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**The Dilemma of Local Government at Work in
Nigeria**

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Abstract

This paper attempts a scan of local government at work in Nigeria in the critical areas of revenue generation, budgeting, development planning, provision of services, and community mobilization. The study reveals that the third tier of government in Nigeria is still characterised by low revenue generation ability, inability to provide adequate services and amenities both in quantitative and qualitative terms, tendency to prepare ambitious budgets, inability to avail of the benefits of development planning and to live up to the expectations of their clientele. For the citizenry at large, especially the illiterate and

rural communities that form the bulk of the population of the local governments in many cases, there is a great deal of frustration arising from the poor performance of local governments in the country over the years. This situation is not peculiar to Nigeria alone. Similar scenario is witnessed in other developing countries. The Nigerian case however provides us facts which when analysed provide us pathological clues to the maladies afflicting local governments in less developed countries.

Key words: local government; revenue generation; budgeting, development planning; community mobilization

Introduction

Government activities when conducted from a central point and far away from the people in the periphery tend to become impersonal. Localities are not simply areas and sites but groups of people, living together as neighbours. They feel that they differ from the abstract average of humanity legislated for by the Government and claim discretion to apply its uniform rules in a way, more closely fitting their real needs and their own ideas of themselves. At this point, the essence and claim for Local Government takes form on the premise that it will check the danger of absolutism.

Also important is the fact that, with the amount and the variety of work to be done country-wide by Government, it is impossible for a single authority to undertake directly their performance. The Government too, does not have the requisite knowledge of all the diverse problems which are local in character. In this regard, Laski (1975:311) observed that: “we cannot realise the full benefit of democratic government unless we begin by the admission that all problems in their incidence require decision at the place and by the persons by whom the incidence is most deeply felt”. In effect, democracy in Laski’s view takes a firm root when there is the existence local authority that ensures participation of the local people in decision-making to meet local needs.

Conceptually speaking, local government is essentially a political subdivision of a nation or (in a federal system) state. It is constituted by law and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected (Ola, 1984). Each unit of local government in any system is assumed to be characterised by given territory and population, with an institutional structure for legislative, executive and administrative purposes. It has separate legal identity, a range of powers and functions authorized by delegation from the appropriate central or intermediate legislature. Within the ambit of such delegation, autonomy, subject always, at least in Anglo-American tradition, to the limitations of common law such as the test of reasonableness (Whalen, 1970).

The hallmarks of a local government system are its representativeness by way of regular elections of its office holders; its distinct legal personality from the State and Federal Governments; clear and specified powers to perform a range of functions and the enjoyment substantial autonomy as stipulated by law in task of making its own rules and regulations; and the formulation and execution of plans for the benefit of the grassroots citizenry. The fundamental objective of putting in place an appropriate local government framework is to forestall a situation where the achievement of set goals by local government functionaries becomes a herculean task (Adamolekun, 1979). Local government at work in Nigeria as in other developing and developed countries revolves round revenue generation, budgeting, development planning, provision of services, community mobilization, etc.

1. Revenue generation

In terms of revenue generation, Local Governments require finance to perform their statutory functions which border on provision of services and bringing about development in their delimited areas. In order to set requisite goals and achieve same in this direction, local governments have to generate funds. Though, since the 1976 Reform,

the principal source of revenue of local governments in the country has been from the Federal Government, either as grants or entitlements from the federation account, revenue generation remains a vital preoccupation of local governments (Ola, 1984; Ola & Tonwe, 2009).

The internal revenue generation effort of local governments in the country on the whole is far from impressive. Statutorily, there are several sources of internal revenue for local governments. These include advertisement control, dog licence, liquor licence, radio and television licence, etc. This list may look impressive but amounts to little or nothing in terms of annual revenue and expenditure of local governments. Regrettably, the collection of tenement rate which would have been viable source on internal revenue is generally poor. The growth in its collection is a function of a number of variables, prominent among which are the population of the municipal area; income levels of the householders; prices of real property; the rate of construction of new houses; cost of construction of houses; levels of rents; efficiency and integrity in assessment and re-assessment; and administrative effectiveness in collection.

Besides a hand full of local governments which inhabit highly industrialised and urbanised parts of the country that generate substantial fund from property rates, overwhelming majority of local governments in the country have performed poorly in their internal revenue generation drive. A survey conducted in 1990/91 by the Administrative Staff College of Nigeria (ASCON), shows that internally generated revenue of local governments constitutes less than 15 per cent of their total expenditure. The situation for rural local government is worse. Throughout the country, no local governments are self-financing to the tune of 50 percent (Ola, 1984).

