

# **Good Governance and Local Government Administration for Development: Multiple Perspectives**

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## **Abstract**

*This paper examines the relationship between good governance and local government administration. It begins with a review of the concepts of the good governance, local government administration their importance for development at the local government level. It argues that both good governance and local government administration need to coexist if any meaningful development is to take place at local level. The paper further identifies some problems that hinder good governance at the local level and suggests ways of solving them.*

**Key Words:** *Good Governance, Local Government Administration*

## **Introduction**

Development from below (bottom-up approach) is a term that has been with us for a long period of time. It is a view that recognizes local government as a veritable tool development at the grassroots. Unfortunately, most countries depend to a larger extent on superior levels of government: by this I mean central government in a unitary system of government and state and federal governments in a federal system of government. The reasons for this are not farfetched. The

general belief is that the provision of services is becoming more expensive, and to achieve general developmental objectives, managing them at the center should be the right alternative. The consequence of this is that even those services that were earlier decentralized either by constitutional provisions or by convention, are gradually being recentralized. Whether decentralization or recentralization or even democratization, the consensus now is that with good governance, the objectives of local governance can better be achieved. And the citizens at the grassroots can be better served.

This paper therefore is an attempt to examine the impact that good governance can have on development at the local government level in Nigeria. It is worthy of note that in this part of the world, what constitutes governance or even its variance good governance remains elusive.

The paper begins by defining the concepts good governance and local government administration. It then goes on to discuss how the practice of good governance at the local government level can enhance development, given the fact that of the eight Millennium Development Goals MDGs, five of them are better implemented at the local government level.

### **Definition of Good Governance**

There is no general agreement as to the definition of governance. While what constitutes governance remains contestable, there is sufficient literature on what is poor governance and its impact on public sector management in general. Poor governance, according to African Development Bank, manifests itself through the following: (i) failure to make a clear separation between public and private resources; (ii) failure to establish a predictable framework of law and government behaviour conducive to development; (iii) excessive rules and regulations, which impede the functioning of markets and encourage rent-seeking; (iv) priorities inconsistent with development, resulting in a misallocation of resources; (v) and narrowly based or non-transparent decision-making (ADB, 1999).

We will take a look at some of the existing definitions of governance. The Oxford Dictionary, defines governance as “the act or manner of governing, of exercising control or authority over the actions of subjects; a system of regulations”. United Nations Economic and Social Commission for Africa and the Pacific (UNESCAP) defines it as “the process of decision-making and the process by which decisions are implemented (or not implemented)”. Governance according to the UNDP is “...the exercise of economic, political and administrative authority to manage a country’s affairs at all levels. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interest, exercise their legal rights, meet their obligations and mediate their differences.”

The World Bank (1989) while defining governance as “the exercise of political power to manage a nation’s affairs” identified three distinct aspects of governance to include: the form of political regime; the process by which authority is exercised for managing a country’s economic and social resources for development; and the capacity of governance to design, formulate and implement policies and discharge functions.

The myriad of definitions given above may have prompted Olowu (2000) to excise two popular groups of definitions of governance. The first group which aligns with the views of the World Bank and many other United Nations institutions, sees governance in terms of “leadership—the manner in which (state) political leaders manage, use (or misuse) power —whether to promote social and economic development or to pursue agendas that undermine such goals.” The other group of definitions see governance as more of “sharing of authority for public management between state and non-state organizations ... (and so governance is seen) as forms of multi-organizational action rather than involving only state institutions.”

Good governance without doubt is a prerequisite to social and economic development. However, what constitutes good governance also varies from one international organization to the other. What is clear is that donor organizations see good governance as the means by which better practices in development practices could be instituted. It was the belief

in many donor communities that the failure of most economic reforms occurred as the result of absence of accountability, transparency, rule of law, participation and strong enabling institutions (Robinson, 2001).

According to UNDP (1997), good governance is "... participatory, transparent and accountable, effective and equitable, and it promotes the rule of law. It ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources." In this definition, UNDP identified and explained the core characteristics of good governance as listed below:

### **Core Characteristics of Good Governance (UNDP, 1997)**

- 1) Participation -All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively
- 2) Rule of law - Legal frameworks should be fair and enforced impartially, particularly the laws on human rights
- 3) Transparency - Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them
- 4) Responsiveness - Institutions and processes try to serve all stakeholders
- 5) Consensus orientation - Good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures
- 6) Equity - All men and women have opportunities to improve or maintain their wellbeing
- 7) Effectiveness and efficiency - Processes and institutions produce results that meet needs while making the best use of resources
- 8) Accountability - Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending

on the organisation and whether the decision is internal or external to an organisation

- 9) Strategic vision - Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

Good governance from the above therefore promotes gender equality, sustains the environment, enables citizens to exercise personal freedoms, and provides tools to reduce poverty, deprivation, fear, and violence.

