Decentralisation and local governance in Nigeria: issues, challenges and prospects

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Abstract
Nigeria is a decentralised federation with a three-tier system of federal, state and local governments. Arising from this decentralisation, local governments are empowered to exercise certain powers and responsibilities in areas relating to grassroots development, local democracy and service delivery. Hence, local government plays a pivotal role in local governance. This paper synthesises studies on local government in Nigeria within the broader context of decentralisation and local governance. It takes a careful look at the emergence of local government in Nigeria as well as the debate on local government autonomy. The paper reveals that Nigeria’s decentralisation policy has largely failed to deliver autonomy to local governments, whose funds, functions and activities are controlled by state governments. Key challenges to the effective performance of local government include inadequate funding, constitutional ambivalence, abuse of state control, political instability and corruption. The paper ends with recommendations for improving the functioning of local government to enhance local governance.

Keywords: Decentralisation, local governance, local government, democracy, development, Nigeria

Introduction
In Nigeria, local government is a form of political and administrative decentralisation established to extend governmental services to local levels, create a sense of belonging at the grassroots, and promote national integration and good governance. It is expected to facilitate participatory development, effective service delivery and administrative efficiency (Beall 2004). Due to its closeness to the people, local government becomes a pivotal institution for communicating governmental policies to the local populace, and for generating feedback (Adejo 2003). In summary, it facilitates grassroots democracy and helps to mobilise local resources towards grassroots development, and can become a foundation for good and effective local governance. As a result, it is imperative for local government to be responsive, representative and accountable (Beetham 1996).
Decentralisation refers to the transfer of political and administrative powers to subsidiary entities within a political system. It is central to advancing local governance and may empower local governments to function within their own sphere of autonomy. It may also allow the devolution of political and administrative powers to the grassroots level, thus empowering local communities to collectively manage resources and make decisions in areas that affect them (Hatchard et al. 2004).

Democratic participation, localised socio-economic development, decentralisation, and bringing government closer to the people have been identified as the imperatives for the practice of local government in Nigeria (Alao et al. 2015). However, well over a decade ago Okojie (2009), in his evaluation of political, fiscal and administrative decentralisation in Nigeria, observed that although decentralisation is entrenched in Nigeria’s constitution, the expected benefits for service delivery were yet to be achieved. He further observed that lack of adequate finance impedes the performance of local government, and concluded that in practice decentralisation remained primarily deconcentration of powers and responsibilities from the federal government to state and local levels (Okojie 2009). Earlier studies revealed that lack of human resources, corruption and personnel challenges have crippled the performance of local government (Aluko 2006).

This paper synthesises research on local government in Nigeria within the broader context of decentralisation and local governance. The paper is divided into five key sections. The first examines concepts of decentralisation, local government and local governance. The second provides a brief historical background on the development of local government in Nigeria, including the legal framework and structure of Nigeria’s contemporary local government system – ie how local government is expected to function in the Nigerian federation. The third section examines the debate surrounding local government autonomy, highlighting major issues and contending perspectives. The fourth examines some of the challenges facing local government: constitutional issues, local government funding, abuse of state control, political instability and corruption. The fifth and final section presents a concluding note and recommendations for improving the functioning of local government in order to enhance local governance.

**Conceptual framework**

**Decentralisation**

Decentralisation involves the transfer of political, administrative and fiscal powers by a central government to lower levels within the spectrum of a territorial and administrative hierarchy (Smith 1985). Rondinelli (1981, p. 137) defines decentralisation as:

> the transfer or delegation of legal and political authority to plan, make decisions and manage public functions from the central government and its agencies to field organizations of those agencies, subordinate units of government, semi-autonomous public corporations, area wide, or regional development authorities; functional authorities, autonomous local governments, or non-governmental organizations.
Decentralisation is often applied as a mechanism for enhancing the efficiency of the public sector (Fatíle and Ejalonibú 2015). It is expected that through decentralisation, sub-national leaders become accountable to their constituents and as a result government becomes more responsive to the interests of local communities (Iseolorunkanmi 2014).

Scholars such as Olowu (2001) and Rondinelli and Cheema (1983) have posited that decentralisation can take three broad forms: deconcentration, delegation and devolution.

