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## CHAPTER I

EXISTING SYSTEMS OF LOCAL GOVERNMENT AND  
CONCEPTS OF CENTRAL LOCAL RELATIONSDefinitions

1. Local government means different things to different people. In order therefore that discussions of the various aspects of the main theme of the seminar, central services to local authorities, may be kept as concrete as possible, it is advisable that a concrete interpretation of the terms used should first be sought, to serve as a framework. This paper begins with an attempt to construct such a framework.
2. "Local authority" in English is a concrete expression used to denote an individual organ of decentralized local administration. "Local government" is an abstract term used to denote the general system of administration by local authorities. However, this interpretation itself makes use of ambiguous terms and raises a question more difficult perhaps than the one it started out to answer. What is meant by decentralized local administration?
3. In no country represented at this seminar is administration conducted wholly from the capital city by civil servants stationed in that city. There is no need to elaborate the reasons; they are summed up in a French proverb which says that although a ruler may govern from afar he can only administer from close at hand. All governments therefore divide the country into areas for local administration and post their officials to field stations where they can provide public services in the manner best adapted to local conditions. This is still, however, centralized local administration because the officials are the direct agents of the central government and serve the purposes of the central government. Any powers they may have to make on decisions of policy are delegated to them by their official superiors.

4. Local administration is said to be decentralized when powers are not delegated but devolved. The difference between delegation and devolution is that in the former case the government does not deprive itself of any of its powers but merely grants a measure of discretion to its local officials; whereas in the second case the government actually transfers some of its powers by legal process to a person or body of persons. To put it another way, in delegating power the government retains the initiative; in devolving power the government parts with the initiative to another body, but retains the right to control that body.

#### Nature and Purpose of Local Government

5. Usually the reason for devolving power is to enable local communities to participate in the management of their own affairs and the person or body of persons who receive the devolved powers are representatives of the communities, standing outside the official civil service. Such a body has to be given a legal personality in order to receive and exercise the devolved powers: it must therefore be established either by the constitution or by legislation. If it is desired to cover the whole country with a network of local authorities, but some areas are not yet capable of producing a competent council, the device is sometimes used of appointing an administrator in his own person to be the local authority under the law. The administrator may then collect an advisory council around himself, working through it and progressively delegating his own powers to it, until it gains enough experience to be given the statutory powers direct. The administrator then withdraws. This can be a useful educative method.

#### Tribal Administration

6. In the cases of both delegation and devolution it is implicit that the totality of State powers lies at the centre, for it seems self-evident that nothing can be decentralized which has not first been centralized. Nevertheless, this is not always completely true in practice. Prior to the creation of central governments there were in several African countries

local communities, usually of a tribal or ethnic nature, which had been accustomed to manage their own affairs without regard to any higher authority. Governments, wishing on the one hand to assert their sovereign authority and on the other hand to derive administrative advantage from the existence of these communities, have often allowed them to retain their customary powers.

7. Discussion of this point would be incomplete without at least some reference to the system of native administration as practised by colonial governments more or less up to the 1950s. Both the French and the British, in attempting to develop the services of a modern administration, found that the tribal leaders were the only means of communication between the government and the people. They therefore imposed upon these leaders, sometimes individually, sometimes in council, in addition to the powers which were or were believed to be theirs by virtue of custom, a number of new powers which were entirely modern and not customary at all. This pragmatic approach was later rationalized, particularly in British colonies, into a system (almost indeed a philosophy) known as indirect rule. In the context of this paper the issue is whether the native authorities were truly local authorities or whether they were projections of central administration, that is, whether they were decentralized or centralized organs of local administration. A little of both perhaps but the argument has become academic since in the meantime the native authority statutes have almost everywhere been repealed and the native authority councils have either been transformed into or been replaced by local authorities of a modern kind.

8. ~~Even so a legal fiction has in some cases been used to maintain the~~  
~~notion of centralization prior to decentralization.~~ In Northern Nigeria, for example, the law in addition to devolving specific powers allows the native authorities to continue to exercise the unspecified powers which are inherent in them by virtue of native law and custom.

9. By such means even the immemorial powers which existed long before the establishment of central governments have been brought under the control of a statute and the exercise of these powers has been subjected to statutory procedure. In this sense even these powers can may be said to have been first centralized and then decentralized.