A number of reasons may account for the poor revenue generation returns of the local governments in Nigeria. Under the various Local Government Laws in the country, local governments are rating authorities within their jurisdiction. Their recognition as rating authorities notwithstanding, various factors, some pertaining to the

disposition of state authorities and others to the local government authorities themselves, have diluted the effectiveness of such recognition in terms of net financial returns.

One fundamental obstacle to the internal revenue generation effort of local governments in the country is that the macro levels of government tend to hold on to lucrative functions the performance of which yields high revenue returns. Although the State Governments are supposed to gradually devolve most of the technical functions to local governments, they have not been enthusiastic about doing so because the performance of these functions which include motor vehicle licensing, approval of building plans are very lucrative, elastic and convenient to collect. In effect local governments are assigned functions which attract minimal revenue returns and which are administratively and politically difficult to tap in a setting, largely made up of the rural poor.

The Local Government Laws in a number of states empowers the Governor of the State to exclude any person or classes of persons from capitation rates levied by a local government. The use of this power by State Governors during the Second Republic greatly hindered the revenue generation efforts of local governments in the country. Another important factor which has been significantly responsible for low internal revenue generation is that, for fear of incurring the anger of the communities in the constituency they represent, quite a number of Councillors prefer to play safe by dissociating themselves from any move by the Council to revise taxes upwards, even when the desirability of such revision is obvious (Egonmwan, 1984). In the sphere of commercial undertakings, majority of the local governments in the country have not been very active. This is evident from the fact that the percentage of revenue accruing from commercial undertakings in relation to the total internal revenue is still very low.

2. Budgeting

Budget is the live wire of any institution and local governments in Nigeria are no exception. The third tier of government provides

services and strives to meet the expectations of the communities being served on the basis of their annual estimates of revenue and expenditure. The preparation of the budget could begin as early as six months to the end of the financial year. Inputs from the Secretary, the Treasurer and other departmental heads, the Executive Committee and the local legislative council go into the budgetary process before they become working financial documents for the new financial year. The budgets of Local Governments are prepared in accordance with the format contained in the Financial Memoranda which guide the financial activities of local governments. Under the Financial Memoranda, revenue and expenditure sections are expected to be listed as follows:

The budgetary process itself is no more than a ritual that local governments across the country perform annually. On the practical side however, an examination of the layout of the budget of local governments in the country reveals that in most cases, they are neither balanced nor realistically prepared. The tendency is for local governments to prepare impressive estimates which cannot be operationalized during the financial year. This arises from the fact that the budgetary expenditure is not matched with accurate anticipated revenue forecast and consequently, the amount actually expended during the financial year fall far below the expenditure budgeted. Another characteristic feature of local government budgeting is that personnel emolument still accounts for a substantial percentage of recurrent expenditure. Further much more money is spent on recurrent expenditure than on capital projects in most cases by local governments annually. This is not a healthy situation because not much money is left for funding existing services and new capital projects.

3. Provision of services: civic and welfare

One of the key objectives of setting up local governments is to provide a means of making available a number of services designed to meet the specific needs of the people in areas covered by them. With the enormous demands for services and the problem of limited

resources, the third tier of government has to order its priorities and also contend with the problem of which communities would have to enjoy certain services and amenities first and those that would have to wait for a future, and possibly unknown date. The question as to which community gets what and when is usually a subject of extensive and sometimes acrimonious debates in Council sessions.

Quantitatively, the services provided by local governments in the country in relation to the population being served on a general note are still far from being impressive. In the defunct Bendel State for example, as at December 1982, there were only 6 health institutions in Ethiope Local Government Council to serve a population of 236,832. While the quantity of services and amenities has increased over the years, such increases in number have been neutralized by the rapid growth in the country's population. The quality of services provided by local governments leaves much to be desired. Health institutions are found in most cases to be poorly equipped and inadequately staffed. Worse still, is the fact some of the visible health structures are actually not operational at all, while in some others, only skeletal services in form of first aid treatment is provided. The out-of-stock syndrome in the pharmacy is characteristic of the clinics operated by local governments in the country.

4. Community mobilization for development

Within available resources at the disposal of local governments in the country, it is impossible for them to meet all the needs and requirements of the citizenry. For this reason, the strategy of local and state governments have been to mobilize and encourage communities through their community development departments to embark on self-help projects such as constructions of town halls, feeder roads, maternities, postal agencies, etc for their own betterment.

