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**Developmental Local Government as a Model for Grassroots  
Socio-Economic Development in Nigeria**

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**Abstract**

In the past five decades of political independence in Nigeria, local government administration has moved from the colonial styled Local administration characterized by peculiar systems to the federating units to the present unified and standardized system that constitutionally recognizes local government as the third tier of

government. As the third tier of government, local governments are entitled to a statutory allocation of national revenue and the carrying out of specific functions in response to local needs. The objective of the problem statement of this article is to show that the present system whereby, the Constitution gives the State governments the power to handle issues of organization and responsibility in the local governments places a strong limitation on local autonomy and governance at the local level. The abuse of these provisions in the Constitution by the State governments coupled with other issues such as low level of commitment to the people and lack of monitoring and evaluation are negatively affecting grassroots socio-economic development in the Country. Local economic growth and development is an imperative for overall socio-economic development of the Country (the local population presently faces high incidence of poverty, unemployment, lack of social infrastructure and low economic activities). It is in this context that the article prescribes a developmental local government model which has local economic development (LED) as 'the mandate' to address the concerns of poverty, unemployment and inadequate resources in the rural areas. The LED approach enables local governments to stimulate economic activities and improve the socio-economic conditions of people in the localities by working in partnership with private and other non-governmental sectors.

### **Introduction**

Local government administration in Nigeria is an off-shoot of the federal political arrangement which is basically characterized by decentralization of functions. Decentralization in this the context is regarded as a process through which powers, functions, responsibilities and resources are transferred from central to local governments and/or to other decentralized entities (United Nations 2006, p.8). In a federal system like Nigeria, decentralization shares both political and economic justifications (Diejomaoh and Eboh, 2010, pp.12-13). The economic-side argument emphasizes the advantages in terms of promoting inclusive and broad-based growth, optimal use of local and national resources for economic development while on the political-side, it is a valid tool for managing in-country heterogeneities, reduce power-sharing tensions and cater for divergent needs of the different nationalities/societies within a country. As such, by devolving functions to local governments, peculiar socio-political and economic needs in the localities are identified and appropriate responses sought.

The United Nations Office for Public Administration cited in Adetoritse (2011, p. 66) defines local government as the political subdivision of a nation (or in a federal system) state, which is constituted by law and has substantial control of local affairs, including the powers to impose taxes or to exact labour for prescribed purposes. Adetoritse (2011:67-70) therefore, views that this definition shows that local government is a multi-dimensional concept. These dimensions are socially,

economically, geographically, legally, politically, and administratively. The key parameters here are that local governments exist for the purpose of delivering goods and services to the people; and to mobilize local resources and identify specific areas of needs and how they can be solved. Ismail, Bayat and Meyer (1997, p. 3) write in similar vein that local governments exist for both utilitarian (service rendering) and democracy (civic) considerations. According to Ahmad (2012, p. 50) the function of local government involves the philosophical commitment to participation in the growing process at the grassroots level.

The closeness of local governments to the grassroots enables it to perform specific functions and services which bother on the concerns, interests and aspirations of the people in the respective domains. Specifically, the Guidelines for Local Government Reform in Nigeria (1976, p. 1) recognize 'local government as the third tier of governmental activity in the nation'. It further states that 'local government should do precisely what the word government implies – governing at the grassroots or local level'. Through the reform process local governments in Nigeria are constitutionally recognized as the third tier of government with representative councils and have substantial control over local affairs. This is in the provision of basic social services, initiation and implementation of specific development projects in their areas, stimulation of economic growth through local initiatives, and complementing the activities of the other levels of government (Federal and State). Olasupo (2013, p. 208) identifies the functions/roles as regulatory (control of social activities), social services delivery and legislative (making laws on peculiar needs). The 1976 reforms form the basis of the present-day structural and functional arrangement in which local governments exist and operate. According to Diejomaoh and Eboh (2010, p.14) the reform formed the foundation of the present-day local government system and was an attempt to restructure the local government administration to a form fitting for modern society.