The first of these, deconcentration, can be defined as the transfer of administrative authority to lower levels that are within the same administrative structure (Sayer et al. 2012). In other words, deconcentration denotes an internal form of decentralisation in which the centre retains absolute control whilst improving effectiveness and efficiency, particularly at its periphery (Gregersen et al. 2012). It seeks to decongest the central government, with created local bodies acting as representatives of the central authorities to which they are subject.

The second form of decentralisation, delegation, is generally interpreted as the transfer of administrative responsibilities to semi-autonomous organisations that are outside the central government’s bureaucratic structure and as such are not controlled by it (Gregersen et al. 2012). However, those organisations remain accountable to the central government with respect to the functions delegated to them. They may include local authorities, non-profit organisations, interest groups, private sector businesses, international organisations and so on.

The third form, devolution, implies the creation or strengthening of sub-national units that enjoy a form of constitutional autonomy and are therefore to some extent outside the control of the central government (Edmunds et al. 2003; Sayer et al. 2012). These sub-national units are directly responsible to their constituents rather than the central government. In other words, the degree of authority transferred to the sub-national units is greater than in deconcentration and delegation.

Local government in Nigeria is in principle a product of devolution, as it involves the transfer of political and administrative powers to formally constituted and legally recognised political entities (Okunade 1988). These entities not only enjoy some degree of constitutional autonomy but are also created to facilitate rural development and enhance the delivery of social services to localised communities (Fatíle and Okewale 2013).

**Local government**

Local government is usually the third tier or lowest level of government in a federal system, established by law to manage local affairs (Ola and Tonwe 2009) and has been defined as a level empowered to exercise political and administrative authority within a geographical area (Olisa et al. 1990). This definition is, however, too broad as it can potentially be applied to both local governments and local
authorities, as both are sub-divisions of government that are created to administer a locality. But unlike local authority, which is often created through deconcentration and enjoys very little or no autonomy, local government is a product of devolution (as previously discussed) and should therefore exhibit significant levels of autonomy.

Thus, Blair (1977, p. 14) defines local government as an institution with:

\[\text{a resident population occupying a defined area that has a locally authorized organization and governing body, a separate legal entity, the power to provide certain public or governmental services and a substantial degree of autonomy having legal or actual power to raise part of its revenue.}\]

Fage (2007) argues that local government is a viable instrument for enhancing participatory, grassroots democracy and political socialisation as it relates to the self-governing of local communities by their elected leaders. Similarly, Lawal (2000) noted that local government is the government closest to the people, with powers to exercise control in managing the affairs of those within its domain. For Ikelegba (2005, p. 39), local government “is government under the responsibility of the local people and in the interest of the local population by local representative bodies”. In summary, the administration of local government is composed of popularly elected individuals who are empowered to perform specific functions at the local level. It operates within a sub-national territory with a legal identity; it has an institutional structure; and it exercises a range of powers and responsibilities (Chukwuemeka et al. 2014).

**Local governance**

Local government and local governance are often used interchangeably due to misconceptions arising from the conceptualisation of local governance. Hence, it is instructive to understand the concept of local governance in specific terms. Olowu and Wunsch (2004) argued that local governance entails “working local systems of collective action that manage a locality’s public affairs (on the basis of decentralisation) and are accountable to local residents”. This perspective tends to emphasise the role of local government in local governance. However, local governance is more encompassing as it goes beyond the formal structures of local government. Shah and Shah (2006) note that local governance recognises the roles of both formal institutions and structures of local government and those of community organisations, civil society and the private sector, as well as informal norms and social structures. Thus, as rightly asserted by Kauzya (2003), local governance does not equate to local government.

In a similar vein, the United Nations Development Programme (UNDP) gives a more comprehensive definition of local governance as follows:

\[\text{Local governance comprises a set of institutions, mechanisms and processes through which citizens and their groups can articulate their interests and needs, mediate their differences, and exercise their rights and obligations at the local level. The building blocks of good local governance are many: citizen participation, partnerships among key actors}\]
Consequently, the hallmark of local governance is the recognition of a wide range of stakeholders and players. To this end, good local governance would entail “creating space for democratic participation and civic dialogue, supporting market-led and environmentally sustainable local development and facilitating outcomes that enrich the quality of life of residents” (Shah and Shah 2006, p. 2). Nzongola-Ntalaja (2003, cited in Yagboyaju and Akinola 2019) identified three types of governance: public governance – the government or public sector; economic governance – largely the private sector; and social governance – civil society, individuals and other relevant social structures.

