

Local government in Nigeria

The Federal Republic of Nigeria, with a population of about 140 million, is not only Africa's most populous state but also one of the largest federations in the world. The history and development of its local government system is a direct consequence of British colonial history.

Nigeria became independent in 1960 and adopted a republican constitution in 1963 with a three-tier government structure made up of federal, state and local governments. Nigeria's political structure comprises 36 states with a Federal Capital Territory, which includes the capital, Abuja, along with 768 Local Government Authorities (LGAs) and six Area Councils in the Federal Capital Territory.

Constitutional recognition

Local government is constitutionally entrenched as an order of government alongside the federal and state governments. The Constitution requires all states to enact legislation providing for the establishment, structure, composition, finance and functions of local government councils. The legitimacy of the local government councils as a tier of government is derived from the 1999 Constitution which states:

The system of Local Government by democratically elected Local Government Councils is under this Constitution guaranteed; and accordingly, the government of every state shall, subject to section 8 of this Constitution, ensure their existence under a law which provides for the establishment, structure, composition, finance and functions of such councils.

Local governments are thus creatures of statute. While the creation and establishment of local governments is the function of the State, authority for recognising their creation is given to the National Assembly. The Constitution provides for the procedure for the creation of new local governments. The rationale for the constitutional recognition arose out of the need

to make it obligatory on the state government to ensure the existence of democratically elected local government councils, to guarantee their functions and to direct the allocation of funds to them from federal revenue.

Composition, powers and functions of local government

Local governments in Nigeria operate a presidential system of government with two political institutions: the legislature and the executive. The legislature is composed of councillors, who are elected to make laws. The legislature makes all the laws for the proper administration and good governance of the local government area. The executive consists of the Chairman, Secretary and Supervisory Councillors. The Chairman is directly elected by the people. The Chairman appoints the Secretary and Supervisory Councillors; they are not members of the legislature. In other words, separation of powers is practiced at the local level. Each local government in the country operates on the basis of separation of powers between the executive and the legislature.

As an institution of development, local government powers could be inferred from section 7(3) of the 1999 Constitution as an organ of government to "participate in economic planning and development" in its area of jurisdiction. Local governments can exercise their powers to enact by-laws for:

- the economic development of the local government area;
- rates, levies, and other statutory charges;
- employing and disciplining junior staff of the council; and
- the good governance of the local government.

The revenue sources that fall under the jurisdiction of local government are non-buoyant and inelastic.

While core functions of local government are defined in the Constitution, individual states may augment their responsibilities through legislation. The functions of local government are provided for in Schedule 4 of the 1999 Constitution. There are functions that local governments share with other orders of government, especially the state governments. These include the provision and maintenance of primary, adult and vocational education; agricultural and natural resource development (this does not include exploitation of mineral resources); and the provision and maintenance of health services and such other functions as may be assigned to local governments by the State House of Assembly.

Some functions are mandatory for local governments and for these they have sole responsibility. The consideration and making of recommendations to the State Commission on Economic Planning or any similar body on the economic development of the state, particularly insofar as the area of authority of the council and the state are affected, as well as proposals made by the said commission or body, is one such function. The collection of rates on radio and television licenses is another. There are numerous others.

In practice, however, local governments are mere agents of the state. State governments regard the shared functions as a list of permissive functions, which they allow local governments to perform under close supervision if they have the resources to perform them. State governments lay down policy and exercise administrative controls over the quality and quantity of services to be delivered but leave the responsibility for funding to local governments that lack the resources to do so adequately. The Constitution does not give local governments clear mandates on key local functions such as local development planning, primary education, health services and the development of agriculture and natural resources. Their role in economic development planning is to make recommendations to a state's agency for economic planning. With such unclear mandates, local governments have had an uphill task resisting state interference in local functions.

Financing the governance role of local government

Local governments' expenditure responsibilities are financed largely through statutory allocations from the federal government, with local governments regularly receiving about 20% of total revenues in the divisible pool called the Federation Account. Since oil revenues are part of the Federation Account, local governments receive substantial revenues on account of

this statutory allocation. Local governments are also entitled to a share of federally collected VAT revenues (outside of the Federation Account). The share is determined by the National Assembly upon advice by the National Revenue Mobilisation, Allocation and Fiscal Commission. In addition, states are mandated to allocate 10% of their internally generated revenue to local governments within their jurisdiction.