### **Local Administration Defined**

The term local government, just like any other term, has been defined in different ways. Awa (1981) sees local government as “a political authority set up by a nation or state as a subordinate authority for the purpose of dispersing or decentralising political power”. In the same vein, Wraith (1984) defines local government as “the act of decentralizing power, which may take the form of deconcentration or devolution. Deconcentration involves delegation of authority to field units of the same department and devolution on the other hand refers to a transfer of authority to local government units or special statutory bodies such as school boards for instance. From this perspective, one can see local government as a lesser power in the national polity. It is an administrative agency through which control and authority relates to the people at the grassroots or periphery.”

Akpan (1972) sees local government as the breaking down of a country into small units or localities for the purpose of administration on which the inhabitants of the different units or localities concerned play a direct and full part through their elected representatives who exercise power or undertake functions under the general authority of the national government.”

The 1976 local government reform defines local government as:  
*“government at local level exercised through representative council established by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs as well*

*as the staff and institutional and financial powers to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the State and federal governments in their areas, and to ensure, through devolution of these functions to these councils and through the active participation of the people and their traditional institutions, that local initiative and response to local needs and conditions are maximized.”*

The definitions above provide certain intrinsic characteristics of local government as:

- Local government officials are elected.
- The local government unit must have a legal personality distinct from the State and Federal Governments.
- The local government must have specified powers to perform a range of functions and finally,
- It must enjoy substantial autonomy. i.e. ability to make its own laws, rules and regulations; formulate, execute and evaluate its own plans and the right to recruit, promote, develop and discipline its own staff.

It is based on the views above that Gboyega (1987) proposes two basic classes of theories of local government. The first class attempts to justify the existence or need for local government on the basis of its being essential to a democratic regime or for practical administrative purposes like responsiveness, accountability and control. The other one opines that an effective local government system contradicts the purpose of a democratic regime. This is based on the fact that local government institutions are neither democratic in their internal operations nor admit responsiveness, accountability and control (Adeyemo, 2005).

In explaining reasons why local government exists for example, Ola (1984) provided these schools of thought: Democratic Participatory School, The Efficient-Service School and The Developmental School. These three schools are relevant in this discussion. The democratic school for example argues that the major function of local government is to bring about democracy and to provide citizens the opportunities for political socialization and participation. The efficiency school believes

that what should be more important to local government is not more participation but rather how to coordinate the delivery of national services at local level, minimize consumer deficit, minimize transaction costs that occur as a result of the bigness of government. J.S. Mill explained that : “It is but a small portion of the public business ...which can be done well, or safely attempted, by the central authorities.” The last school, the developmental school is more concerned about how local government in the developing world can be an effective change agent where the citizens will live a better life, socially and economically.

For UNDP (2009), local governance is defined as covering the range of governance issues that exist at the local level, including decentralisation of policies and processes, the roles and inter-relationships of different actors and institutions, local democracy and local government performance

The above definitions presuppose that any local government worthy of the name should be able to meet certain objectives. The 1976 Local Government reform captured this principle when it listed the primary objectives of the local government as follows:

- (a) To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representatives body;
- (b) To facilitate the exercise of democratic self government close to the local government levels of our society, and to encourage initiatives and leadership potential;
- (c) To mobilize human and material resources through the involvement of members of the public in their local development;
- (d) To provide a two way channel of communication between local communities and government (both state and federal).

These objectives if carefully looked at are aligned to the core principle of good governance (Adeyemo, 2005).

### **What Is Development?**

Development as a term means different things to different people. According to Joseph Stiglitz (1999:1) development is “a transformation of society, a movement from traditional relations, traditional ways of

thinking, traditional methods of production, to more modern ways”. Korten (in De Beer and Swanepoel, 1998:8) views development as “a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations”. For development to occur, it must transform the lives of the citizens through the provision of better quality of life (Chambers, 1997).

It is in consonance with this that UNDP (1998) sees development in terms of transformation (sustainability). That is a holistic developmental paradigm that sees human beings as both the means and end of development. It seeks to expand choices for all people-women, men and children, current and future generations-while protecting the natural systems on which all life depends.

