

## NIGERIA

Capital: Abuja



Area: 923,770km<sup>2</sup>  
Population: 131 530 000 inhabts  
Density: 142,4 ctzns/km<sup>2</sup>  
Average growth: 2,2 %



### FOCUS

The 1999 Constitution remains the yardstick through which the functions of the local governments are measured. In 2003 a Technical Committee was set up on the Review of Local Government Councils. However, its report has not been implemented. The local governments are still so limited in their administrative and technical capacity that they would still need the assistance of the state government. The reforms, although highly publicised, remain very elusive, states have often resorted to law suit to obtain the implementation of certain policies. The passage into law in 2005 by the National Assembly of the "Bill for an act to prescribe the basis for the allocation of revenue standing to the credit of local government councils and Area Councils in the Federal account and for other matters connected therewith" and the establishment of the "Economic and Financial Crime Commission (EFCC)" and the "Independent Corrupt Practices and other related Offences Commission (ICPC)" by the Federal Government underscores government commitment towards decentralization and fight against corruption and corrupt practices. The EFCC and ICPC have the mandate to monitor disbursement to the local councils and to act on any reported case of abuse by the state government. These efforts by the Federal Government have drastically reduced instances of state illegal tampering with council funds. The two commissions are receiving adequate support and backing from the Federal Government. However, the implementation is still restricted. Delta state's local government law for example has provided for complete financial autonomy of local governments where contracts are no longer referred to any organ or functionary of the State Government for approval provided the project had received the prior approval of the Legislative Arm of the Local Government. It is highly recommended that other states emulate this pattern.

## GENERAL INDICATORS

<b>Human Development</b>	HDI	0,466		
	Total GDP (millions \$US)	159 750		
	GDP/per capita (units of \$ US)	1 120		
	Annual Growth	3,5%		
	Life Expectancy	43,3		
	Literacy (%)	Men	74,4	
		Women	59,4	
	Access Internet/1000 ctzn)	6,08		
<b>Decentralization</b>	Communalized Population	100%		
	Average Communal area			
	Urban Population	46,7		
	Number and Tiers of local governments	State	36	
		Metropolitan Municipality (Cat. A).		
		Local Municipality (Cat. B)	774	

### I- The decentralisation policy

#### **Evaluation:**

*The new constitution has weakened the solid roots of the Local governance system. LGs' statutes are not the same anymore throughout the country. The report ordered by the federal government on the issue is yet to be implemented.*

#### **Indicators:**

- 1.1. Establishment of the LG system : ⇒
- 1.2. Consistency of the legal framework: ⇒
- 1.3. Consistency of administrative arrangements: ⇒

#### **The establishment of the Local governance system**

The functions, structure, composition and finance of local government are determined by state law within the parameters set forth in Section 7 and the fourth Schedule of the 1999 Constitution. Whilst there are some variations from State to state, the majority of the local governments have been established on the "presidential model", that is the chairman of the local government area is elected by voters in the local government area and governs with the assistance of commissioners who he appoints to head local government departments.

However, local government autonomy is restricted by higher levels of government not only by statute but also by limitations on their discretion in making and executing their budgets and in control of their personnel in the form of guidelines having the force of law periodically issued by state governments as policy.

Decentralisation to locally elected governments was introduced as a means to improve incentives of public providers for service delivery to poor people. Yet, practical evidence on how decentralisation initiatives work in practice is lagging.

There has been some on going agitations for the creation of more local governments, the National Assembly is still resisting this tendency and the number of Local Government Areas may not be higher than the current number. Moreso, these agitations are seen merely as an avenue to appropriate funds. Recently, Lagos State increased of local government areas from 20 to 57 attracted a stiff opposition from the Federal Government, which withheld the state monetary allocation. The federal government insists that Lagos should revert to its former 20 local governments to qualify for the funds since the National Assembly has not

approved the additional 37 local governments, while Lagos State insists that it is still within the law, since it is not asking for new funds for the additional

**Legal framework for decentralisation**

The 1999 constitution incorporated certain important achievements of decentralization. Section 7 provides inter alia that the Government of every state shall ensure the existence of local government councils under a law which provides the establishment, structure, composition, finance and function of such councils.

