatest number of local governments



### 1.8 References/Further Readings/Web Resources

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## 1.8 Possible Answers to SAEs

Answers to SAEs 1

### 1. Electoral Systems and Wards

Local authorities in England and Wales use the First Past the Post electoral system. Local authorities in Scotland and Northern Ireland use the Single Transferable Vote, with multi-member wards. Local authorities are divided into wards, represented by councillors. Wards are based on parish areas where they exist. The Local Government Boundary Commission for England carries out ‘electoral reviews’, of ward boundaries in England, as it sees fit. Up to 2009 there was a statutory requirement for every authority to be reviewed every 10-15 years.

In England, councillors are elected on four-year terms to single or multi-member wards using the first past the post electoral system. Council seats are elected altogether every four years (in 67% of councils); by thirds three years out of every four (31%); or in halves every two years (2%).

In Scotland, councillors are elected to multi-member wards via single transferable vote, a proportional voting system which allows voters to rank candidates. Councils are normally elected as a whole every four years. In 2015, the Scottish Parliament extended the franchise in local elections to 16- and 17-year-olds.

In Wales, councillors are elected to single and multi-member wards using first past the post, and councils come up for election as a whole every four years. In 2020, Senedd Cymru (the Welsh parliament) voted to extend the local franchise – as in Scotland – to 16- and 17-year-olds.

In Northern Ireland, councillors are elected via single transferable vote to multi-member electoral areas. All councillors are elected every four years. Local government finance is devolved to Scotland, Wales and Northern Ireland. In each of the devolved territories, the devolved legislature operates a comparable annual procedure, though with differences regarding the funds included

### 2. Sources of finance

English local authorities have four principal sources of finance, as follows. The bulk of the funds from these sources is not ‘ring-fenced’ – i.e., local authorities can spend the money as they choose.

#### Council tax

Local authorities set their own levels of council tax and retain all of the revenues locally. The Government fixes council tax bands, and the Valuation Office Agency (VOA) allocates properties to the bands. Annual rises in council tax are subject to ‘referendum principles’ set by the Secretary of State (see the Library briefing Council tax: local referendums).

### **Business rates**

Local authorities collect business rate revenue. Some of this is retained locally, some passed to central government, and some redistributed within the sector (see the Library briefing Business rates). The Government intends the sector to retain a larger proportion of rate revenue in the future ('75% business rate retention': see the Library briefing Reviewing and reforming local government finance). This was to have been introduced from the 2019- 20 financial year, but it has now been postponed. Currently, local government as a whole retains 50% of business rates revenue

#### **1. Central government grants**

Central government passes a number of grants to local authorities. The largest is the annual Revenue Support Grant (RSG). This grant is not ring-fenced. Some additional grants are ring-fenced (e.g. the Public Health Grant). Others are not, and may be spent as local authorities choose (e.g. the New Homes Bonus, Rural Services Delivery Grant). Each of these grants are distributed between authorities according to separate criteria.

#### **2. Local fees and charges**

Local authorities have hundreds of powers to charge fees for services provided. In most cases, fees must not exceed the cost of providing the service, and in many cases fee levels are set nationally

### **Answers to SAEs 2**

#### **1. Greater London Authority (GLA) in England,**

London has its own unique form of 'strategic authority'. The GLA is made up of two parts: an executive – the Mayor of London, and the London Assembly, which scrutinises the decisions of the Mayor and is made up of 25 Assembly Members.

The GLA has a range of strategic responsibilities including in areas of transport, policing, housing and economic development.

#### **2. Differences between the GLA and combined authorities England,**

There are lots of differences between combined authorities and the GLA. Notably, London borough councils have no legal relationship with the GLA, which operates strategically across them and has entirely separate powers and remit. But combined authorities are directly composed of groups of councils, which means the leaders of each constituent council have formal decision-making powers as part of the combined authority executive, along with the directly elected mayor

#### **3. Intervention in local government**

In England, the Government has broad legal powers to intervene in the running of a local authority, which permit the takeover of any local functions by the Secretary of State or appointees. Intervention takes place under section 15 (6) of the Local Government Act 1999. Formal Government interventions in the running of local authorities are rare. Each intervention begins with a formal direction notice. Typically powers are returned to the local authority after a period of years, although they may not all be returned at once.