Todaro and Smith (2003:792) define development as “The process of improving the quality of all human lives”. They refer to three important aspects of development: [1] raising people’s living levels – their incomes and consumption levels of food, medical services, education etc., through relevant economic growth processes; [2] creating conditions conducive to the growth of people’s self-esteem through the establishment of social, and economic systems and institutions that promote human dignity and respect; and [3] increasing people’s freedom by enlarging the range of their choice variables, as by increasing varieties of consumer goods and services”.

Diejomaoh (2008) is even more specific as to what constitutes development. According to him, the emerging global consensus on development now consists of planning for the following:

- 1) Accelerated economic growth and ‘Wealth Creation’ and not just poverty reduction.
- 2) Macro-economic economic stability, liberalization of markets and prices, and private sector led growth
- 3) On the external economic front, reaping the gains from the irreversible process of globalization, which must be made fair for all.
- 4) Pursuing the implementation of the Millenium Development Goals.



- 5) Implementing the Decent Work Agenda. which emphasizes Workers Rights, decent employment for all, social protection for all, and enhanced social dialogue.
- (6) The prospects for success in achieving the development goals above, depend on the practice of good governance – democracy, respect for human rights; rule of law, transparency and accountability and the fight against corruption in Government, the private sector, and all sectors of human endeavor and society.

### **The Linkages between Good Governance, Local Government Administration and Development**

The question that should concern us at this juncture is whether there are linkages among the three terms above. If there is, which one should come first? While some people believe that development should come before good governance, others argue that it is only good governance that can sustain development.

There are however concrete links between good governance and local administration. In fact all the core characteristics of good governance, viz: Participation, Rule of law, Transparency, Responsiveness, Consensus orientation, Effectiveness and efficiency, Accountability and Strategic vision, are expected to operate in any local government system worthy of that name. What remains to be established is the extent to which the linkage has engendered development.

### **Some of The Problems Affecting Good Governance and Local Administration in Nigeria**

Nigeria like most countries has local governments that exist least on paper. Although the constitution guarantees them some tasks, the enabling environment is not there for them to perform the task. Section 7 (1) of the 1999 Constitution stipulates that: 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.” The same

constitution in the Fourth Schedule conferred certain functions on local governments.

What results from these are overlapping powers and consequently buck passing. As a result some problems are hardly solved either at state or local government level. The end result is disillusionment with government and its activities. In some states for example, there have been issues concerning land use charge, tenement rate, provision of basic medical services, primary education.

One other problem militating against good governance is the lack of resources. Local governments in Nigeria have constitutional powers to levy local taxes and fees but these resources amount to nothing compared to the enormous responsibilities bestowed on them. Section 162 (3, 5 and 7) of the Constitution states that:

(3) Any amount standing to the credit of the Federation Account shall be distributed among the Federal and State Governments and the local government councils in each state on such terms and in such manner as may be prescribed by the National Assembly.

(5) The amount standing to the credit of local government councils in the Federation Account shall also be allocated to the states for the benefit of their local government councils on such terms and in such manner as may be prescribed by the National Assembly.

(7) Each state shall pay to local government councils in its area of jurisdiction such proportion of its total revenue on such terms and in such manner as may be prescribed by the National Assembly.

The Revenue Allocation Formula in Nigeria allocates 20% to local governments whereas 48.5% to the Federal Government, 24 % to States, and 7.5 % for “special” or federally determined projects. In addition, LGAs are entitled to a share of certain federation taxes like value added tax (VAT).

From the provision above, local governments are entitled to 10% of internally generated revenue of the State government. Allowing them

to managing these funds on their own has been problematic. Section 162 (6) states that “ Each State shall maintain a special account to be called “State Joint Local Government Account” into which shall be paid all allocations to the local government councils of the state from the Federation Account and from the Government of the state.” This clause has enabled the state governments to manage the accounts of local governments ‘directly’.

One other issue that impairs good governance and development at the local government level is the lack of real democratically elected local government. Although the constitution prescribes a “system of local government by democratically elected local government councils”, some councils in some states (Ondo, Oyo, Edo, Kebbi and Ekiti) have been dissolved and appointed officials (Caretaker Committees) run such councils. Moreover in cases where elections were held, they have been hardly free and fair in most states of the country. State governments by law are to constitute a State Independent Electoral Commission for the purpose of organising elections into local councils. Such elections are won by the party at the state level. We have instances like in Imo State where the Peoples Democratic Party (PDP), out of the twenty political parties that contested the election, won all the 303 councillorship seats in the 27 local government councils. In Lagos State also the Action Congress (AC), the party in power at the center swept all the chairmanship and councillorship positions in the election that was conducted in the state’s 20 Local Government Councils and the 37 Local Council Development Areas. The violence that characterize these elections have discouraged honest and responsible people from participating in local elections (*PM News*, 2010; *Vanguard Online*, 2010)