The main principles of the reform are further incorporated in the 1979 and 1999 Constitutions with the subjection of autonomy, roles and functions to the State governments and a further consolidation of the tripartite system of government at the grassroots level. However, despite the institutional framework in which local governments exist and function, development and service delivery issues constitute major challenges. These issues are identified within the context of autonomy, corruption, lack of initiative to stimulate local economic growth and insufficient platform for private and non-governmental agencies to participate in the economic development of the localities. The local population presently faces high incidence of poverty, unemployment, lack of social services, and very low economic activities. All these have caused hopelessness and discontentment within the local population. It is in this context that the article prescribes a developmental local government model which has local economic development (LED) as a mandate Binza (2010, p. 22) to

address these concerns across the country. According to World Bank (2003, p. 1) ‘developmental local government aims to build up the economic capacity of a local area to improve its economic future and the quality of life for all by undertaking a collaborative, strategically planned process to understand, and then act upon, its own strengths, weaknesses, opportunities, and threats’. Indent This LED approach enables local governments to become more responsible and functional to stimulate economic activities and improve socio-economic conditions of people in the localities by working in partnership with private and other non-governmental sectors.

### **Phases and Statutory Provisions of Local Government Administration in Nigeria**

Local government administration in Nigeria dates back to the pre-colonial era where each grouping had a way of administering itself based on peculiar traditional-political and religious structures. Such regional groupings include the Hausa-Fulani in the Northern part of the country where the emirate system was in practice, the Yoruba in the Western part where the Oba system with a centralized form of government was prevalent and the Igbo in the East with its republican and egalitarian form of socio-political formation. The emergence of colonialism ushered in the colonial style of Native Administration which was meant to adapt to the nature of existing pre-colonial local government structures. The idea was for these existing structures to develop into effective tools of government ready for use (after basic modifications) by the colonialists (Diejomaoh and Eboh, 2010, p.13). Notably, colonialism did not introduce local government administration in Nigeria; it rather strengthened the structures in line with the principles of Indirect Rule (a system of governing people through their traditional administrative structures). This form of government even though it was accepted in the Northern part of the county met with some resistances, especially in the East. These resistances led to the reforms in 1930s and 1940s which resulted in the establishment of Chief-in -Council in place of Sole Native Authority (Asaju, 2010:103).

Basically, local governments during the colonial era were meant to serve the purposes of colonialism. The Native Administration had the basic functions of collecting taxes, maintenance of law and order, road construction etc. According to Nwabueze (1982 20-21) during the colonial era, the first and famous elected local government council based on the British Whitehall model emerged in Lagos and the former Eastern and Western regions (1950, p. 55). The councils were given a wider range of functions that include primary education, health, police, judiciary, autonomy in financial, personnel and general administrative matters. This was in line with the implementation of the colonial government’s ten-year welfare and development plan from 1946- 1956. Besides, the introduction of a Federal Constitution in 1950 and the adoption of Federalism led to another phase of local government development in Nigeria. Asaju (2010, p. 103) writes that the composition of the country into three

regions impacted on the local government system, as each region decided to adopt its own form of local government system. The 1950s reforms resulted in improved status of local governments from being a mere agency of colonial administration to a representative one (members were elected through elections) which offered the people the opportunity to participate in their administration. The regional system of local government continued with the advent of independence in 1960. The local governments were under the control of Regional and later State governments. As an appendage of the regional/state governments, local governments became agents of implementing projects at the grassroots level (Imhanlahimi and Ikeanyibe 2009, p. 17).

The turning point in local government administration in Nigeria was the 1976 Local Government Reform. The reforms introduced a uniform national local government system in the Country. Oviasuyi, Idada and Isiraojie (2010:81) write that the philosophical basis of the reform lies in the conviction that a strong local authority with clearly defined functional responsibilities in a power-sharing relationship with the states is an institutional safeguard against tyranny. The reform was thus, a strong move to grant local governments the power of effective grassroots governance. The Guidelines for Local Government Reforms (1976:1) recognized local government as the third tier of government and defines local government as: ‘Government at local level exercised through representative councils established by law to exercise specific powers within defined areas’. These powers should give the council substantial control over local affairs as well as 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 states 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 key issues in this definition include:

- the recognition of local government as the third tier of government free from the grips of the Federal and State governments;
- local governments to be administered by democratically elected council personnel;
- local governments must have the constitutional powers to perform specific functions;
- the autonomy and space to formulate and implements policies based on peculiar local interests and needs;
- the powers to control finances, recruit, develop and discipline its own staff.