This paper is primarily focused on the public dimension to local governance in Nigeria, as local government carries most responsibility for grassroots development. Moreover, while local governance extends beyond the traditional conception of local government, as it involves creating opportunities for broader involvement of many different actors in managing public affairs at the local level, statutory local government remains crucial as the bedrock and a prerequisite for sound local governance (Yagboyaju and Akinola 2019).

**Historical development of local government in Nigeria**

The origins of local government in Nigeria have been a matter for debate. Some scholars have argued that local government dates back to the precolonial era, in which societies were divided into smaller districts such as towns and villages that were administered by local leaders appointed by the king or emir (Majekodunmi 2012; Alao et al. 2015). For the purposes of this paper, the starting point is seen as the British colonial government’s administration of local areas through existing traditional institutions, a system of government otherwise known as indirect rule (Saulawa et al. 2017). The adoption of indirect rule was primarily for administrative and economic convenience (Adeyemi 2019). As noted by Nwagwu (1991, p. 16):

> The introduction of indirect rule was to achieve twin objectives. These include making the task of administrating the newly acquired colony and protectorate of Nigeria easier for the British administrative officers called District Officers (DOs) and Residents, for the benefit of Britain and to keep the government nearer to the people through the Emirs and chiefs who had become agents of British imperialism.

Indirect rule therefore offered a means of subtle exploitation that ultimately served colonial interest. In localities that lacked traditional institutions (largely found in the eastern region), native authorities were established (Adetiba 2017). Their responsibilities were: collection of local rates and taxes, sanitary inspection, maintenance of law and order, and construction of local roads (Adetiba 2017). Contemporary local government institutions in Nigeria continue to perform these functions.

Following independence in 1960, Nigeria operated a multi-tier system in which regional governments were responsible for the creation and management of local governments. However, the 1976 local
government reforms introduced a single-tier system that brought uniformity to the structure, composition and functions of local governments across Nigeria (Olowu 1986). Additionally, local government was constitutionally recognised as the third tier of government in the Nigerian federation (Imuetinyan 2002).

The 1976 reforms were a result of the report of the 1974 Public Service Review Commission (known as the Udoji Commission), which among other things recommended reform of local government (Awofeso 2004). Prior to 1976 local government had become ineffective due to poor funding, inadequate staffing, lack of appropriate institutions and excessive politicking (Ezeozue 2020). Thus the 1976 reforms sought to strengthen the institution of local government as the third tier in the federation and defined its purpose as including:

- to make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to a local representative body;
- to facilitate the exercise of democratic self-government close to the grassroots level of our society, and to encourage initiatives and leadership potentials;
- to mobilise human and material resources through the involvement of members of the public in their local development; and
- to provide a two-way channel of communication between local communities and government (both state and federal) (Federal Government of Nigeria 1976, p. 1).

From the above, it is evident that the reforms were primarily aimed at putting local government at the forefront of democratic development in Nigeria. They were extensive in their approach and included crucial issues such as local government financing, functions and responsibilities; relationships with traditional rulers; and intergovernmental relations (Tobi and Oikhala 2021). Furthermore, they provided for democratically elected local government officials and introduced a population benchmark for local government areas ranging from 150,000 as a minimum to a maximum of 800,000 (Adeyemi 2019).

In Nigeria today, the 1999 constitution provides the legal framework for local government administration. The constitution embodies the major features of the 1976 reforms such as recognising local government as the third level of government in the federation, providing for elected councils, and establishing local government’s major functions, powers and responsibilities, which are mostly stipulated in the Fourth Schedule of the 1999 constitution. However, it also gives Nigeria’s states significant powers to oversee local government and determine what additional responsibilities might be conferred on local councils.

The 1999 constitution further provides for executive, legislative and judicial arms of the local government structure. The executive arm is responsible for implementing governmental policy at the
local level, including the implementation of by-laws. It is headed by an elected chairman and vice-chairman and includes the secretary of the council, supervisors (senior managers) and the supporting bureaucracy. As the executive head of the local government, the chairman also serves as the chief security officer and is responsible for appointing the secretary and the supervisors.