The issue of equity and women participation is of interest also if good governance is to exist at local government level. Women have never been at the forefront of politics in Nigeria in general. It is even worse at the local level. In the 1990 elections into local governments heralding the Third Republic, very few women emerged as councillors and only one woman, Chief (Mrs) Titilayo Ajanaku, emerged as chairperson of a Local Government Council in the West. As 2003 the total number of councilors in Nigeria stood at 8810 with 8667 male and 143 female

representing a meager 1.6%. This percentage compares poorly with the recommended 30 per cent global affirmative action or with the statistics from other African countries like Rwanda, Uganda, Kenya or South Africa (DFID, not dated)

In one UN (2009) reports one woman in Nigeria shared her experience during a focus group discussion. According to her: “I went for councillorship in my own ward and discovered that in these things women are men’s followers. Whatever music they play, women have to follow and dance to the music. Everything is manipulated, high-jacked, and handled by men.” This should not be allowed to continue.

Another problem is lack of transparency and accountability. Corruption at the local level is very high. The reason for this is that local government accounts are not accessible to the citizens. It is difficult to find a single person who has assisted in the budgetary process of local governments. To many it is believed that local government accounts are shrouded in secrecy. When at a time the revenues that accrue to local governments were being published in National dailies, some government official were not comfortable. The Minister of State for Finance then, Mr Remi Babalola, confirmed that some states were not comfortable with the continued monthly publication of revenue accruing directly to local councils. And that instead, they prefer the stoppage of the publication or at best, the allocation lumped under the states’ share. The reasons for this are not farfetched. Apart from the fact that it enables the citizens to know the amount of money their local governments receive as allocations from the federal government, it also exposed the amount of deduction at source carried out by the State without the knowledge local government chairmen (Guardian Newspaper Thursday, December 03, 2009). It is this lack of accountability that has encouraged corruptible practices at the local government level. The Chairman of The Independent Corrupt Practices and Other Related Offences Commission (ICPC) one of the anti-corruption agencies in Nigeria, declared local governments in the country as a “Bastion of Corruption” because according to him, “more than 12 out of 54 criminal cases it has pending in courts were against local government chairmen and its officials.”

One last issue is that of excessive control by other higher tiers of government. This goes from budgetary approval to the establishment of spending limits. The famous saying is that, he that pays the piper dictates the tunes. In most cases, local government cannot embark on any project without the approval of the higher tiers of government. In fact we had cases of imposition of projects and even contractors. Approval have been delayed or even denied because of disagreement with higher authorities. In all this it is good governance and development that suffer.

### **Strategies for Ensuring Continued Good Governance and Local Government Administration in Nigeria**

There are many strategies that could be adopted to ensure good governance and development at the local government level in Nigeria. These include but not limited to:

- A clear legislative distinction between the responsibilities of federal state and local governments which will guarantee each of them its role in the constitution (Section 7).
- Establishment of conditions that will ensure real decentralization—political, administrative and financial not the way we have it now that what is given with the right hand is taken back with the left one.
- Reorganisation of local governments to prepare their capacity to meet modern challenges. This could be legislative, administrative and financial.
- Ensure a viable local political process where free and fair elections are held at regular intervals with everybody having equal opportunity to contest.
- Expansion self generated revenue through the exploration of new forms of financing.
- Encouragement of private sector participation in the economic development of local areas by creating favourable economic and policy environments.
- Ensuring the citizens participate in the taking of decisions that affect their lives and that local government policies are people centered.
- A developed local civil society that will monitor local governments as they tried to develop policy and deliver services.

- Formation of larger municipalities for more benefits, using economies of scale.
- Development of a customer driven local government where citizens will be king.
- Establish the practice of discipline in financial and other aspects of management;

### **Conclusion**

In the words of Bigg and Satterthwaite (2005) measures to meet most of the Millennium Development Goals (MDGs) have to be intensely local or have strong local components – because, to succeed, they have to change outcomes in each particular locality, especially for those with the least income and assets. Good governance and local administration should go hand in hand and they very important to a developing country like Nigeria. This is more so because the urge for better life is still high among the people who keep looking up to all tiers of government. Unfortunately, local government is the closest tier of government to the people and the least developed and least funded.

What this portends is that urgent strategies must be put in place to put peoples destinies into their hands. The more secretive governance becomes the more speculative the people are and this does not augur well for development. That is why good governance should be encouraged not only at the local government level but also in all other tiers of government.

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