According to Ahmad (2012, p.51) the overall objectives of the reform include:

- to make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representative bodies;
- facilitate the exercise of democratic self-government close to the grassroots of our society and to encourage initiative and leadership potentials;
- mobilize human and material resources through the involvement of members of the public in their local development;
- provide a two-way channel of communication between local communities and government.

The reform which followed extensive consultations and inputs from different segments of the society and stakeholders has as its basic aim socio-economic development and effective service delivery at the grassroots and to execute all functions reasonably economically. The reform put the criterion of creating the local government areas within a population of between 150,000 and 800,000 (Guidelines on Local Government Reforms 1976:8). The reform also provided for a democratically elected council with a chairman as the head and councillors representing various wards (Guidelines for Local Government Reforms 1976:25). This is to enable the people choose their leaders on their own and further develop a line of communication between the people and the government.

Another important provision of the reform was in the area of local government finances. According to the Guidelines for Local Government Reforms (1976: 28) the local governments are entitled to statutory grants from the Federation account and also to exercise control over its spending. This is to ensure that the local governments are provided with enough revenue to finance both capital and re-current expenditures in their localities. The basic provisions of the 1976 Local Government Reform were further incorporated into the 1979 Constitution of the Federal Republic of Nigeria. The Constitution consolidates the statutory nature of local government by stating in section 7(1) that 'the system of democratically elected local government councils is under this constitution guaranteed'. However, the Constitution further stated in Section 7(8) that 'the government of every State shall ensure their (local governments) existence under a law which provides for the establishment, composition, finance and functions of the councils'. By implication, local governments owed their existence and operations to the various State governments.

Military administrations have also impacted on the developments of local governments in the country. Firstly the creation of local governments beginning from 1976 to date has been done by the military. Local governments increased from 301 in

1976 to the present 774 structure. This shows the absence of democratic process of citizen's participation in such creations or delineations. However, certain efforts were made to adequately position local governments and enhance their autonomy. This includes the scrapping of the Ministry of Local Government, the establishment of executive and legislative arms in the council, a direct allocation of funds to local governments without passing through the state governments and increment in the statutory allocation to local governments (Adeyemo 2005:80; Asaju 2010:106; Ahmad 2012:52). These measures were to reduce the stifling grips of State governments and further protect the funds meant for use by the local governments.

The 1999 Constitution of the Federal Republic of Nigeria also made local governments a creation of the State governments. Section 7 (1) of the Constitution incorporates all the provisions in section 7(1) of the 1979 Constitution. It further states that 'the government of every State shall, subject to section 8 of this Constitution, ensure their existence under a law which provides for the structure...' (Constitution of the Federal Republic of Nigeria 1999). It is therefore, important to note that the provisions of the 1979 Constitution form the institutional framework for present day local government system in Nigeria. The Constitution provides the councils the autonomy to provide certain services in response to local needs. Politically, it ensures that the tripartite system which comprises the executive, legislative and judicial arms of government are obtainable at the local level. Local government administration in Nigeria has undergone certain stages. This is marked by the initial phase of serving the purposes of colonialism to the phase of reforms that bother on developing a strong local authority with clearly defined powers and functions.

The present institutional framework of local government administration is fraught with contradictions. These contradictions place local governments at a disadvantaged position in stimulating and acting as a strong agent of socio-economic development at the grassroots.