This strategy has been yielding encouraging results nation-wide. In 1981 alone, communities in the defunct Bendel State, through self-help efforts, spent a total of ₦16,624.824 on different projects. The significance of this achievement becomes glaring when one considers

the fact that, for the same year, the total revenue of local governments in the state amounted to ₦50,213.447 (Bendel State Statistical Digest, 1984). It is disquieting however, that the part being played by the local governments in the task of community mobilization for development through self-help efforts has been very minimal. In the 1980s, the community development departments of the ministries of local government across the country were more equipped in terms of personnel and financial resources to carry out the task in the sphere of community mobilization for development through self-help efforts than the local governments themselves. This was evident from the level of activities of the community mobilization for development engineered by the state governments. Thus, the local governments which are the most ideal institutions for the task of mobilizing the communities at the grassroots for development through self-help efforts were marginalized by the state governments (Egonmwan, 1984).

5. Local government and development planning

The idea of development planning at the third tier of government presupposes that local governments would be more relevant to the task of national development if appropriate framework and procedure for development planning at the local level are instituted and followed. Available data show that medium-term planning at the local level started as early as 1946, when the first ever Nigeria Development Programme was prepared within the framework of 10-years Colonial Developmental and Welfare Fund Programme in 1946 and local authorities were encouraged to prepare their development plans within that framework (Orewa and Adewumi, 1983). The Northern part of the country operated medium-term planning quite successfully during the period between 1949 and 1968. Table 1 which is the basis of their analysis show that the development plans of Native Authorities in northern region had an average implementation record of 75.49 percent.

Orewa and Adewumi adduced a number of reasons for the successful adoption and implementation of medium term planning by the native

authorities in northern region. Firstly, they had a steady revenue base in cattle and the community taxes for which they derived well over 60 percent of their total revenue. Secondly, the geo-demographic bases of the local authorities in the northern region were relatively larger and this put them in a position to raise reasonably large revenue annually. The third and perhaps most important reason was that there were proper measures and guidance. In the absence of these, Orewa and Adewumi noted that a substantial part of the funds available could have been expended on prestigious and unviable projects.

In the southern part of the country, besides the Lagos City Council, the concept of development planning did not quite gain ground during this period. Even much later, the efforts of the Mid-west State (now Edo and Delta States) to evolve comprehensive approach to development planning by integrating the development plans of the local authorities into the 1970-74 state development plan, which in turn was to form part of the National Plan, did not succeed.

For about three decades now, no serious efforts have been made toward evolving appropriate procedure and framework for effective development planning at the local level in the country. On one hand, the Local Governments themselves appear not to be that enthusiastic about the concept of development planning. On the other hand, the higher levels of government have not been forthcoming in giving the required assistance and leadership of kindle the enthusiasm of local governments. In effect, the benefits of development planning at the local level in the context of the national development and modernization process are still largely untapped in the country.

6. Local government and the grassroots citizenry

Local government is often seen to be synonymous with the provision of services to the grassroots citizenry. In effect, a local government may only be said to have done well if a substantial proportion of the people being serviced are satisfied with its performance. The people can only be expected to give a pass mark to their local governments if

their expectations in terms of wide range of services and amenities both quantitatively and qualitatively are met.

The expectation of the citizenry is one thing and living up to these expectations by the local governments is another. The Nigerian position shows that there is wide gap between the expectations of the people vis-à-vis what the local governments are able to offer. In both in quantitative and qualitative terms, the services and amenities provided by the local governments in the country are grossly inadequate in relation to the population they are expected to serve. In reality, only a handful of communities enjoy some sort to services or facilities.

Because the performance of local governments in the country still falls short of the expectations of the people, their attitudes to their local governments have been that of apathy and sometimes hostility. There have been incidents of violent attacks by angry villagers on Tax Collectors of local governments because in their opinion, local government officials are only seen when they want to collect taxes and do not return to render any service. There have also been incidents of organised agitations to boycott the payment of taxes. The anti-tax campaign by agitators in the Epe Local Government Area of Lagos State attests to this (Egonmwan, 1984). The widespread discontent and unwillingness of communities to support their local governments by paying up their taxes is also not unconnected with the bad reputation local governments functionaries have earned for themselves (Gboyega, 1987). The magnitude of embezzlement of local government funds by those entrusted with the prudent management of public funds has given the public the impression that whatever contributions they make to their local governments will only end up enriching the pockets of a few (Aluko, 2006; Agbo, 2010).

