Towards a Viable Local Government Structure in Nigeria: Overview of US and German Local Government Systems

Mobolaji P. Ezekiel * and Desmond O. Oriakhogba **

Abstract
Local governments are principally established for development at the grassroots and they must be structured in a manner that makes them viable and capable of achieving this purpose. The objective of this comment is to appraise the current local government structure under the Nigerian constitutional framework with a view to evolving a more viable structure that will lead to better service delivery at the local level. Comparative reference is made to the local government systems in the United States of America (USA) and Germany so that good practices can be compared with the Nigerian System. The comment suggests a system that will be in tune with the Nigerian local milieu.

Key terms
Local government, local administration, one-tier model, two-tier model, hybrid structure, Nigeria

DOI http://dx.doi.org/10.4314/mlr.v9i1.7

Introduction
One of the high points of Military rule in Nigeria was the reform of the local government system. The reform, gained root in 1976 under General Olusegun Obasanjo led Military Government. The reform brought about a single-tier uniform local government system nationwide. A further reform in 1988/1989 under General Ibrahim Babangida led Military government introduced the presidential system of administration to local government in a bid to create a
similarity of government style at all levels of government in the country, thereby leading to a nationwide uniform single-tier-presidential structure for local government councils (LGCs). Before these reforms, local government matters were entirely state affairs and as such, the different states structured their local government systems to suit their local needs.

Under the Constitution of the Federal Republic of Nigeria, 1999 (as amended; hereafter, the Constitution) these LGCs are placed within the control of state governments who must ensure a system of democratically elected local government within their territory through a law that must provide, *inter alia*, for their structure. By implication, therefore, state governments can by law structure the LGCs within their territory to suit their local needs. Sadly, however, it appears that the structure introduced by the reforms is still largely retained nationwide. One of the shortfalls of presidential system of government as practiced in Nigeria is that it is very expensive to run thereby increasing recurrent expenditure and reducing capital expenditure with the effect of making LGCs less viable in terms of service delivery.

This comment is thus concerned with exploring ways to ensure a viable local government structure in Nigeria. To achieve this, attempts will be made to examine the local government systems in Germany and United States of America with the aim of recommending a hybrid system for Nigeria.

1. Concept of Local Government

The idea of local government emerged from the feeling that government should be as close as possible to the people and that functions should be shared among

---

3 s. 3(6), 297, 299, 318, Pt. I and II of the 1st Schedule
4 Constitution of the Federal Republic of Nigeria, 1999 (as amended), s. 7.
5 It should be noted, however, that Lagos State presently has a two-tier local government system comprising 20 LGCs and 30 Local Council Development Areas (LCDAs.)
different levels of government for efficiency. However, clear as the idea of local government may appear, it does not enjoy a universally acceptable definition. The difficulty stems from whether it should be defined in terms of its functions or in terms of its composition. That notwithstanding, attempts have been made at defining local government. Local government has been said to be a government in which popular participation both in the choice of decision makers and in decision making process is conducted by local bodies, which while recognising the supremacy of other levels of government, is able and willing to accept responsibility for its decisions.

Montague considers local government as government by local bodies freely elected which while subject to the supremacy of state governments, are endowed in some respect with powers, discretion, and responsibility. Abubakar defines it as a political subdivision of a nation (or of a state in a federal setting) which is constituted by law and has substantial control of local affairs including the powers to impose tax or exact labour for prescribed purposes. The governing body for such an entity is elected or otherwise locally selected. A definition which reflects the basic features of modern local government is that proffered by the International Union of Local Authorities, which sees local government as that level of government with constitutionally defined rights and duties to legislate and manage public affairs which are also constitutionally defined for the exclusive interest of the local people. The rights and duties shall be exercised by individuals that are freely elected on a periodic basis by equal, universal suffrage while its chief executive shall be so elected or appointed with the full participation of the elected body.