### **Theoretical Paradoxy**

Despite several reforms aimed at developing a strong and viable local government administration in the country, there exist many contradictions regarding the status of local governments. These contradictions revolve around the much needed autonomy for local governments to operate in view of the pressing socio-economic challenges in the localities. The variations and discrepancies have resulted in the compromise of the reform principles and manifest in areas such as the size of the local governments, council elections/local government status, allocation of funds and undue political influences from the State governments. According to the Guidelines on Local Government Reform (1976, p.8) 'local government's autonomy can be promoted on the basis of the capacity to execute all types of functions

reasonably economically well'. This is by having a population of between 150,000 and 800,000 limits which may vary in exceptional geographical circumstances. This population size is deemed right to ensure a sustainable and viable local government that can actively respond to peculiar local needs. Practically this provision has been compromised in the creation and delineation of local government areas. Presently, there are 774 local governments in Nigeria and between 2006 when the last census was conducted; no new local governments have been created. Statistics show that out of the 774 local governments in the country, 105 (13.57%) have less than 100,000 population, 242 (31.27%) have less than 150,000 while 427 (55.1%) have 150,000 and above (Census 2006 12-16). This implies that 347 local governments constituting 44.84% have less than the minimum 150,000 population size to carry out 'all types of functions reasonably economically'. This therefore, shows that 427 local governments which constitute 55.16% are viable enough in terms of population to carry out these functions.

Representative council/local government status Section 7 (1) of the 1979, and 1999 Constitutions of the Federal Republic of Nigeria provides for 'the system of local government by democratically elected local government councils which is under this constitution guaranteed'. This provision further extends to section 8 which states that the government of every State shall subject to this provision 'ensure their existence under a law which provides for the establishment, structure, composition, finance and functions of such councils'. Firstly, the State governments have in certain cases neglected aspects of this provision which originated from the 1976 local government Reforms. During the first republic which lasted between 1979- 1983, no election was held into the local government council all over the country. Instead, sole administrators were appointed.

Secondly, as regards the tenure of office of local government elected officials, the Basic Constitutional and Transitional Provisions Decree (1998:36) provides for three (3) year tenure. This tenureship was however, extended to four years in line with that of the Federal and State office bearers by the National Assembly through legislation, however, it was later nullified by the Supreme Court. The implication is that the tenure of office of the local government political office bearers cannot be extended through legislation.

Thirdly, with the provisions in section 8 of the 1999 constitution as stated above, local governments by implication are creations of the State governments. Furthermore, section 8 (13) of the 1999 constitution empowers the States to create new local governments and also vests the powers to do so on the States houses of assembly. However, section 8(13) of the Constitution also empowers the National Assembly to ratify such creations. This has resulted in conflict between the Federal and State governments over the control of local governments. An application of this

provision resulted in the breaking up of local governments into tiny units in the status of full local governments by state governors in 2003. For instance, local governments in Enugu state were broken up into 51 from the original 17 local government structure. However, the Federal Government refused to recognize such local governments.

Another implication of section 7 and 8 provisions in the 1999 Constitution is that local governments cannot exercise the functions assigned to them in section 1 schedule 4 of the same Constitution until the States house of assembly have legislated and passed a law on them. Section 162(5) and (6) of the 1999 Constitution provides for monthly allocations from the Federation Account to the local government councils. It states that ‘the amount standing to the credit of local government councils in the Federation Account shall be allocated to the States for the benefit of their local government councils on such terms and in such a manner as may be prescribed by the national assembly’. It further states that ‘each State shall maintain a special account to be called State Joint Local Government Account (SJLGA) 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’.

Furthermore, section 7(10) of the Constitution provides that ‘subject to the provision of chapter viii of this Constitution, the House of Assembly of a State shall enact a law providing for the structure, composition revenue and expenditure and other financial matters, staff meeting and other relevant matters for the local government in the area’. The State governments have arbitrarily abused this Constitutional provision resulting in withholding a large percentage of the council’s money, exercising undue control over the local government finance and compelling local Governments to embark on projects not fully beneficial to local needs.

### **Personnel**

According to the Guidelines on Local Government Reforms (1976:3) ‘...these powers should give the council substantial control over local affairs.....’ This means that the local government council is empowered to recruit, train, promote and discipline local personnel within their areas. Since local government personnel issues are not adequately covered in the Constitution, the States take advantage of the provisions in section (8) of the 1999 Constitution which states that the States House of Assembly is empowered to enact ‘a law providing for the structure, composition, revenue, expenditure and other financial matters, staff, meeting and other relevant matters for the local Government in the State’. This is why the States, through their various Local Government Service Commissions control and direct personnel matters in the local governments. This further means that the local government council’s lack substantial control over personnel issues in their localities.