Although the Constitution clearly guarantees that local governments should be democratically elected, it places them under the control of the state government. This arises from the constitutionality-recognised power of the state government to make laws with respect to local government councils.

The power of a state government in respect of local government councils on the other hand also is limited in three ways namely:

- the Constitution directly creates the local government
- the Constitution specifies their establishment and mandatorily confer certain functions on them
- no laws for the creation of any more local government can be effected without

**The Administrative Organisation**

Government in Nigeria is divided into three tiers—the federal government, the governments of each of the country’s thirty-six states, and local government councils that govern Nigeria’s 774 Local Government Areas. The Nigerian Constitution provides for all three levels of government should be autonomous and to be run by popularly elected administrations, and lists in detail the exclusive and concurrent powers of each. The local government system adopted varies from state to state.

Local Governments. In order to have access to its funds (albeit partly) the Lagos State has now reverted to its initial 20 local governments.

complying with the strict constitutional provisions.

The combined forces of these factors make local autonomy elastic but its elasticity depends on the government of the day. It is also clear that an over reliance

- The Native Authority Ordinance, 1916,
- The Native Authority Ordinance, 1933,
- The Local Government Law, 1950,
- The Local Government Law, 1952,
- The Native Authority Law, 1954,
- Guidelines for Local Government Reform, 1976,
- The Revenue Allocation Act, 1981,
- The Local Government (Basic Constitutional and Transitional Provisions Act, 1989
- The Local Government (Basic Constitutional and Transitional Provisions (Amendment No. 23) Decree, 1991,
- The Local Government (Basic and Transitional Provisions) Decree, 1998
- The Federal Constitution, 1999
- Electoral Act 2001
- Electoral Act 2002
- Monitoring of Revenue Allocation to Local Governments Act 2005

It should be appreciated that the administration of Local government council involves the making of various decisions on a regular basis; such decisions could be classified in various ways, legislative, administrative, judicial, quasi-judicial.

The notion of inter-community relations or partnership in order to improve the local communities seems strange to them rather what obtain is disputes of boundaries in some states and inter-communal clashes. On the other hand there are co-operations with their foreign partners to promote the development of the local government.

**Table 1: Administrative and territorial organization**

States	No. of LGs.	States	No. of LGs	States	No. of LGs.	States	No. of LGs.
Abia	17	Kano	44	Gombe	11	Oyo	32
Abuja FCT	6	Katsina	34	Imo	27	Plateau	17
Adamawa	20	Kebbi	22	Jigawa	27	Rivers	22

Akwa Ibom	31	Kogi	20	Kaduna	23	Sokoto	22
Anambra	21	Kwara	16	Ebonyi	12	Taraba	15
Bauchi	20	Lagos	20	Edo	18	Yobe	17
Bayelsa	9	Nassarawa	13	Ekiti	15	Zamfara	14
Benue	22	Niger	25	Enugu	17	Ondo	18
Borno	27	Ogun	19	Delta	25	Osun	28
Cross River	18						

## II- The implementation strategy

### **Evaluation:**

*The Commission create by the Federal government on the issues of LGs autonomy has finalized its report. Its recommendations have not yet been considered. However, through a clear distribution of competencies among the three levels of governance, LGS have full autonomy in managing local affairs. Technical supports are provided to LGs by federal and state governments' institutions.*

### **Indicators:**

- 2.1. Implementation planning : ⇒
- 2.2. Transfer of competencies and sector-based policies: ↑
- 2.3. Structuring of decentralization and spatial planning: ⇒
- 2.4. Technical support and M&E of the process: ⇒

### **The decentralisation implementation planning**

The Constitution intended the autonomy of Local Government and made provision for the finances of local government. Unfortunately only the Federal Government has made such allocations to local governments. The consequence of this was that local governments became more reliant on the Federal Government whereas they are creations of the State Government. This has resulted in intergovernmental conflict between the federal and the state governments. Rather than work for their autonomy, local governments have sometimes sought

refuge under the Federal Government in opposition to the State Governments.