The legislative arm is made up of elected councillors who serve as representatives from the various wards that constitute the local government area. Its structure includes the leader and deputy leader of the council, chief whip, minority leader and other councillors. The legislature is charged with making by-laws, approving the budget and performing oversight functions. Under the federal constitution, state assemblies have the power to define the functions of the local government legislature through an enabling law (Olaiya 2016).

The judicial arm consists primarily of magistrates’ courts and traditional courts. These latter often adjudicate on issues such as inheritance and family disputes, and are headed by local traditional rulers (Olaiya 2016).

Today, Nigeria has 774 local governments nested within 36 states. It is notable that since 1976, all local governments have been created under military regimes rather than a democratic process (Diejomaoh and Eboh 2012).

The debate on local government autonomy
Legal and financial autonomy are essential elements of devolution in a democratic setting (Awotokun 2005). Such autonomy prevents interference in or control of one level of government by another, thus facilitating intergovernmental relations between levels of government based on mutual respect. In Nigeria, however, the autonomy of local governments remains largely a mirage given the high level of interference of state governments in their internal affairs. As noted above, the Fourth Schedule of the 1999 constitution stipulates the principal functions of local governments, but also authorises state legislatures to add to these functions. Used positively, this provision allows for flexibility in managing local government affairs within the state in such a way as to respond to local needs and peculiarities. However, if used negatively it undermines the autonomy of local government as a tier of government and, as will be later discussed, the abuse of this provision has become a major obstacle to effective local governance in the country.

Another major challenge to local government autonomy is the lack of fiscal independence, particularly from the coffers of the state government. Section 7(6)(a) of the constitution stipulates that:

> the National Assembly shall make provisions for statutory allocation of public revenue to Local Government Councils in the Federation; and (b) the House of Assembly of a State shall make provisions for statutory allocation of public revenue to Local Government Councils within the State.
Section 162(6) then provides for:

*a special account to be called State Joint Local Government Account, into which shall be paid all allocation to the Local Government Councils of the State from the Federation Account and from the Government of the State.*

The State Joint Local Government Account puts local government at the mercy of both state and federal governments, who are able to deny any local government its entitlement to funding (Ogunnubi 2022). For instance, in 2004 the federal Obasanjo administration illegally withheld funds due to local governments in Lagos State (Taleat 2017). Likewise, state governments have often misused their control of the Joint Account to meddle with local affairs (Doho et al. 2018). As a result, local government chairmen often have to grovel at the feet of state governors in order to safeguard their financial allocations (Doho et al. 2018). Nigeria’s fiscal arrangement has thus resulted in a situation in which local governments are more accountable to state governments than to the local community they govern (Odo 2014). As Awotokun (2005) highlighted, to make matters worse the Nigerian Supreme Court has ruled that the federal government cannot bypass the state to transfer funds directly to local governments, as it lacks the constitutional power to do so.

Furthermore, the lack of an explicit term of office for elected local government officials in the 1999 constitution has created more instability and enabled increased interference from state governments, thereby jeopardising the political autonomy of local government even more (Ojoye 2016). In several cases, state governors have unconstitutionally removed dissenting elected officials, which undoubtedly affects the policy-making process at the grassroots level (Ogunnubi 2022; Maduabuchi et al. 2014; Anayochukwu and Ani 2021). Also, the allocation, remuneration, training and control of local government staff are subject to state government control through its appointees on the Local Government Service Commission. Hence the allegiance of staff to elected local officials and grassroots development cannot be guaranteed.