### **State of Local Government in Nigeria**

The central objective of the reforms is the recognition of local government as an independent third tier of government with the constitutional powers ‘to initiate and direct the provision of services’ and also to ‘determine and implement projects’. However, subsequent Constitutional provisions and administrative practices from both the Federal and State governments sidetrack these provisions to the extent that most of the powers and functions are relegated. Asaju (2010:110) argues that since the Constitutional power to create local governments and define structure and functions belong to the States, it then follows that local governments are mere State agencies or creation of the State governments. The implication is that the status of local governments as the third tier of government with space and autonomy to initiate and drive grassroots socio-economic development is rather lean and undermined. This usurpation of powers and finances has resulted in local governments lacking the muscle to stimulate meaningful growth and development within the localities. This is to the extent that most of the local governments only exist for the purpose of payment of salaries which come from Federal Allocations (Adeyemo 2005, p. 85).

Most of the local governments are not economically viable. Viability in the sense lies in the ability to initiate and implement economic activities to boost internal revenue and also benefit the people in terms of employment and household income and poverty reduction. These may be in the field of agriculture, industry and commerce. As such most of the local governments especially, the rural ones that constitute 80 per cent majority play very little roles in the socio-economic wellbeing of the people within their areas. This lacklustre performance of local government administration has resulted in persistent and aggravated poverty in the rural areas where more than 80 per cent of the people reside. Poverty in the context is assessed in terms of household income, consumption, access to physical infrastructure (both social amenities and means of production).

Basically, the rural areas are characterized by lack of access to the basic infrastructures such as electricity, hospitals, education, access roads, water supply etc. As regards the rural economy, these areas are characterized by low investment of resources and apparent low activities in industry especially in the manufacturing, construction and extractive sectors. These areas lack industrial centres for promotion of rural industrialization, skills acquisition centres for manpower development and skills development, developed market and commerce to enhance rural economic activities and the accompanying income (Ugwuanyi and Chukwuemeka 2013, p. 5).

The rural areas also lack access to the basic means of production such as credit facilities and arable land, agricultural extension services, improved seeds and planting materials, irrigation facilities, mechanized farming facilities, other farm inputs and insurance schemes. This is the situation where the agriculture sector

employs approximately two thirds of the country's total labour force and provides a livelihood for about 90 per cent of the rural population (IFAD 2012:1). This means that the people practice and survive only through persistent farming and petty trading. The forgoing rural conditions expose the palpable incapability of the local governments in terms of having substantial control over local affairs. As the third tier level of government established by law, the local governments should possess the firm powers to articulate and implement sustainable rural development policies in their localities.

### **Sustainable Rural Development in Nigeria**

Rural areas constitute the basic and most important segment of the Nigerian population. The rural population contributes tremendously to overall national development despite the large scale rural mass deprivation which is consequent on the inability of the local governments to function effectively as the third tier of governmental activity with powers to address socio-economic issues. In view of these conditions, it is however, imperative that Nigerian local governments commit to sustainable rural development goals. The Brundtland Commission defines sustainable development as 'development that meets the needs of the present without compromising the ability of the future generations to meet their own need' (World Bank 2003:20). Nyagba (2009:7) writes that sustainable development is a strategy by which communities seek economic development approaches that also benefit the local environment and quality of life. The real essence is to meet the challenging socio-economic and environmental needs of the teeming local population spread across the country.

Despite different conceptualizations on the term, common principles are emphasized. These are:

- prioritizing commitment on improving the conditions of the world's poorest populations;
- emphasis on precautionary principle-prompt cost-effective measures to combat environmental degradation;
- sustainable development embodies the interconnections that exist between the environment, economy and society (Drexhage and Murphy 2010, p. 6).

Drexhage and Murphy (2010, p. 7) further write that the theoretical framework for sustainable development evolved between 1972 and 1992 through a series of international conferences and initiatives. However, the 1992 Rio Summit laid the foundation for the global institutionalization of sustainable development. The Rio conference was marked by series of commitments and agreements. The agenda 21 focuses on the commitments of local governments on sustainable development.