The approach of several governors regarding the location of various projects such as roads, electricity service, hospital rehabilitation etc. the objective being to spread the development so that every local government area is the location of at least one capital project. Some local government chairmen have shown quite some initiative in improving the lot of their community as much as they are permitted so to do.

### **Institutions in charge of technical support and monitoring**

Structural changes have taken place to ensure that local governments enjoy a reasonable measure of autonomy. In chief is the abolition of the ministry of Local Government in 1988 to allow the local governments make their own policies and take responsibility for local development, so the Ministry of Local Government Affairs was established in the Governor's office to coordinate state-local political and administrative relationships. At the National level, there is the Department of Local Government Affairs in the State and Local Government Affairs Office that coordinates federal-state-local relationship.

The Local Government personnel management is a function between a central personnel agency of the states (the Local Government Service Commission) and the local governments. This commission is in charge of appointing, deploying, transferring, promoting and discipline of senior local government staff.

Traditional rulers in a local governments constitute Traditional or Emirate Council to advise on local laws and customs and to assist with tax collection where that is the tradition.

Ministry of Intergovernmental Affairs and Special Duties was established also to

conduct intergovernmental relations through the Presidency.

**Table 2: Transfer of competencies and sector based policies**

Service	Delivering Authority		
	Federal	States	LGAs
<b>GENERAL ADMINISTRATION</b>			
Police	•		
Fire protection	•	•	
Civil protection	•		
Criminal justice	•	•	
Civil justice		•	
Civil status register			•
Statistical office	•		
Electoral register	•		
<b>EDUCATION</b>			
Pre-school			•
Primary		•	•
Secondary	•	•	
Vocational and technical		•	
Higher education	•	•	
Adult education		•	•
<b>SOCIAL WELFARE</b>			
Kindergarten and nursery			•
Family welfare services			
Welfare homes		•	
Social security			
<b>PUBLIC HEALTH</b>			
Primary care			•
Hospitals	•	•	
Health protection			•
<b>HOUSING AND TOWN PLANNING</b>			
Housing	•	•	
Town planning		•	•
Regional planning		•	•
<b>TRANSPORT</b>			
Roads	•	•	•
Transport	•	•	•
Urban roads	•	•	
Urban rail	•		
Ports	•		
Airports	•		
<b>ENVIRONMENT AND PUBLIC SANITATION</b>			
Water and sanitation		•	•
Refuse collection and disposal			•
Cemeteries and crematoria			•
Slaughter-houses			•
Environmental protection			•
Consumer protection			•
<b>CULTURE LEISURE AND SPORTS</b>			
Theatre and concerts	•	•	
Museums and libraries	•	•	
Parks and open space			•
Sports and leisure	•	•	•
Religious facilities	•	•	•
<b>UTILITIES</b>			

Gas services District heating Water supply Electricity	•	•	
<b>ECONOMIC</b>			
Agriculture, forests and fisheries Economic promotion Trade and industry tourism	• • • •	• •	

### III-The local government structures and management

#### **Evaluation:**

*Because of an old administrative tradition, the local governments were functioning very regularly until their suspension in 2002 following the deferment of the local elections. Since the last elections, Local councils and Executive are in place and hold regular sessions in line with their legal agendas. The technical and administrative staffs are of good quality with some concerns however in the remote areas. The new constitution has reinforced state government prerogatives over LGs and this has resulted in reducing their autonomy.*

#### **Indicators:**

- 3.1. Functioning of the political organs : ↑↑
- 3.2. Quality of the technical organs: ⇒
- 3.3. The level of the State control: ⇒

#### **The political organs**

The executive is vested in the chairman, vice-chairman, supervisor or supervisory councillors, and the whole machinery of local government bureaucracy. The legislative functions are meant to be performed by the councillors, who represent the wards which make up the Local Government Area. The judiciary on the other hand is streamlined with the federal and state and local government can avail itself of the judicial process available to it. The local government elections were held in March 2004 and the new local government chairmen sworn in

soon afterwards and resumed their services.