The circumstances of each intervention have differed. For instance, the Government intervened in Rotherham MBC in the light of a report on child sexual exploitation in the



borough by Dame Louise Casey. The intervention in LB Hackney was focused on social services, education and waste management

#### **4. The Local Government Finance Settlement Funding included**

Each year, levels of central government grant for local authorities in England are decided via the annual Local Government Finance Settlement. This involves the setting of redistribution provisions for business rates revenue ('tariffs' and 'top-ups') and the fixing of Revenue Support Grant levels. These sums, together with a few smaller grants are known as an authority's Settlement Funding Assessment (SFA). The annual settlement covers all county, district and unitary authorities in England, plus fire and rescue authorities and the Greater London Authority. It has also recently included mayoral combined authorities. Police and education funding are not included in the annual settlement. Nor is spending on housing benefit (which is administered by local government to central government requirements).

## UNIT 5: Local Government Administration in France

### Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 French local government
  - 1.3.1 Three tiers of local government
  - 1.3.2 The Communes
  - 1.3.3 The departments
  - 1.3.4 The Regions
- 1.4 The Prefects
- 1.5 Summary
- 1.6 References/Further Readings/Web Resources
- 1.7 Possible Answers to Self-Assessment Exercise(s) within the content



### 1.1 Introduction

In France, the central government is far more powerful than it is in the United States. The U.S., after all, is a federal institution; the central government in Washington has the final say in any legal matters it wishes to legislate upon, but a large amount of power is delegated to state and local authorities. Indeed, the U.S. Constitution has even devolved certain powers to state and local authorities that the federal government cannot touch. In other words France has more centralization of government than the U.S



### 1.2 Learning Outcomes

By the end of this unit, you will be able to:

- i. Explain French local government in terms of the extent of decentralization
- ii. Define the concept of a Prefect and their roles
- iii. Identify the relevant features of French local government.



### 1.3 French Local Government

In France, there are virtually no powers that local governments have that cannot be touched by the central government. Most of the regional and local governments' authorities consist of implementing the policy decisions and directives of the central government. Indeed, the breakdown of French government into regional and local authorities is largely for administrative purposes than it is for any real local policy making.

France proper is divided into 21 different regions, with Corsica also being considered its own region. Each region has a regional council directly elected by citizens in the region and a president who is elected by members of the council. Those regions are further divided into 96 local departments, which are governed by an elected regional council and its own council president.

The smallest level of local government is the **commune** of which there are roughly 36,000 across France. The commune is governed by a municipal or local council that is

often popularly elected. Outside of the central government, it is the most important and most utilized government apparatus in France. These local councils are often charged with implementing the central government's policies throughout France, and for many Frenchmen and women, it's the only contact they may ever have with government officials.

For centuries in France, local government was merely an administrative instrument of the central government; for example, many of the councils and presidencies were appointed rather than popularly elected. However, this has changed in recent decades, and a significant amount of power has devolved from the central government to local authorities. In 1981, the Socialist Party of France, led by Francois Mitterand, won the presidential election and began its plans to decentralize power in France. This resulted in a series of laws and acts that devolved some power to local and regional authorities and increased the importance of regional government and the departmental governments.

### Self-Assessment Exercise 1

#### 1. Discuss the Local Government System in France

The first of these measures in 1982 created the regional governments that had previously not existed. It also transferred the executive power in departments and municipalities from a government-appointed 'prefect' to the presidency of the regional council. Later, the Defferre laws organized the government of France's regions and departments into popularly elected councils and determined many of the rules and regulations by which these levels of government operate.

**France is one of the few countries in the European Union with four tiers of government - the state or central government, region, department and 'commune'.** The smallest level of local government is the **commune** of which there are roughly 36,000 across France. A municipal or local council that is often popularly elected governs the commune. Outside of the central government, it is the most important and most utilized government apparatus in France. These local councils are often charged with implementing the central government's policies throughout France, and for many Frenchmen and women, it's the only contact they may ever have with government officials.