To Jones, local government is local self-government peculiar to a locality and with diversity being a distinctive feature. According to him, ‘local self-government’ envisages the notion of ‘people governing themselves’, by “determining the development of their own areas”. He notes that “[e]ach locality possesses distinctive features, physically, economically and socially: each has

---

9 O. Oyediran (2003), Introduction to Political Science, Oyediran Consults Ltd., p. 71.
10 H. Montague, Comparative Government cited in Oyediran, Ibid.
12 International Union of Local Administrators, 27th World Congress in Rio de Janeiro, Brazil, September 23-26, 1985.
its own culture, history, environment and politics. Since places are different, local government implies different ways of doing things: local government embodies diversity”.

He further cites John Stewart as having considered local government as ‘the government of difference’. It is challenged by the centralising goal of uniformity, seeking the same everywhere.”

Jones’ idea of local government seems to run against the idea of uniform local government system practiced in Nigeria. It also appears to view local government as a sovereign entity within a state. However, within a federal system like Nigeria, there is no total autonomous local government system, even though a non-uniform system is possible. The point being made is that the practice of a uniform local government system is not in tune with the principles of Federalism upon which the Constitution is hinged. State governments should be able to organise their local governments, within the bounds of the law, to suit their local developmental needs.

Inherent in the idea of local government is the principle of localism and according to Ibietan, the principle implies that the existence and practices of the grassroots administration are rooted in the collective preferences of the local people. Put differently, for a local government to maintain its localness, it must respond adequately to local environmental stimuli by reflecting the aspirations and yearnings of the people in the locality.

2. Local Government vis-à-vis Local Administration

Local administration is perceived as arising where a local government lacks substantial autonomy and does not have legal personality, and there can be local administration without local government. Thus, local administration, as distinct from local government, has been defined as the extension of the national government activities to all nooks and cranny of the states. Usually, the national government establishes field offices throughout the country to articulate and execute national policies and programs. The same is true regarding state governments activities in all parts of the states. It could, thus, be safely argued that all the caretaker committees of management and sole administrator system

---

14 Ibid.
15 See CFRN, 1999, ss. 2, 4, 5, and 6.
instituted by the various military regimes and under current civilian regimes are brands of local administration.\textsuperscript{19}

Hague and Harrop believe that there is little or no distinction between local government and local administration.\textsuperscript{20} On the contrary, Hart and Garner duly indicate four features which may differentiate local administration from local government. They refer local government as local authorities and local administration as local agents of the central government or of modern public corporations administering certain services on a national basis. They further posited that “local authorities are legally independent entities; they are popularly elected; they have independent powers of local taxation; and they are to a certain degree autonomous”\textsuperscript{21}.

\textbf{3. Models of Local Government Structure}

In terms of economic theory, the major role assigned to local governments is to provide adequate and effective goods and services within a particular area to residents who are willing to pay for them through appropriate taxes, levies and rates.\textsuperscript{22} Politically also, the role of the local government is to ensure effective socialization and participation of the people of the locality in the governance of the country. For these purposes, Slack espoused some criteria for designing local government structures; which are subsidiarity and local responsiveness, economics of scale, externalities, equity, access and accountability,\textsuperscript{23} upon which he proffered models of local government structures as practiced in some developed countries. The models are two-tier local government model, one-tier local government model, voluntary cooperation model and the special purpose district model. It should be noted that the structure that may work best in large metropolitan or urbanized areas where there are a number of contiguous municipalities (cities, towns, villages, and townships that are adjacent to each other) providing a wide range of services will likely differ from the structure that will work best in municipalities in remote areas which are far apart and deliver few services.

\begin{itemize}
  \item \textsuperscript{21} Hart and Garner, \textit{supra} note 8, p. 6.
  \item \textsuperscript{22} R. M. Bird, and E. Slack, \textit{Urban Finance in Canada}, John Wiley and Sons, (1993), 16
  \item \textsuperscript{23} See E. Slack (2004), “Models of Government Structure at the Local Level,” (Institute of Intergovernmental Relations, Working Paper Vol. 4) for a detailed discussion of these criteria.
\end{itemize}
3.1 Two-tier model

This model consists of an upper-tier governing body (usually region, district, metropolitan area) encompassing a fairly large geographical area and lower-tier or area municipalities (including cities, towns, villages, etc). The upper tier provides region-wide services characterized by economies of scale and externalities whereas the lower tiers are responsible for services of a local nature. In this way, this model helps to resolve the conflict among the various criteria for designing government structure – economies of scale, externalities, and redistribution on the one hand and access and accountability on the other hand. With two-tier government, it is necessary to allocate functions among the tiers. To do this, the criteria for governing structure can be applied. The upper tier should be responsible for services that provide region-wide benefits, generate externalities, entail some redistribution, and display economies of scale. Services that provide local benefits should be the responsibility of the lower tier.