It is important to note that at the state level, there is no significant policy difference between councillors of different political parties in the local government areas. Some council in the local government areas include members of the opposition, but party is not a defining attribute of political conflict. Local government chairmen do not regard party as important and seek to spread development across the area embraced by the local government authority provided councillors cooperate with them.

#### **The technical organs**

The council is further divided into technical departments whose heads are themselves, elected. Two other members elected under the same conditions form, with the Chairman and the heads of the technical departments, the Staff of the administration and finances. There is no

municipal executive in the form of a municipality embodied in the mayor for running the daily affairs of the community. Rather, there is a team comprising the Chairman, the heads of the technical departments and two other members.

#### **Control of Local government by the State government**

It has often been said that the greatest champion of local governments in Nigeria has been the military which supported the elected local government and allocated a

greater share of the Federation Account to local government. Although local governments have been given specific functions and responsibilities, these

services are carried out under state supervision, and consist mainly of the construction and rehabilitation of buildings that house these services. Funding of these capital works are supposed to be allocated from capital budgets. Local

governments have very little latitude with respect to either policy-making or budgeting which may further explain the uninspired performance of many local government chairmen.

### **Structures and function of the municipal services**

Although local government participate in the provision of primary healthcare and education, they are highly constrained by state and federal policy. One of the most contentious issues is the provision of primary education. The deduction at source from the federation account allocations to Local governments for the payment of primary school teachers' salaries is a trend that has been maintained since the Abacha regime and the clamour for it to be stopped seems to fall on deaf ears. This has created a disincentive for local governments to expand primary education notwithstanding the federal policy to move towards universal Basic Education. The result is some states is a standoff between the

state primary education board which recruits and posts teachers and the LGAs which are unwilling to construct additional classrooms or schools, because they wish to limit the number of teachers whose salaries they must cover.

Within the realms of general administration, education, social welfare, public health, transportation, utilities, economic matters and other issues, constitutional and legislative clarity must be used to assign "delivering authority" either exclusively or concurrently to the various tiers of government. That will permit better financial revenue allocation among these tiers.

## **IV- The Human Resources**

### **Evaluation:**

*The trend nowadays is that local political leadership surround themselves with highly qualified staff they can rely on. However, the trend is not effective in the remote LGs which lack means to attract qualified HR.*

### **Indicators:**

- 4.1. The qualifications of local agents : ⇒
- 4.2. The transfer of the human resources: ↑↑
- 4.3. The LG contracting power: ↑↑

### **The existence and qualification level of local agents**

The constitution requires that all local government staff must be educated up to at least an ordinary national diploma certificate level.

It does appear however that few local governments engage professionally

qualified personnel to manage the audit department their professionalism is often suppressed by the culture of these local governments which present a weak accounting system.

### **Local human resources**

The shift to greater responsibilities for the communities and private sector, with government acting as a facilitator, will require a concerted human resources development effort. While most of the financing will go towards capital expenditures most of the effort will go towards training and management.

ALGON is engaged in manpower development and has organised several programmes in collaboration with consultants and other relevant institutions such as self-sufficiency in Skills acquisition and creativity programme. It has also organised workshops and seminars for functionaries of the local government.

### **The local government contracting power**

The local governments are vested with the power of entering into contractual agreements for their construction and transportation and infrastructure services. External consultants are often engaged although consultancy services to government have been abused over the

years. Most consultants are engaged with cautionary measures in place.

All construction carried out by the private sector for local governments are said to be awarded through competitive building on at least a state-wide basis, following pre-qualification to identify contractors known to do high-quality, professional work.

## **V- The Local democracy**

### **Evaluation:**

*The preferment of elections in 2002 and the subsequent suspension of elected Local councils raised concerns about the sustainability of the local democracy. The last election in 2004 is a sign that has to be confirmed later. The instability of the system has frozen people motivation to participate in local affairs with the consequence of reducing accountability and transparency in local government management. The Municipal movement is quite strong as NALAG is at the front line in the battle for LGs' autonomy.*

### **Indicators:**

5.1. Fairness of the electoral system: ↑

5.2. Level of citizen political participation: ⇒

5.3. Sustainability of the municipal movement: ↑

5.4. Transparency and accountability of local authorities and management: ⇒

### **The electoral system**

There is a clear commitment to the principle that locally elected leaders shall exercise the powers of a local authority. Elected councils have a three-year tenure. In 1998, the councillors were democratically elected in elections conducted by the Independent national Electoral Commission (INEC). The Constitution now provides for the establishment of a State Electoral Commission by each State, it is this body that now conducts local elections. This has resulted in the States holding elections at different periods although majority of

states held their council election in March 2004.