According to the United Nations (1992:14) it bothers on the commitment by local governments to ‘address social and economic dimension through combating poverty, exclusions and unsustainable patterns of production and consumption; the conservation and management of resources for sustainable development; strengthening public participation and access to information; and implementation of the Earth Summit resolution’. Sustainable development in the context emphasizes an approach to address the economic, social and environmental challenges in the rural communities.

Nyagba (2009:8) also writes that sustainable development provides a framework under which communities can use resources efficiently, create efficient infrastructures, protect and enhance quality of life, and create new businesses to strengthen their economies. Local governments in Nigeria have a commitment in this mandate. This can be done by implementing integrated rural development strategies aimed at raising the quality of life of the rural people through the provision of social infrastructures and alleviating rural poverty through promoting rural productive activities in industry, agriculture and fisheries, marketing and rural financial schemes etc. Such strategies will empower rural dwellers through the development of productive employment, enhancing their income, ensuring protection of the environment, promoting gender responsiveness and ensuring adequate care for vulnerable groups (Nyagba 2009, p. 15). Sustainable local development is a guiding principle to meet with the massive rural socio-economic and environmental needs in the country. It is therefore, imperative for Local governments to commit to working with other stakeholders (Federal, State and the private sector) in implementing the rural development strategies.

### **Developmental Local Government through Local Economic Development (LED) Mandate**

Write in small letters In view of the disreputable rural conditions in Nigeria, it is in the interest of the Country that local government administration is transformed and capacitated to play crucial developmental roles in the socio-economic conditions of the people in the localities. The article proposes for a developmental local government approach whose mandate is sustainable local economic development (LED). This approach offers a framework in which local governments can develop own-tailored strategies for meeting peculiar local needs and also promoting the socio-economic development of their people. Developmental local government is local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives (White paper on Local Government 1998: 38). Developmental local government has four interrelated characteristics. These are:

1. Maximizing social development and economic growth. The powers and functions of local government should be exercised in a way that has maximum impact on the social development of communities. This involves meeting the particular needs of the poor (economic, social, environmental) and impacting on the growth of the local economy.
2. Integrating and coordinating. Developmental local government must provide vision and leadership for all agencies-Federal and State ministries, parastatals, trade unions, community groups and private sector institutions that have a role to play in achieving grassroots development.
3. Democratizing development, empowering and redistributing. Local government councils play crucial roles in promoting grassroots democracy. In addition to representing community interests in the council, ward councillors should promote the involvement of people and community groups in the design and delivery of local government programmes.
4. Leading and learning. Local governments have crucial roles to play in building social conditions favourable for development. This can be done through the following:
  - building the kind of political leadership capable of bringing different groups and interests together;
  - responsive problem-solving and a commitment to working in open partnerships with stakeholders;
  - ensuring free flow and management of information for easy access;
  - enhancing local democracy by creating strong awareness on human rights and constitutional issues;
  - building awareness on environmental issues and their impacts;
  - investing on youth development;
  - always seeking to empower the marginalized or vulnerable groups;
  - empowering ward councillors so as to play crucial roles in building a shared vision and mobilizing community resources for development (White paper on Local Government 1998 38-42).

Developmental local government as an approach to sustained grassroots socio-economic development in the country requires that the councils become more capacitated, purposeful and strategic in the way they function. Local economic development (LED) as a new mandate of developmental local government 'offers local government, the private sectors, the not-for-profit sectors and the local

community the opportunity to work together to improve the local economy (Department of Provincial and Local Government 2006:5). The World Bank (2003:1) defines local economic development (LED) as a 'process by which public, business and nongovernmental sectors partners work collectively to create better conditions for economic growth and sustainable employment generation'. Developmental local government through local economic development (LED) therefore, aims 'to build up the economic capacity of a local area to improve its economic future and the quality of life for all by undertaking a collaborative , strategically planned process to understand, and then act upon, its own strengths, weaknesses, opportunities and threats (World Bank 2003:1-2).