Two tier systems have potentially important advantages in terms of accountability, efficiency, and local responsiveness. Critics of this model, however, argue that costs are higher because of waste and duplication in the provision of services by two levels of government; that it is less transparent and more confusing to taxpayers who cannot figure out who is responsible for what services. The two-tier structure may also lead to considerable wrangling, inefficient decision-making, and delays in implementing policies. In fact, these were some of the issues that bedeviled the local government systems as practiced in Nigeria’s old Western and Eastern regions before the 1976 reforms. Thus, it could be said that in a place such as Nigeria, this system may not be too appropriate. A notable example of a two-tier local government structure is as practiced in Toronto, Canada and Paris.

3.2 One-tier model

Under this model, a single local government is responsible for providing the full range of local services and has a geographic boundary that covers the entire urban area. Large single-tier governments have generally been formed by amalgamation (merger of two or more lower-tier municipalities within an

---

26 See Oluyede, supra note 2.
27 Slack, supra note 23.
existing region), annexation (appropriation of a portion of a municipality by an adjacent municipality) or statutory pronouncements.\textsuperscript{28} Since there is only one level of government providing all services, there is no need to allocate expenditures among levels of local government. There is also only one political body to make taxing and spending decisions. One-tier governments could be financed from wide range of services. These could be financed from a variety of user fees, tax sources that would be levied across the metropolitan area, and grants from states and federal governments.\textsuperscript{29}

The main advantages of one-tier governments include: better service coordination, clearer accountability, more streamlined decision-making and greater efficiency.\textsuperscript{30} Furthermore, there is funding fairness in the provision of services because there is a wider tax base for sharing the costs of services that benefit taxpayers across the region. The larger taxable capacity of the one-tier government increases its ability to borrow and to recover capital and operating costs from user fees.\textsuperscript{31}

There is some debate, however, over the success of a large one-tier government at achieving accountability and efficiency. In terms of accountability, it has been argued that a large-scale one-tier government reduces access and accountability because the jurisdiction becomes too large and bureaucratic. In some cases, community committees are established to address local issues or satellite offices are distributed across the municipality but it is less clear how they impact on accountability. Furthermore, they remove any potential cost savings that might result from large governmental unit.\textsuperscript{32} Under the Nigerian setting, which is a classic example of a one-tier model, such phenomenon as discussed above give room for siphoning of local governments funds. Such committees, in the case of Nigeria, are used to compensate or reward political supporters and such persons use the instrumentality of the committees to recoup monies spent during election exercises and pay back little or nothing to local government coffers.

Other examples of one-tier local government can be found in Houston Texas in USA, Ottawa, Hamilton, and Sudbury in Canada.

\textsuperscript{28} Ibid.
\textsuperscript{29} Ibid.
3.3 Voluntary cooperation model

This has been described as minimal government restructuring in which there is an area-wide body based on voluntary cooperation between existing units of local government in the agglomeration with no permanent, independent institutional status. These are very common in the USA and France. Voluntary cooperation is popular, in part, because the area-wide bodies are easy to create politically and can also be disbanded easily. Voluntary cooperation is also common where local autonomy is highly valued: municipalities can retain independence while reaping the benefits of cooperation. This model is included under governance of metropolitan regions even though it does not include an elected, area-wide government. It is included because it recognizes the inter-relationship of cities within the region with some form of area-wide arrangement.

3.4 Special purpose district

Special purpose districts to deliver services that spill over municipal boundaries provide another alternative to altering municipal boundaries. Single-purpose special districts provide similar municipal services for several municipalities or manage regional services with externalities. This form of cooperation among municipalities for region-wide services is used in countries where there is a history of strong and autonomous local governments. In the USA, for instance, one third of local governments are special districts providing education, transportation, water and waste management, economic development, and other services. Joint boards of the special districts are responsible for the management of these services as well as taxing and other policy-making. These districts are indirectly controlled by the individual municipal councils.