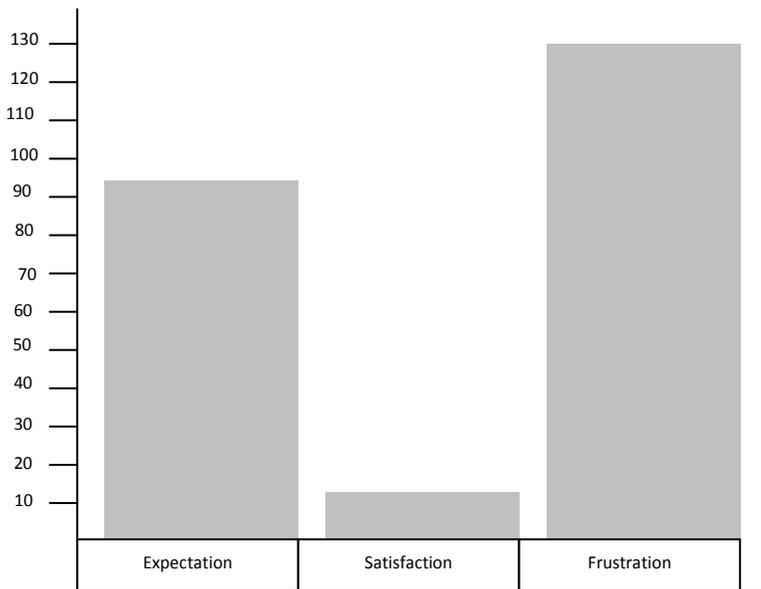
TABLE 1: Native Authorities in Northern Region/States of Nigeria – Development Plans 1949 –68

Project	First Five Year 1949 -54		Second Five Plan 1954 -59		Third Five Year 1959 -64		Six Year Development Plan		Total Actual 1962- 67 & Estimated 1967 -68	Maximum % of Plan Achievement in Individual Sector
	Estimated	Total	Estimated	Total	Estimated	Total	Estimated	Total		
(1)	₦	%	₦	%	₦	%	₦	%	₦	%
A. Agriculture	533,992	5.9	481,204	3.7	262,134	1.8	686,258	3.1	739,842	60.3
B. Education	1,848,120	20.6	2,571,736	19.5	2,909,134	19.6	4,747,606	21.7	8,996,094	76.4
C. Forestry	100,470	1.1	160,136	1.2	174,802	1.2	324,444	1.5	510,240	78.4
D. Medical	702,918	8.0	950,582	7.4	844,466	5.7	1,613,452	7.4	510,104	36.8
E. Veterinary	253,348	2.8	342,290	2.7	278,782	1.9	475,194	2.2	2,170,612	80.6
F. Communication	1,161,324	12.8	2,189,526	17.0	2,499,702	16.9	3,457,078	15.8	1,971,498	75.4
G. Public Building	1,040,462	11.6	1,736,720	13.4	2,657,790	17.9	3,560,060	16.3	2,306,966	79.6
H. Urban Development	377,448	4.2	835,882	6.5	844,708	5.7	1,753,910	8.0	1,899,860	89.1
I Rural Development	985,228	11.0	1,329,832	10.3	1,261,880	8.5	2,670,676	12.2	747,572	90.4
J. Public Utilities	256,082	2.9	1,426,414	11.0	268,204	1.8	1,844,778	8.4	619,694	87.9
K. Miscellaneous	1,278,400	14.2	467,500	3.6	2,813,042	19.0	741,014	3.4	-	-
L. Unallocated	428,844	4.8	478,166	3.7	-	-	1,746	-	-	-
Total	8,966.636	100.0	12,969,988	100.0	14,814,644	100.0	21,876,216	100.0	20,472,482	78.2

Source: Northern Nigeria Local Government Year Book 1967 P. 57; Northern States of Nigeria Local Government Year Book 1971, P. 63 (Zaria: Gaskiya Corporation, 1967 -71). As cited in Orewa, G.O. & Adewumi, J. B.: Op Cit, P. 204

Critically speaking, the dissatisfaction of the citizenry vis-à-vis their local government is both pathetic and paradoxical. It is pathetic because, the vast majority of the people still lack the basic necessities of life. Water, electricity and health facilities are still luxuries in many of our rural communities. Even in urban centres, these basic amenities are not only in short supply, but are also epileptic in supply. It is paradoxical because, while the expectations of the citizenry is on the increase, there is a higher level of frustration on the part of the citizens arising from low satisfaction levels they get from government programmes and strategies. Chart 1 shows a paradox of Rising Expectations surpassed by Rising Frustrations and with a very low satisfaction level accruing from government programmes and strategies.

CHART 1.1: Citizenry Expectation-Satisfaction-Frustration Matrix



The emergent situation has a long history. There was a time when government was not of much relevance to the people. The citizenry did not expect much from government in terms of amenities and services during the era of Police State. During this period, the people perceived government as being concerned primarily with the maintenance of law and order and the collection of minimal taxes to be able to perform this function. With the emergence the concept of welfare state, there was the perception government could and should provide a wide range of amenities and facilities to meet most of the needs of the people.