There have been several agitations towards extending the tenure of local government officials to coincide with the tenure of other tiers of government's status but the change has not been effected.

However, the local government chairmen are allowed to vie for a second term although, more often than not these past chairmen are not re-elected into office, as it is the belief of the people more often than not that they were not properly served.

### **The representation of the local authorities**

Decentralisation reforms were meant to provide the local governments with self-governance. In 1966, when the military took over, the local government powers were further subsumed by the states, then of course the local governments were the affairs of the state government. Some states introduced local administrations that they had full control of the running of the local government area.

With the introduction of the 1999 Constitution it does appear that with the

new reform of local government authorities as they were recognised as the third tiers of government and were given more room to govern independently their localities albeit with interference from the state from time to time.

However, with a lack of real autonomy and enough revenue it is quite difficult for local governments to exercise their authority to its fullest potential.

### ***The local participation (relation between municipal organs and the civil society organisation)***

The government needs to be bold to transfer substantial power to the localities to challenge the local elite to engage or be involved with the scheme of decentralisation. The people participate enthusiastically in local development when they control the decision-making machinery, especially when they are able to elect and remove their leaders. Secondly, transfer of substantial powers without adequate transfers of resources will undermine decentralisation. Localities need to have resources to exercise whatever autonomy they are granted as a result of decentralisation.

In Nigeria, whilst formal local government powers are vested in an elected local government council, traditional rulers exercise influence appropriate to their status for the rigmarole of local politics but also makes available their resources,

especially in respect of mobilisation and political communication, to the local development effort.

In order to preserve the traditional position of traditional rulers and Chiefs, the government has decided that, there should be Traditional Council for each Local Government authority area or a group of Local Government authority areas over which a traditional ruler has suzerainty. A Traditional Council consists of traditional office holders, the Chairman of the Local Government authority, one or two traditional representatives of each Local Government authority council, as may be considered appropriate and any other person(s) who may be desired, in order to make the traditional Council broadly representative of the major facts of life in the entire area

### ***The transparency and accountability system of local management***

Accountability, transparency and integrity must guide the use of development resources at all levels to make local governance effective and responsive to the needs of the people.

Financial accountability in local government is monitored through external audit carried out by an independent Auditor-General of local Governments. While all states have an auditor-general, everywhere he has been emasculated by inadequate manpower, poor budgetary provision, lack of official support from the state government and absence of up to date annual accounts to work on. While many local government lack internal capacity to keep good records and prepare timely accounts to enable audits to be carried out on schedule, some will fully resist submitting their accounts for audit.

In order to promote accountability, the new local government reforms have entrusted the Department of Local Government in the Governor's Office the powers of

ensuring proper accounting of local government finance and auditing same. The principal aim of this provision is to ensure that the local governments comply with the financial memoranda, accounting codes and procedures.

There have been tepid efforts in prosecuting local government chairmen, and the various state accountants-general and auditors-general, who appropriate the funds. None of these officials enjoys the immunity, which hinders prosecution.

We find evidence of limited accountability at local levels, specifically reflected in the non-payment of salaries of health workers, variation in which cannot be explained by appealing to lack of resources available to local governments.

We believe the war on corruption would succeed more if it is fought within the laws and with great examples from the authorities, at all level. Sheer legislation, especially when it is unconstitutional, will be extremely unhelpful.

### ***The municipal movement and the decentralised cooperation***

There is a variety of civil society organisations (profit and non profit) that in one way or another cater for the needs of

the community. They are interrelated through a network of horizontal linkages and work in partnership with the respective

spheres of government. The most prominent organisation is the Association of Local Governments of Nigeria (ALGON), a product of Government was formed in 1995 but was formally inaugurated in November 1999.