The powers and functions of local government should be exercised in a way that has maximum impact on the social development of communities-in particular meeting the basic needs of the poor-and on growth of the local economy (Department of Provincial and Local Government 2006:9). The role of local governments in this context includes:

- (i) support for small, medium and micro enterprises (SMMEs) through the provision of training and support mechanisms and creating optimal infrastructure, e.g. SMME incubators;
- (ii) the improvement of infrastructure and services in general to enhance economic efficiency and productivity;
- (iii) training and capacity building initiatives;
- (iv) targeted investment to boost potentially growing sectors, like tourism, knowledge industries, and agriculture;
- (v) pro-localism procurement and servicing policies;
- (vi) simplifying regulations and by-laws to stimulate, as opposed to hindering economic development;
- (vii) urban renewal strategies;
- (viii) marketing to attract potential investors; and
- (ix) defining the local authority as an economic actor in the local economy with considerable clout and leverage capability (Kroukamp 2006, p.24).

In this context, local governments should play critical roles in stimulating and developing sustainable local economies. This can be done by undertaking in shared economic activities with private investors and other stakeholders in the economic generating sectors capable of inducing local employment opportunities and advancing the socio-economic interests of the people. The priority areas include agriculture,

fisheries, animal husbandry and forestry; local mineral resources development such as lime stones etc; manufacturing industry like in bakery, palm oil and palm kernel processing, other categories of food processing like yam and cassava flour etc and in the marketing and distribution of commodities through bulk sales and retail outlets.

Through rural financial systems such as local development banks, co-operative banks, community banks and other micro credit facilities, the local governments can assist the local enterprises with funds. Figure 1 shows the local economic development and human development model. Canzanelli (2001, p. 29) writes that local economic development remains an appropriate approach for achieving human development aims. Canzanelli (2001, p. 29) points out that despite the fact that the LED approach contains some aspects that are inherent to the human development philosophy, such as participation in economic opportunities, it is not so for others such as harmonization of social and economic values, gender equality, and facilitation of access to opportunities for the disadvantaged. Due to the concerns for achieving short term rapid economic change, costs of capacity building, difficulties in coordinating social policies with economic support that constrain harmonization and equitable access programmes, the local authorities prefer involving the active part of the population to the exclusion of the disadvantaged. Canzanelli (2001, p. 29) therefore, suggests for a long term vision that allows everybody to participate in the economic opportunities. As such, for avoiding social conflicts the local governments should implement welfare policies and economic development policies in the interest of the disadvantaged and also conduct training programmes, lend support to microbusinesses, promotion of employment tutorship, cooperative and social enterprises that are designed and harmonized in line with the vision of the local government.

This model can be aligned with the country's integrated rural development strategies. According to Nyagba (2009, p. 15) 'the strategies adopted will empower rural dwellers through the development of productive employment, enhancing their income, ensuring protection of the environment, promoting gender responsiveness and ensuring adequate care for vulnerable groups'. This bottom-up approach to socio-economic development is therefore, anchored on the local governments serving as catalyst and facilitator of local economic development by working in collaboration with stakeholders at both the primary and secondary levels. At the primary level it involves the participation of the local people and their representatives through community development associations and elected councillors, clusters of small scale and medium enterprises (SMMEs), cooperative societies and local chambers of commerce. At the secondary level, it involves the active participation of the relevant Federal and States ministries/agencies, foreign development agencies and other investors, financial institutions such as banks and insurance companies and universities.

The universities play active role in LED through training and orientations. Binza (2010, pp. 251-253) writes that the contribution of the universities is to develop human capital required for sustaining economic growth and improving performance of organizations responsible for local public administration. This means that the universities have to develop and streamline courses and modules in line with the LED requirements. For LED to take place, developmental local governments must convince the investors that they have the basic infrastructures (Canzanelli 2003:2; Binza 2010:253-254). These include physical capital (social infrastructures and natural resources) economic or financial capital (financial resources) human capital (skilled and knowledgeable people) and social capital (learning and training through formal education). These infrastructures are needed to add value to what they will be obtaining from investors or other sources. However, the social infrastructures such as electricity, access roads, hospitals, well equipped schools etc are lacking in the country, while the natural resources which are in abundance are unexplored. The local governments are confronted with low level of financial resources (low internal and external revenue), while the social resources are inadequate to manage the LED projects and programmes.