Consequently, the expectations of the people from government in terms of a wide range of amenities and services rose to an immeasurable level. Regrettably, government could not live up to the expectations of the people. This is evident from the fact that the satisfaction generated amongst the people from government programmes and strategies is very low. The impact of rising expectations and the concomitant rising frustration arising from low satisfaction levels amongst the people is more felt at the local government level, since local governments are the closest to the people (Jakpa, 2004).

The use of Management Committees/Sole Administrators for many years in the past to run the affairs of local governments accentuated the gulf between the people and the government at the local level. In Nigeria as a whole, local government elections were not held from 1966 to 1976; 1979 to 1987; 1993 to 2004 and from 2007 to 2012 majority of the states could not conduct local elections. Those hand-picked to serve in management committees or appointed to serve as sole administrators of local governments are usually not sensitive to the need to maintain proper rapport with the people. When local governments are manned by those elected by the people, the rapport between the people and local government functionaries is bound to be better. This is because elected functionaries who fail to put in place proper communication channels would only end up being thrown out of office.

Analytical Deductions

On scanning the core areas of the working of local government in Nigeria, what appears obvious is that, they are still far from being in a position to fulfil their role expectations. The third tier of government in Nigeria is still characterised by low revenue generation ability, inability to provide adequate services and amenities both in quantitative and qualitative terms, tendency to prepare ambitious budgets, inability to avail themselves of the benefits of development planning and to live up to the expectations of their clientele. For the citizenry at large, especially the illiterate and rural communities, who form the bulk of the population of the local government, there is a great deal of frustration arising from the poor performance of local governments in the country over the years. This situation is not peculiar to Nigeria alone. Similar scenario is witnessed in other developing countries (Kasfir, 1983). The Nigerian case however provides us facts which when analysed provide us pathological clues to the maladies afflicting local governments in most less developed countries.

A basic constraint for the proper functioning of local governments is the under-developed nature of the localities. There seems to be a reciprocal cause and effect relationship between the degree of economic development and the degree of efficacy of local government. The more stagnant and economically poor a locality is, fewer are the resources that can be taxed to generate revenue. Bleak income results in fiscal anaemia which in turn is one of the causes for general debility of local governments (Lockard, 1968). The problem of limited resources has encouraged the politics of scarcity in which dominant groups/elites manipulate and divert funds to nurse their constituency with political motives. This results in unbalanced development. Unequal distribution of benefits creates hostilities envy and frustration which make it difficult to achieve harmony between heterogeneous elements of the locality. Such features of the government at the local level are antipathetic to national integration

which is intensely desired by resurgent nations but remains a pious wish due to harsh internal realities (Ola & Tonwe, 2009).

External factors that have stultified the performance of the third tier of the government in the country emanate from the macro level. The State Governments with their advantageous position, superior status and more qualified manpower pool have exhibited a tendency to eclipse local governments in modernization activities like community mobilization for development. As important is the fact that despite recognition of local governments as junior partners in the national development process, the higher levels of government have not made serious efforts to draw them into the main-stream of national development. This is substantiated by the fact that with the exception of the period between 1949 and 1968, and the effort made during the 1970-74 Plan in the case of the defunct Bendel State, no sincere efforts have been made to tap the benefits of planning development from below.

The lapse appears strange because local bodies had acquainted themselves well as agencies for planning at the local level (especially during the period between 1949 and 1968). It is true that the performance was not uniform in all regions. The degree of success differed from region to region and also between affluent and poor areas. The varying responses to planning should not be interpreted as incapacities. They need to be viewed as varying as varying propensities rooted in the differing developmental potentialities of the localities (Oyediran, 2001). It should not lead to the abandonment of development planning at the local level; rather it underlines the need to evolve strategy which may offer differential package of incentives for areas endowed with positive, moderate and negative propensities for development.

Concluding Comments

The performance of local governments in Nigeria has been largely below expectation. The Political Bureau (1987) in its report admitted the deplorable performance of local governments in the country when

it averred that while local government is of strategic importance in the national development process; its contribution has not been substantial. This is in spite of enormous resources that have been committed to ensuring that it contributes significantly to the national development process.

There is the urgent need to attempt an agenda of reforms that will increase the degree to which the local area is economically viable to adequately finance local government; budget is used effectively as an instrument of management and development; state government capacitates the local authorities to function efficiently; administrative processes rationally serve the interests of various local groups universally; local planning, linked with state/national planning process, is adopted and materialized; and Skilful strategies are evolved and used to serve areas of differing propensities universally; thereby increasing performance of government at the local level in Nigeria.

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