While it is generally agreed that local government in Nigeria lacks substantial autonomy, there are three contending perspectives as to what its proper status should be (Akpan and Ekanem 2013). The first views local government autonomy as independence from the control of states; the second as lack of interference from the federal government in local affairs; and the third as independence from both state and federal control. These contending perspectives reflect a struggle for the control of local government between state and federal governments, in what has been described as “*the dilemma facing local government in Nigeria today*” (Akpan and Ekanem 2013, p. 201). This struggle is not necessarily driven by the need to make local governments more efficient.
As Akpan and Ekanem (2013, p. 202) put it:

*The struggle to control local government by state and federal governments is simply a matter of what each of them stands to benefit from such control, rather than how such control can deliver political dividends to the people at the local level.*

**Decentralisation and local governance: challenges and prospects**

As is evident in the objectives for local government expressed in the 1976 reforms, the system of local government in Nigeria is intended not only to decentralise political and administrative structures of government, but also to further enhance socio-economic development in local communities, bring government closer to the people, and facilitate participatory democracy. In other words, local government in Nigeria was created to strengthen and promote grassroots or local governance. However, local governments have largely been unable to effectively perform these functions, as the system is confronted by a plethora of multifaceted challenges (Anayochukwu and Ani 2021; Anayochukwu et al. 2022; Obisanya and Hassan 2022; Nkwede et al. 2022). Some of the principal challenges are identified and discussed below.

**Constitutional issues**

In the Nigerian federal system, sufficient autonomy of local governments is imperative for them to effectively perform their developmental functions in the context of sound intergovernmental relations between federal, state and local levels (John and Rupak 2008). The major challenge in this regard relates to the extent to which local governments are duly recognised as the third tier of government in the federation, as opposed to being seen as merely extensions of state governments (Diejomaoh and Eboh 2012; Olaiya 2016). In this regard, the provisions in the 1999 constitution with respect to local government are rather equivocal and ambivalent, thus creating ambiguities that hinder its proper functioning (Chukwuemeka et al. 2014; Anayochukwu et al. 2022). Constitutional lapses open the door for gross external interference in the affairs of local governments. In various ways, discussed below, the overbearing powers of state governments have over time eroded the constitutional roles of local governments. This has incapacitated local governance and transformed local governments into appendages of the states, which can then exploit them to achieve their own political aspirations (Adetiba 2017).

**Local government funding**

In order to function effectively, local government requires human and material resources; adequate funding thus becomes a prerequisite for effective local governance that will culminate in grassroots development. Findings from various studies on local government in Nigeria reveal that the financial resources available to local government are largely insufficient, especially when juxtaposed with their expenditure responsibilities (Anayochukwu et al. 2022). While there are both internal and external sources of revenue available for local governments, statutory allocations from the federal government, which are paid into the the State Joint Local Government Account, constitute the main source of local
government funding. However, as noted earlier, state governments often exercise undue control over those allocations (Ogunnubi 2022; Onah 2004). Although there have been cases in which local governments have attempted to protect their allocations by instigating legal action against a state government, this has failed to yield any tangible result (Oladele 2020; Kawi 2021).

In addition, local governments have been unable to generate significant internal revenue due to the failures of their officials in identifying and exploring sustainable sources of revenue (Ntiwunka and Ayodele 2022; Obisanya and Hassan 2022). This problem has been further amplified by the culture of tax evasion prevalent in Nigeria (Chukwuemeka et al. 2014). This combination of internal and external factors is largely responsible for the financial constraints on local government carrying out its constitutional function and pursuing developmental projects at the grassroots level.

**Abuse of state control**

As noted previously, the 1999 constitution empowers state legislatures to assign additional functions to local governments. This provision aligns with the rationale for the creation of local government, as it enables state assemblies to stretch the functions of various local governments to respond to the particular needs of the grassroots populace, thereby facilitating community development. However, it has become commonplace for state governments to abuse their oversight powers, usurping intended local rights and entitlements (Adeyemo 2005). For instance, the Oyo State local government law was amended in 2002 to require local governments within the state to remit their internally generated revenue into the account of the state government, but only 10% is then returned to the local government (Oladele 2020). This provision has further weakened the financial capacity of local government to fund developmental projects within the state.

**Political instability**

As well as creating a problem with funding allocations, the 1999 constitution fails to safeguard the political autonomy of local governments. For example, it fails to ensure that local government derives its full powers, functions and existence directly from the constitution; that the composition of local government councils is determined exclusively through elections; and lastly, that elected local government officials have a guaranteed term of office.

The resulting political instability, which manifests in frequent changes of the political leadership of local governments, has devastating effects on the implementation of development projects and therefore good local governance (Anayochukwu and Ani 2021). Again, this flows from abusive control and arbitrary influence exercised by state governors. As aptly noted by Ojoye (2016), this meddling in local governments has undermined their essential role as drivers of local development.