One of the advantages of special purpose districts is that each service spillover can be addressed on an individual basis. Since it is unlikely that the spillover boundaries are the same for each service, separate districts could be established such as a region-wide transit district or hospital district. Other advantages include the delivery of services by professionals with decision making somewhat removed from political influence; services can be provided using more professional expertise than may be available to the municipal government; and dedicated revenues from user fees could be used to finance capital expenditures.

34 Slack, supra note 23.  
35 Ibid.  
36 Ibid.  
37 Bahl, and Johannes, supra note 31.
Several problems with this model have been identified. First, each body has responsibility for a single service and is not required to make the tradeoffs between, for instance, expenditures on transit and expenditures on water and sewers. Second, the proliferation of decision-making bodies has created a diffuseness of government organisations that is difficult for citizens to understand. Third, there is no direct link between the expenditure decisions made by the special purpose agencies and the local council which collects taxes to fund them. The absence of a link between expenditures and revenues reduces accountability. Fourth, where accountability is lacking, there is no incentive to be efficient. Fifth, when there are a large number of independent special purpose bodies, it is difficult to coordinate interrelated activities.

4. Local Government Structure in Nigeria, USA and Germany

4.1 Nigeria

The local government reforms of 1976 and 1988/89 created a single-tier presidential system of local government. What this means is that the LGCs in Nigeria have a single level of government based on the presidential system of governance. Apart from recognising the existing LGCs in Nigeria, section 7 of the Constitution empowers the State governments to make laws providing for their structure. The effect of this is that as it stands, the Federal government does not have any business with structuring the existing LGCs in the country. That is solely the responsibility of the state governments. But the state governments cannot exercise this power in vacuum. The power must be exercised in line with the Constitution.

---

38 H, M. Kitchen (1993), ‘Efficient Delivery of Local Government Services,’ (Government and Competitiveness Project, School of Policy Studies, Queen’s University.
39 Ibid.
40 This position is further strengthened by the dictum of Ogundare, JSC (Justice of the Supreme Court, as he then was) in the case of Attorney General, Abia v. Attorney General of the Federation (2002) 6 NWLR pt 763, 422. According to him, “…by the combined effect of sections 7(1) and 197, item 22 of the 2nd schedule part 1, the Constitution intends that everything relating to Local Government be in the province of the state government rather than in the government of the federation. The minor exception to this scheme is to be found in item 11 of the concurrent legislative list where power is given to the National Assembly with respect to the registration of voters and procedure regulating elections to a Local Government Council. There is also the power given to the National Assembly pursuant to section 7(6)(a) to make provisions for statutory allocation of public revenue to local government councils in the federation. Other than these, I can find no provision in the Constitution empowering the national Assembly to make laws affecting local government.”
It must be noted that the uniform system introduced by the reforms is still retained under most local government laws in the country, except states like Lagos state with two-tier local government system. Thus, the LGCs are governed by a Chairman who heads the executive councils assisted by the Vice-Chairman, the Secretary to the council and Supervisory councilors. While the Chairman and Vice-Chairman are elected the others are appointed. The activities of the executive council is checked and balanced by a legislative council comprised of elected members. Technically, the LGCs do not have their own courts unlike the federal and state governments.

Nwabueze does not regard it as an anomaly to replicate the government structure at the federal and state government in the LGCs. To him, some form of symmetry and consistency in governmental structure are necessary to allow for smooth governance nationwide. He opined that, “[i]t seems necessary and logical that all three tiers of government should be run and operated on the same principles and form of governmental organization” in order to “maintain consistency and symmetry in the entire polity”. He also noted that “local government is meant to provide a training ground for informed and effective participation by the citizen than at the higher levels of state and federal government”.