It is required that each state government and local governments in the state should maintain a special account called the Local Governments' Account, into which is paid such funds to be applied for joint purposes as may be prescribed by the state or the National Assembly. Each state is expected to pay to the local governments in its area of jurisdiction a proportion of its own revenue (that is, excluding the sums received from the Federation Account).

Local governments have original taxing powers. Four tax sources fall within their legal and administrative jurisdiction:

- licences and fees on television and wireless radio;
- market and trading licenses and fees;
- car park duties; and
- advertising fees.

In practice, only one tax source (markets) is exploited by local government. Interestingly, even the tax source universally considered a local tax, namely property taxes and rating, is in reality under the legal jurisdiction of the state. It is quite obvious that in Nigeria, the local governments depend largely on the Federation Account to finance their activities. The reason for the heavy dependence on fiscal transfers from external sources is the nature of the taxes assigned to local governments. The revenue sources that fall under the jurisdiction of local government are non-buoyant and inelastic. They cannot yield sufficient revenue to make any significant impact on the structure of local finance. In Nigeria, therefore, local government expenditure constantly surpasses the potential for revenue sources owing to the great gulf between their needs and their fiscal capacity.

Intergovernmental relations

The federal government still exercises both constitutional and statutory responsibility over local government administration

In state-local government relations there have been cold wars.

by the creation of new local governments through the normal processes of constitutional amendment; making provisions for statutory allocation of public revenue to the governments of the federation; establishing a National Electoral Commission for the purpose of organising democratic elections at all levels, including local government elections; establishing the code of conduct bureau for all public officers, including local government functionaries, to declare their assets; and exercising unfettered powers through the National Assembly to make laws for the federation or any part thereof including any local government area. The federal-local government relations have so far been very cordial.

However, in state-local government relations there have been cold wars. Local governments complain about undue interference from state governments. In addition, local government chairmen have argued that state governors, (especially where a chairman comes from a party different from a Governor's) plot to remove them by using the audit powers of the state. State governors have also been accused of plotting with the state houses of assembly to shorten the tenure of elected local government officials from three years in order to put their supporters in office. However, many governors claim that a majority of chairmen and councillors of local governments only sit down to share money drawn from the Federation Account and hardly embark on development projects.

In addition, the governors are angry that the Federal Government relates directly with local government councils that operate under them.

The three common problem areas in the relations between state and local governments are finance, functions and staffing. On finance, state governments routinely hijack varying proportions of the allocations to local governments from the Federation Account. Furthermore, many state governments usurp local government avenues of generating internal revenues and fail to contribute the required proportion of their internally generated revenues into the State Local Government Joint Account for sharing among local governments, contrary to the provisions in the 1999 Constitution. In addition, there is a degree of overlap of functions among the tiers of government, especially in the implementation of such national policies as

primary health care, primary education, water and sanitation. This has in some cases resulted in duplicated efforts, acrimony amongst government functionaries on authority over certain functions and attendant waste of public funds.

Comment

Local government in Nigeria is still in the process of evolution. Nigeria has gone through the pre-colonial and colonial era through to military rule and democracy and each of these phases has had significant impacts on local government. The manner in which Local Government Areas were created and distributed by past military administrations has been a source of great acrimony and disharmony. There are now strong agitations for reform of the local government system. Contentious issues include, among many others, the continued retention of authority to create local government or otherwise by the Federal Government; the problems associated with the funding of local governments; the overbearing interference of state governments with local government funds; the basis of funds distribution to local government councils; the desirability or otherwise of Joint Accounts Allocation Committees; and the problems of local government administration occasioned by elected chairmen and councillors.

Corruption poses a serious challenge to governance at the local level and is a major problem in the interaction between politics at local level and politics at the state level especially. This has impacted negatively on the realisation of the delivery of services. More generally, corruption has eroded the institutional capacity of government as procedures are disregarded and resources are siphoned off. Corruption has undermined the legitimacy of governance at the grassroots, as well as democratic values. In order to promote good governance, accountability, popular participation at grassroots level and to strengthen the ability of local governments to meet the basic needs of the rural people, a progressive reform of the local government system is necessary.



Dr Habu Galadima
Department of Political Science
University of Jos, Nigeria