Thus, one of its priorities since inception has been to lobby for the introduction of a bill of law at the Parliament for the purpose of amending the provisions of the 1999 Constitution which reduced the local autonomy. The main objectives of this project are:

- to restore local governments autonomy vis a vis the States, as much as the Federal Government ;
  - harmonizing the legal and administrative system of the local governments in order to destroy the present anarchy resulting from the authority given to each State to legislate on its local governments.
  - to dissolve the electoral commissions established at the level of each State for the purpose of replacing the Federal Commission ;
  - to bring an end to the interference of the Governors of the States in the management of the financial transfer to the local governments, especially, managing the Federal Grants Account of the local governments ;
  - to cancel the practice of withdrawal at source that has been in operation for several years on the quota of each authority at the Federal Account for the payment of the salaries of primary school teachers ;
  - the legislative integration of decree n°21 of 1998 which enumerates the taxes, rates and fees included in the internal budget revenues of the local governments.
- At the same time, ALGON has also initiated a negotiation with the Federal Government for an increase in the grant

from the Federal Grant Account. A representative of ALGON is therefore, participating in the deliberations of the National Revenue Mobilization and Fiscal Commission- (NRMAFC)

This commission is working on the revenue distribution of the country between the national administrative bodies.

On the other angle, ALGON has positioned itself as a formidable intermediary between the local governments and their partners. As a way of harmonizing the activities of the donors, the Association has demanded that all the interventions of donors in favour of the local governments should pass through it. This strategy has helped to reduce certain disorders in the supports of the financiers on decentralization matters.

Thus, in 2001, ALGON, in collaboration with development partners, training institutes and civil society organizations involved in the field, established a medium term training programme for the municipal personnel at all levels and in all the sectors of local development.

Communication is another important field in which the Association is investing. After having built, with the MDP's support, an Internet website for itself and for the use of its members, ALGON has, since 2001, embarked on equipping all the rural local governments with computer facilities with permanent internet connection known as the Rural Internet Communication System. ALGON has also engaged itself in the improvement of the security system in the country through a National Security Scheme under which logistic support, notably in form of delivery of Jeeps and other vehicles, was given to the security agencies.

## **VI- The Local finances**

### ***Evaluation:***

*The LGs' portion of the national revenue is duly transferred. But, the amount internally generated by each local government has suffered a systematic decline as they have shirked their responsibility of augmenting and concentrating rather on federal and state government for funds for the performance of their statutory functions. Compared to other governance levels inputs in the national economy, the LGS contribution can be considered negligible.*

### ***Indicators:***

6.1. Consistency of intergovernmental transfers : ↑↑

6.2. LG performances in locally generated resources: ↓

6.3. The economic and financial weigh of LG: ⇒

### **Intergovernmental transfers**

When the 1976 reform was introduced, the Federal Government ensured that 100% of the Federation Account was transferred monthly to the States for their Local Governments. The States maintained a State joint Local Government Account into which the transfer from the Federation Account and 10% of the States internally generated revenue were lodged for sharing among the local governments. The States maintained a State Joint Local Government Account into which the transfer from the Federal Account and 10% of the States internally generated revenue were lodged for sharing among the local governments. During the Second Republic (1979-83) many States declined to make their 10% contributions regularly and some even raided the State Joint Local Government Account to shore to their own finances. In addition, some State encroached upon the functions assigned to local government, particularly those with revenue-yielding potential.

To forestall the states' encroachment on funds meant for local government, in the 1980s, the State Joint Local Government Account was abolished and the remittances sent directly to the local governments. Also the proportion of the Federal Account transferred has increased from 10% to 15% in 1989 and 20% since

### **Internal revenues generated**

A lot of what constituted the principal source of revenue for local government now constitutes only a minimum contribution. The internal revenue sources for local governments include various user fees and charges, property rates and poll taxes.

The main issues surrounding the tax-raising powers of local government centre around the inadequacy, in terms of coverage, and the non-buoyancy of those tax or revenue heads that fall under the jurisdiction of local government. These taxes include licences and fees on television and wireless radio; market and trading licence and fees; car park duties; and advertising fees.