The foregoing statement overlooks the core essence for local government, which is grassroot development. The point being made is that much as it may be good for the sake of symmetry and consistency to have a uniform governmental structure among all the levels of government in Nigeria, local government – being the closest to the people – must be structured in such a way as to allow easy development and growth. It is not in doubt, as we have stated earlier, that presidential system of government is very expensive to run in Nigeria thereby increasing recurrent expenditure and reducing capital expenditure. A continued adoption of the system in the LGCs in Nigeria will thus reduce the resources available to them and prevent them from achieving the core essence of their establishment. There is, therefore, an urgent need to structure LGCs by individual States in Nigeria in such a way as to make them more viable.

The point must, however, be made that an attempt by state governments in Nigeria to restructure their LGCs, in so far as it involves territorial alteration in such a way as to increase the tier of local government within the states, must be done in accordance with sections 8(3) and 8(4) of the Constitution which state the thresholds of consent (in House of Assembly in respect to the area and local

---

41 Oriakhogba, supra note 1 above, pp. 43-45.
42 Ibid.
government council) toward the creation of new local government areas or ‘boundary adjustment of any existing local government area’. Where this is done, state governments would not need to comply with subsections (5) and (6)\(^{44}\) of the said section 8 because these subsections become relevant only in instances of local government creation. The point being made is that a local government structure created by a state law pursuant to the above stated provisions remains valid within the ambit of that state law and within the ambit of section 7 of the Constitution.

This position is strengthened by a passage from the powerful dissenting opinion of *Uwaifo, JSC* in the celebrated case of *Attorney General, Lagos v. Attorney General, Federation*,\(^{45}\) where he stated as follows:

“…. It is like birth registration cannot ignore the fact that there has been a child born who is living. To my mind, it does not confer any supervisory authority on the National Assembly which it may use to delay, direct, control or frustrate the effect of a Law duly enacted by a State. It is a simple process for a simple formal consequence; it is a process different from that of passing an Act for the alteration or amendment of a provision of the Constitution as laid down in section 9 of the Constitution. In my opinion, there is nothing, therefore, special about it that ought to postpone the coming into force of the Law constitutionally passed by a State to create local government areas in its domain”.\(^{46}\)

### 4.2 United States of America

The federal system of government in the USA is based on a separation of responsibility between federal government and the fifty states that make up the country. The organisation of the local governments is the responsibility of the states rather than the federal government – each state, through its laws, sets out the structure, boundaries, competences, operation, and financial resources available to the local government sector. The Tenth Amendment to the US Constitution specifies that the power to determine the scope and authority of the local government level is reserved to the states.\(^{47}\) Therefore, as Savitch and

---

\(^{44}\) Subsection (5) provides: “An Act of the National Assembly passed in accordance with this section shall make consequential provision with respect to the names and headquarters of states or Local Government areas as provided in section 3 of this Constitution and in part 1 and II of the 1st schedule to this constitution”. Subsection (6) states that “for the purpose of enabling the National Assembly to exercise the powers conferred upon it by subsection (5) of this section, each House of Assembly shall, after the creation of more local government area pursuant to subsection (3) of this section, make adequate returns to each House of the National Assembly”.


\(^{46}\) Id., 107.

Vogel put it, in the USA, “in reality there are 50 systems of local government not just one.”

Many states share similarities in terms of structure and responsibilities of the local governments. General purpose bodies at local level include counties, municipalities or cities, towns and townships, and these provide a range of services to citizens at local level. Specific arrangements vary from state to state – for instance most Southern states have counties and cities only, whereas some Mid-Atlantic States have all types. In addition to these general-purpose bodies, special-purpose districts also exist to provide a single service, typically schools, but they can also cover services such as water, pollution control, or other specialized services. These elected bodies are also considered part of the local government systems.

Different executive models are used in different local authorities in the USA. In this respect, USA local authorities broadly fall under two categories. The first is ‘mayor-council’ local authorities where the mayor is directly elected and acts as chief executive. Although in the case of a larger authority, he may be assisted by a chief administrative officer, who depending on the local authority in question may be responsible for service delivery, day-to-day administration, budget formulation and providing policy advice to the political level. The second category involves the so called ‘council-manager’ local authorities, where the council is elected and responsible for setting the broad policy framework and direction for the local authority, as well as adopting the annual budget. The council also appoints a city manager who is given operational responsibility to run services on behalf of the council. While the council-manager system is used in just under half of all US cities, and tends to be most popular in cities with population of 5,000 and 250,000, the mayor-council model is more common in small (less than 5,000 people) and in very large cities (over 500,000 people). The mayor-council model is widely used in the USA.