The local governments have to ensure the availability of these necessary infrastructures. Blakely cited in Binza (2010:256) writes that since the data gathering and analysis for LED vary from country to country and from municipality to municipality, the basic tasks to be performed in most cases are the same. These are:

- to determine the climate for LED in the jurisdiction of the municipality, to collect data on economic and political conditions, and to decide on goals;
- to determine which private agencies currently working in LED are accessible to local government for the purpose of research, coordination and planning;
- to determine whether LED should be conducted by local government alone, or in coordination with another agency, or by another agency alone;
- to identify the barriers to effective coordination of policy implementation, and alignment of budget and integrated development plans;
- to develop support for the proposed LED activities from organized business associations, labour unions, community and political groups, amongst others;
- to develop a set of milestones, a means of monitoring progress towards achievement of the milestones, and a plan for the revision of activities according to observed results; In this regard, the three levels of government working in conjunction will have to set the following conditions as a guide:
- develop the appropriate legislative and policy framework on developmental local government and LED;

- conduct proper feasibility studies on all the local governments to collect relevant data in respect of their political, economic, cultural and social conditions: distinctions should be drawn between the urban and rural local governments;
- determine the private agencies that could be available for LED projects- data regarding business interests, social responsibilities, and external links are relevant;
- determine the capacity and commitment of the various levels of government in LED projects and programmes;
- adequately integrate LED with existing rural development initiatives and programmes;
- educate and orientate the local participants such as the communities, political and cultural groups, business groups and market women, rural farmers etc on the LED projects;
- training local public administrators on the LED concepts, projects and programmes;
- instituting a platform for all stakeholders (representatives from the governments, investors, local communities, local business interests etc) to meet periodically to determine projects and the assess expected benefits;
- establishing a separate department in the local governments to oversee, supervise and coordinate LED activities. Development local government has the basic responsibility of taking the lead in LED activities through the creation of conducive socio-economic environment. However, the World Bank (2003:6) advises that developmental local governments should follow a five-stage strategic planning process to achieve the LED aims of improved socio-economic conditions of the rural people. These are: organizing the effort, conducting the local economy assessment (LEA), creating the LED strategy (5-10years), implementing LED and monitoring and evaluation of the LED strategy every year or bi-annually.

### **Conclusion**

This paper started by identifying local government in Nigeria as a constitutionally recognized third tier of governmental activity. As the third tier of government, the local governments are empowered to have substantial control over local activities. It further means that local governments should 'do precisely what the word government implies at the local level'. This is basically in terms of initiating and implementing policies in response to peculiar local needs. Ironically, the patterns of

intergovernmental relations, constitutional provisions and applications have placed the local governments at a level where they fail to do 'what the word government implies'. The implication is that sustained local development has remained elusive and the conditions of living dishonourable. In this article, a developmental local government approach with LED mandate has been adapted and proposed as means of achieving grassroots socio-economic development in the country. The LED model which is characterized by shared local economic development through public and private sector activities has proved efficacious in developing the local economies with the aim of improving the quality of life of people in many developed and developing countries. The success has been felt in terms of boosting local economies and enabling the creation of employment and expanding income through investment opportunities. The introduction of developmental local government in the country will strengthen the capacity of local councils and reduce the dependency relationship that exist between the local governments and the higher levels. It will equally stimulate grassroots socio-economic development, reduce high incidence of poverty and dethrone hopelessness and deprivations.

### **Recommendations**

This article recommends the following pre-conditions for the adoption of a developmental local government model in the country. Firstly, there should be constitutional reforms. The present constitutional arrangement stifles the autonomy of local governments to function properly. Such reforms are needed to strengthen the capacity of local governments in terms of policy initiatives regarding finance, personnel, revenue, projects and programmes.

Secondly, the present intergovernmental administrative and fiscal arrangement has to be properly defined and improved. This is to curb undue interferences especially from the State governments that manipulate the lives of local governments. Thirdly, there should be a comprehensive policy framework on local government administration in the country. Such framework is needed to define the role of local governments in infrastructural development and service delivery, capacity building and socioeconomic development.

Finally, monitoring and evaluation indicators should be put in place. This is imperative in terms of checking progress towards the achievement of objectives and overall performance.

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