1992. Although the state are still required to remit only 10% of their internally generated revenues to their local governments, not all of them are capable to do so regularly. In light of this and the generally poor performance of the local governments in internal revenue collected, they are also given 25% of the Value Added Tax (VAT), a federally collected tax. The fiscal transfers from the Federation Account are subject to certain deductions to fund essential expenditure. For example, 1% is Commission fund local personnel training programmes. Similar deductions were made for staff pensions, funding of primary education and the upkeep of traditional rulers.

However, Government has recently reduced the number of such deductions to give expression to the letter and spirit of the new democratic constitution. Thus, the deductions or the upkeep of traditional rulers which was originally federally mandated has ceased. It is now up to each State formulate appropriate policies for the upkeep of its traditional rulers. The policy on the funding of primary education is also under review and changes may be introduced very soon.

The Central government still pays a proportion of local government salaries.

In spite of provisions in support of the assessment and collecting of property rates, not much progress has been made in exploiting its potential as source of local revenue, except in Lagos State where it has always contributed to local government revenue since 1915. The main reason has been that the statutory changes were not matched by political will on the part of other state governments to sanction the assessment and collection of property rates.

Clearly the growth in property rates collection improved the proportion of revenue internally generated by the Lagos state governments thereby making them less dependent on financial transfer from the state and federal government. It is

common knowledge that this revenue was able to sustain the Local governments in Lagos when their allocations were seized by the Federal Government for increasing the number of local governments from 20 to 57.

Poll tax on the other hand is a kind of levy imposed on all eligible adult male; this was considered a regressive form of taxation. Proceeds have at one time served as the basic life wire of local governments particularly in the north. This form of revenue was once abolished then reinstated in 1984 but its significance to local government has continued to decline. The indication today is that the significance of poll tax will continue to decline as local governments continue to lay more emphasis on rates.

More often than not, the inadequacies of available financial resources open up the necessity for loan raising. But here again, is the control of the central government over local government's borrowing. Towards this end, the relevant provisions of the 1976 Guidelines directed among others that: loans should be restricted to

### ***The financial and economic weight of local governments***

It would be preposterous to talk about any significant impact of local government revenues on the economies of the nation, as they are rather negligible compared to the input of the other levels of government. It has been said that local governments need more empowerment thus, reforms in the area of tax legislation would be of help to take beneficial decisions and devise means of recovering local taxes.

Also local governments have been imposed very narrow revenue base by the statutory distribution of tax-raising powers and their revenue rights have been constantly infringed upon by state governments in particular.

It has been discovered that local governments on the average spend about 75% of their revenue on recurrent expenditure and only about 25% on capital

minority of local government development projects which can generate substantial immediate and direct revenue to cover amortisation interest and operating cost; and the maximum period of any loan should be 10 years. These guidelines have contributed to the limitations of these revenues sources at the level of governance because very few local government capital project can generate direct revenue to amortise and service loan capital and the period is seen as too short.

But in general, the local government need to improve their revenue base and turn away from their over reliance on external revenue. So far only Lagos State managed to achieve that feat during its period of zero allocation. ALGON quite appreciates the state of affairs and has in collaboration with some consultants organised workshops aimed at improving the internal revenue collections of local governments. It is their firm belief that increased revenue will aid the local governments ability to provide for the welfare of the people.

development. The main reason is the fact that the provision of primary health and primary education were transferred from the local government to the Federal Government, hence a greater percentage of their revenue was spent on two services that are capital intensive.

All major sources of revenue - petroleum, profit tax, import duties, mining rents and royalties, and company income tax – falling within the jurisdiction of the Nigerian federal government it is not surprising that local governments revenues are poor.

Under the pressure to increase the weight of local government input to the federation account, local governments have introduced various charges for some of their services. Such fees serve as a means of recovering some and possibly all of the variable costs of operating facilities.