Contrary to Section 7(1) of the 1999 constitution, which provides for democratically elected officials to head local governments, there have been several cases in which state governors appoint caretaker
committees to manage the affairs of local government, while summarily dismissing democratically elected officials (Anayochukwu and Ani 2021). For instance, shortly after assuming office as the governor of Oyo State in 2019, Governor Seyi Makinde dismissed all the 33 local government chairmen in the state, while placing the whole state under caretaker committees. A similar event transpired in Bayelsa State in 2013; in Ekiti, Edo and Rivers States in 2012; in Imo State in 2011; in Ondo State in 2008 and in Abia State in 2003 (Maduabuchi et al. 2014). Furthermore, there have been no local government elections in Katsina and Anambra States since 2014 and 2013 respectively (Ebolosue 2021). Going back to the aforementioned Oyo State 2019 incidence, though the dismissal was eventually declared unconstitutional by the supreme court in 2021, the affected local government chairmen could not return to office as their tenure had already expired (Ogunnubi 2022; Nnochiri 2021). Thus, the latent objective of the state governor, which was to keep the elected local government chairmen out of office, was achieved despite the court ruling.

**Corruption**

Another major challenge to local governance in Nigeria is corruption, which has taken root in the fabric of the country’s local government system (Adeyemi 2012). Elected local government representatives see their position as a means for enriching themselves rather than pursuing projects that will stimulate grassroots development. Budgets for development projects are often inflated and some projects hardly make any visible impact (Lawal 2001; Fatile and Okewale 2013). Similarly, when local government administrations are constituted, issues of revenue allocation, award of contracts and appointments are often foremost, while the idea of facilitating grassroots development ends up receiving little or no attention (Jakpa 2004). Lawal (2001) noted, however, that this has not always been the case. According to him, during the heyday of native authorities it was taboo for a chairman to misappropriate funds that were meant for communal development. The administrators that were in charge of the native authorities (before they became district councils and much later local governments) performed their duties honourably. This allowed public trust to thrive at the local level (Fatile and Okewale 2013).

By contrast, the culture of corruption demonstrated by the political leadership of the contemporary local government system continues to undermine good governance, denying the people democratic development (Nkwede et al. 2022). Anti-corruption campaigns and demands for public accountability by civil society groups and other relevant stakeholders are more often targeted at public officials in higher levels of government, while little or no attention is paid to the vital need for accountability in local government. Similarly, anti-corruption agencies hardly probe the activities of local governments, and when reports are made to them they are often ignored (Fatile and Okewale 2013).
Conclusion and recommendations

The overall weakness of local governance in Nigeria derives mainly from the inability of local government to positively steer development at the grassroots level. Although the Nigerian constitution recognises local government as the third tier of government, in practice it has become an instrument of state governments, whose interference in local affairs continues to undermine participatory democracy and sound governance at the grassroots level. Constitutional ambivalence, inadequate funding, abusive state control, political instability and corruption among local government officials may be seen as key factors militating against the effective performance of local governments. If these trends persist, the quality of local governance will no doubt continue to deteriorate and effective grassroots development will continue to elude the local people who were meant to benefit from decentralisation policies that saw local governments as an essential component of the Nigerian federation.

Thus, to safeguard and strengthen local governance, this review highlights the need for at least the following four measures:

1. A constitutional amendment to grant financial autonomy to local governments through the complete abrogation of the State Local Government Joint Account. This will allow for direct remittance of funds to local governments by the federal government, thereby putting an end to the control of local government funds by overbearing state governments.

2. A further amendment to stipulate a specific term of office for elected local government officials, similar to that applying to their state and federal government counterparts. This will improve political stability by preventing arbitrary interference by state governors in the political leadership of local governments.

3. Proper education and training of members of state assemblies concerning the proper exercise of their powers, to extend the functions of local government to meet the particular needs of local people. This will militate against abuse of state control while strengthening the oversight functions of state assemblies to enhance local governance.

4. Nurturing transparency and accountability at the local level in order to facilitate good local governance that will produce grassroots development. Anti-corruption agencies must direct more attention to the administration of local government and prosecute officials that engage in corrupt practices.

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