We should state, by way of observation that although the two-tier model of local government is prevalent in the USA, there is a mix of the other models. Perhaps that is what makes the USA system as effective as it is.

---

49 Ibid.
51 Ibid.
4.3 Germany

Germany has a federal system of government, where the Basic Law (Constitution) defines the powers of the federal and the regional or state level (the Länder as they are called in Germany). Aside from the federal government and the 16 states, local government levels consist of 323 counties (Kreis), 116 county-free cities (kreistrere Stadle), and 14, 199 municipalities (Gemeinden). Each county is normally subdivided into a number of municipalities thereby creating a two-tier model of local government. Although in a small number of areas, there is a single unit (the so-called county-free cities) which combines the competences of both counties and municipalities in their area. Thus it can be said that the German local government system is a mix of both two-tier and single-tier system with two-tier being prevalent.

The Basic Law contains only a few general provisions concerning local government and more detailed provisions are traditionally set out in the state laws. Each of the 16 states is responsible for the organization of the local government system in their state. Thus, like the USA, the local government system in Germany varies to some extent from state to state, although with some similarities. In terms of the internal local government decision-making structure, local citizens in most parts of Germany, particularly the southern part, directly elect a mayor who acts as chair of the council and executive with a powerful position. Although local authorities in most northern parts of Germany traditionally had a ceremonial mayor who was elected by the council rather than citizens, the current trend is towards the model of directly elected mayor.

Concluding Remarks

Given the size of most of LGCs in Nigeria and their nature (some urban, some rural, some a mix of urban and rural), one may be tempted to propose a reform of our local government system in line with the USA and German systems that practice substantially, a two-tier local government structure. But we must bear in mind a major disadvantage of the two-tier system; that of wastage of funds, which was one of the major banes of the local government systems in the old Western and Eastern regions of Nigeria. We must also bear in mind the complaints about the very expensive governance being practiced at the federal and state levels because of the cost of running government and to our mind, this is largely caused by our political immaturity. Thus we are of the view that

---

54 Callanan, supra note 50.
55 Gabriel and Eisenmann, supra note 52.
introducing the two-tier system under our local government setting will lead to huge financial burden on the local governments and further prevent them from carrying out their function of grassroots development. Lagos state presently has a two-tier local government system (20 local government councils and 30 Local government development areas). Even though the state claims that these structures are enhancing grassroots development, the evidence on ground shows that the revenue accruing to the state for its local government councils cannot sustain such development in the final analysis because of the huge cost of running the government and paying staff salaries.\(^{56}\) In essence, we advocate that the one-tier system be maintained.

However, in terms of administrative structure, what we have at present is the presidential system as practiced at the state and federal level. But for efficient delivery of local services, we are proposing the ‘council-manager’ model as practiced in some local governments in the USA. This model is a blend of elected council members and professional managers who will be appointed as private managers to run the affairs of the local government. Under this model, the elected council is responsible for setting the broad policy framework and direction for the local authority, as well as adopting the annual budget. The council then appoints a city manager who is given operational responsibility to run services on behalf of the council. We believe that the proper way to ensure grassroots development is if our local governments are administered as private concerns but with elected representatives of the people setting policy frameworks and directions. This will also help to reduce the cost of maintaining a presidential system, and use the funds for developmental purposes. We do not need a constitutional amendment to bring this about. This is so because such an arrangement can be made under a state local government law. The latter ensures a local government system by democratically elected council while empowering the council to appoint city managers.

Local governments are established principally for development at the grassroots and it must be structured in such a way as to make it viable and capable of achieving this purpose. What we have done in this comment is to look at the current structure of LGCs in Nigeria, and we have seen that the current structure is a major reason for their non-viability. In light of the structure of local governments from USA and Germany, which we perceive as having very viable local government systems, we suggest a hybrid structure for Nigeria in accordance with section 7 of the Constitution which makes it mandatory for the existence of democratically elected local government councils under state laws.