## **VII- Local development and poverty alleviation**

### ***Evaluation:***

*LGS are empowered to plan and implement their development process. Their intervention in the area of service delivery and socio-economic facilities is meaningful.*

### ***Indicators:***

- 7.1. Local development planning capacity : ⇒  
 7.2. Level of service delivery to the population: ↑↑  
 7.3. Support to the local economic actors: ↓↓

### **The local development planning**

Local development depends on committed and effective local governments capable of providing infrastructure and services those local needs. Public policies and mechanisms should ensure that good governance principles are upheld, especially in state and sub-national interactions. Since they are close to the people, local governments are in the best position to involve everyone, especially poor and marginalized people, in planning, implementing and monitoring development activities.

The Federal Government has encouraged state and local governments to develop and implement their own economic empowerment and development strategies – SEEDS (National Economic Empowerment and Development Strategy) and LEEDS (Local Economic Empowerment and Development Strategy). The underlying strategy is the cohesive coordination of development process, through the adoption of bottom-up approach and the inclusive of all stakeholders in development.

The new development strategy accords with the tents the human development paradigm in the following ways:

- It promotes local participation in development management.
- It effectively discontinues the top-down approach of development management and holds the bottom-up approach.
- It ensures value for money in service delivery.

### **Local Government supply of basic services to the population**

It is granted that local institutions of government generally owe their existence to the need to administer basic local services. Although not all local services are handled by local governments it must be said that some services that are not primarily the responsibilities of local governments have strong local government presence in some of their aspects ; sometimes central governments increase their scope of services provision

- It makes development people-centred, with people being the means and end of true development.

Human development is concerned with both building human capabilities through investment in people and utilizing these capabilities fully for growth and employment.

Human development emphasizes equality, sustainability, productivity and empowerment. Issues such as gender inequality, regional inequality, social and political exclusion, participation, human right, the rule of law and basic freedoms must be addressed.

Human development defines the end of development and analyses sensible options for achieving them.

The human development paradigm is also relevant to the Federal Government strategy because it embodies the following concerns of the Millennium Development Goals (MDG):

1. Eradication of extreme poverty and hunger
2. Achievement of universal primary education
3. Promotion of gender equality and the empowerment of women.
4. reduction of child mortality
5. Improvement of maternal health
6. Combating HIV/AIDS, malaria and other diseases
7. ensuring environmental sustainability
8. Developing a global partnership for development

at local level but still require local officials to provide the actual services on the ground.

The most common among the functions exclusively reserved to the local government councils include the provision and maintenance of services like markets, motor parks, slaughter houses and enhancement of sanitation (public conveniences and refuse disposal).

The concurrent list of functions of local government includes activities for which the state could retain authority in the initial phase of the reform but which might be handed over fully to local governments when the latter becomes fully competent to handle such activities ; these include development of agriculture and natural resources (other than exploitation of minerals), primary education, maintenance of roads, provision of rural water supply and provision and maintenance of health service.

***The support to the local economic actors***

Local governments are expected to participate in the process of planning of their state through membership of State Economic Planning Boards, but most states are yet to establish such boards. The duty of this body is to receive recommendations formulated by the local governments.

It has been said that a diversified economy would reduce dependence oil and gas thereby jump-starting new industries and sustainable livelihoods within the communities. From it's stock of natural and human resources, most communities offer immense opportunities for developing a diversified and growing economy. Using existing assets, a diversified economy would reduce the heavy focus on oil and

In view of their financial capabilities, most local governments councils cannot devote more than a token of their revenues to capital project, resources are usually allocated to the economic sector and this affects drastically the level of local service provided by the local governments.

More often than not, apart from statutory functions, local governments have become effective channels for implementing both federal and state development policies.

gas while providing as basis for growth clusters within the region.

Pro-poor economic growth would expand the employment, productivity and incomes of poor people; unleash human and institutional capacities; eradicate poverty through improved livelihoods; and stimulate industrial development through increased access to basic public goods.

Improving rural competitiveness in non-traditional agricultural products through value-added exports could be one major source of economic diversification. Various regions can readily produce rice, sugar, cocoa, roots and tubers, citrus fruits, plantains, rubber and rubber products, and are blessed with many resources for aquaculture and forestry.