#### 1.3 Three tiers of local government

In France there are three main tiers of local administration: the commune, department and region. These are both districts in which administrative decisions made at national level are carried out and local authorities with powers of their own. Legally speaking, a local authority is a public-law corporation with its own name, territory, budget, employees, etc. and has specific powers and a certain degree of autonomy vis-à-vis central government. In addition, there are France's overseas territories and regional bodies (collectivités territoriales) with special status (Paris, Marseille, Lyon, Corsica, Mayotte and Saint-Pierre-et-Miquelon).

##### 1.3.1 The communes

The commune, which dates from 1789, is the lowest tier of the French administrative hierarchy. There are nearly 37,000 communes, many more than are found in the other countries of the European Union. In France the term commune is applied to all

municipalities whatever their size – 80 per cent of them have fewer than 1,000 residents. This situation has led the government to encourage smaller communes to merge to form urban communities (*communautés urbaines*) or group together in associations of several communes (*syndicats intercommunaux*). In addition, the law of 6 February 1992 suggested new forms of co-operation to rationalise municipal administration by taking common interests into consideration. In reality, the closer links often go no further than pooling a few services and mergers are extremely rare, as both residents and local councillors often retain a strong sense of identity with their communes.

Like the department and region, the commune has a deliberative or decision-making body (the municipal council) and an executive (the Mayor), elected by the municipal council. The number of municipal councillors is proportional to the population. Elected for six years by direct universal suffrage, municipal councillors lay down guidelines for municipal policy, adopt the budget, manage municipal assets, notably primary school buildings and equipment, and decide how the municipal administration is to operate.

The Mayor has two hats, since he or she is both the commune's elected authority and the state's representative in it. As the commune's chief executive, the Mayor carries out the decisions of the municipal council. As the municipality's legal representative, the Mayor proposes and implements the budget, ensures the conservation and management of the commune's natural environment and built heritage and issues building permits. Mayors also have powers in their own right, being responsible for security and public health and having at their disposal the municipal administration, which they head.

As the state's representative, the Mayor is the registrar of births, marriages (at which he/she officiates) and deaths and is an officer of the police 'judiciaire' and so entitled to exercise special powers in connection with the repression of crime under the authority of the public prosecutor. Finally, he/she is responsible for various administrative tasks including publicising laws and regulations and drawing up the electoral register. Mayoral acts are unilateral administrative acts, generally orders, whose legality is subject to a control by the courts when they are issued by the Mayor as the commune's chief executive and to the approval of the Prefect (see below) to whom the Mayor is subordinate when acting in the capacity of the state's representative.

So the commune's own powers cover activities which affect its inhabitants' daily lives. Its economic and social brief, long limited to granting aid for job creation and helping needy families, has been broadened to enable it to play an important role in combating unemployment and social exclusion and engage actively in economic restructuring and development of new activities.

### **1.3.2 The departments**

there are 100 departments in France, 96 in metropolitan France and four overseas (Martinique, Guadeloupe, Réunion and French Guiana). Established in 1789, the department has developed from a partially decentralised local authority to one with full powers of its own (since 1982). It has played a prominent role in the country's administrative and geographical organisation.

The department essentially has competence in health and social services, rural capital works, departmental roads, and the capital expenditure and running costs of colleges.

### **1.3.3 The regions**

France has 26 regions, 22 in metropolitan France and four overseas. The latter have a special status, being at the same time departments and regions. Created in 1955 to

provide a framework for regional town and country planning, the region became a local authority in 1982. Its main spheres of competence are planning, regional town and country planning, economic development, vocational training, and the building, equipment and running costs of schools (lycées).

The decision-making organ is the regional council whose members are elected for six years. They are assisted by an economic and social committee, which is a consultative assembly made up of representatives of businesses, the professions, trade unions and other employees' organisations, regional voluntary organisations, etc. This committee must be consulted on the preparation and implementation of national plans, the establishment of the regional development plan and the major guidelines for the regional budget. The committee is also free to comment on any regional matter or, at the initiative of the regional council's chairman, any economic, social or cultural proposal. The regional council chairmen, elected by the councillors, are the region's executive authority. Their responsibilities are identical to those of the general council chairman in the areas within the region's sphere of competence.

So while basic principles and structures have not changed and there is a clear distinction between the spheres of competence of the different tiers, the decentralisation legislation did bring in some innovations, especially regarding supervision. Some degree of ex post facto monitoring of local government action is necessary in order to reconcile the fact that the authorities are self-governing with the need for coordinated action within a unitary state and ensure that the principle of equality of all citizens does not override the general interests of the nation as a whole.

The March 1982 law also made several changes concerning financing. Any transfer of state competence to a local authority must be accompanied by a transfer of resources (chiefly fiscal). In practice, local taxes have tended to rise. The reform also extended the responsibilities of the communal, departmental and regional accountants, giving them the status of chief accountant directly responsible to the treasury. Lastly, the 1982 law assigned to a new court, the regional audit chamber, responsibility for a posterior auditing of local authority accounts.

The process of decentralisation has profoundly altered local government in France. The new system is indisputably more costly than the old for the public purse and has led to some fragmentation of tasks and objectives, as local authorities act primarily in their own rather than the national interest. However, decentralisation is helping to ensure that tasks are carried out at the most appropriate level of responsibility in all sectors of public life, so bringing greater democracy to the country's administration and management.

#### **1.4 The Prefects**

For almost 200 years (1800 to 1982), regional department Prefects held the executive power in the departments, but the law of March 1982 modified their powers. Appointed by the government, the Prefect is still the sole person empowered to act on the state's behalf in the department. Prefects represents the Prime Minister and all the members of the government, has authority over the state's external services in the department and ensures the administrative supervision of the department's local authorities.

However, the law of 2 March 1982 conferred executive authority for the department on the chairman of the general council. The general council is the department's decision-making organ. It is made up of general councillors elected for a six-year term in a two-

ballot uninominal majority poll. Each department is divided into cantons (France has 3,500 cantons) which serve as the constituencies for the election. Elected by the councilors for a six-year term, the chairman prepares the council's debates and implements its decisions, including decisions on budgetary matters. He or she represents the department at the legal level, heads the department's staff and services and, finally, as the person in charge of running the department, exercises certain police powers in the areas of conservation and departmental highways (without prejudice to the powers of the Mayors and Prefect in these areas).

## Self-Assessment Exercises 2

Mention and Explain the three main tiers of local administration in France

### 1.5 Summary

this unit discussed the Central government in France. Central government in France is very powerful and more of centralization. There three tiers of government namely the commune, departments and the regions. The prefects are appointed by the states as an extension of the state's government at the local government level.



### 1.6 References/Further Readings/Web Resources

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## 1.7 Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

### French Local Government

In France, there are virtually no powers that local governments have that cannot be touched by the central government. Most of the regional and local governments' authorities consist of implementing the policy decisions and directives of the central government. Indeed, the breakdown of French government into regional and local authorities is largely for administrative purposes than it is for any real local policy making.

France proper is divided into 21 different regions, with Corsica also being considered its own region. Each region has a regional council directly elected by citizens in the region and a president who is elected by members of the council. Those regions are further divided into 96 local departments, which are governed by an elected regional council and its own council president.

The smallest level of local government is the **commune** of which there are roughly 36,000 across France. The commune is governed by a municipal or local council that is often popularly elected. Outside of the central government, it is the most important and most utilized government apparatus in France. These local councils are often charged with implementing the central government's policies throughout France, and for many Frenchmen and women, it's the only contact they may ever have with government officials.

For centuries in France, local government was merely an administrative instrument of the central government; for example, many of the councils and presidencies were appointed rather than popularly elected. However, this has changed in recent decades, and a significant amount of power has devolved from the central government to local authorities. In 1981, the Socialist Party of France, led by Francois Mitterand, won the presidential election and began its plans to decentralize power in France. This resulted in a series of laws and acts that devolved some power to local and regional authorities and increased the importance of regional government and the departmental governments

**Answer to SAEs 2****Three tiers of local government**

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**The communes**

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