#### Statutory Basis of Local Government

10. The present situation is perhaps best summed up in the saying, "local authorities are entirely creatures of statute", and it is their separate legal personality which distinguishes them from officials exercising a delegated power, since the latter have no legal personality and exercise whatever discretionary powers they may have by virtue not of a written law but of the administrative practice of their official superiors.

#### Common practices

11. The elements of local government which are common to a large part of Africa are now described in general terms.

An area is chosen as suitable for local government after consideration of criteria which include population, community of interest, wealth and the characteristics of the services to be provided. All the inhabitants of this area are considered simply as residents and not as members of any racial, religious or tribal community. If the population is too large for direct operations a council representative of the residents is chosen, not necessarily, be it noted, elected. A chairman of the council is elected or appointed. An executive staff is provided, separate from the central civil service.

The duty of promoting the wellbeing of the residents is imposed by law on the council. To this end the council is given powers to levy a local tax, to pass bye-laws with penalties attached to raise loans for development.

The council is required to regulate its procedure in an orderly fashion, to prepare an annual budget, to keep accounts and to submit to external audit.



### Variations of practice

12. From this point the system takes separate paths. One path leads back directly or indirectly to the French system and the other directly or indirectly to the British system.

In the French system the local government law allows the local authority to do anything which is not prohibited by that or any other law. Executive power is vested in the "maire" or chairman. A regional official of the Ministry of the Interior, a prefect or governor, is invested with the power of tutelage, that is, he has considerable power to regulate and control the activities of local authorities by virtue of his office.

13. In the British system the local authority may only do what the law specifically authorizes it to do: the doctrine of "ultra vires" is applied. New powers can only be acquired by application to the central government. The local council is itself executive as well as deliberative. It is responsible for carrying out its own decisions and may employ administrative and technical staff for this purpose. There is no regional official of the ministry with the power of general tutelage over local authorities, although certain of their activities are subject to inspection by officers of the relevant ministries.

### Central Relations with Field Administration

14. It will no doubt be readily agreed that the question of central/local relations in respect of field administration can be disposed of quickly. The members of the field administration, medical officers, agricultural officers, local government inspectors and the like, exercise, as has been said, powers which are delegated to them by their respective ministers. Each officer, in respect of policy matters, is really the minister acting locally. Relations therefore are the ordinary ones of senior with subordinate officers in the civil service hierarchy.

Central Relations with Local Authorities

15. It is when powers are devolved upon truly decentralized local authorities that relations become complicated and often obscure. Powers which have been devolved, that is legally transferred, are exercised thereafter as of right by the authority on which they have been devolved. When local government is both efficient and firmly based on society this doctrine is not questioned by the central government. African governments in general, however, cannot yet adopt this unquestioning attitude: they must still carefully consider the value of local government as an agency for development and as an aid to the creation of a consciousness of national unity. Local authorities themselves are beset by difficulties caused by shortage of qualified staff, illiteracy, ill-health, poor communications, harsh climate and the tendency of tribal society to fragment itself. There is also the danger of corruption. Central governments for their part, particularly in single-party States, can be ruthless in repressing local non-conformists. All these factors can diminish the efficiency of local authorities and prevent them from exercising their rights to the full.

16. The combined effect of these factors has often provoked governments into taking measures of excessive centralization, thus further undermining the basis of local government. Although central services to local authorities must necessarily include restrictions placed upon them, the correct balance is difficult to find. Stable local government is essential for rapid development but itself depends upon freedom from ill-considered and capricious decisions of the central government. There can therefore be no doubt that central local relations should be based on some consistent theory, but this theory must be constructed by each country for itself, drawing upon the theories of other countries as much as is necessary, but never merely

17. copying them.// The concepts of master and servant or employer and employee relationship are not relevant. The concept of principal and agent relationship has only secondary relevance. The concept most commonly used is the relationship between senior and junior partner but even this is scarcely

correct because it conveys the idea of two people sitting in a single office and dealing with the same subject matter like doctors or solicitors. What is wanted is a concept which will convey the idea of two authorities which operate from different headquarters and deal autonomously with similar, not the same subjects, where one is nevertheless subject to the ultimate authority of the other.

#### Summary of Succeeding Chapters

18. The following chapter lists the outside agencies which affect local authorities and briefly describes the ways in which they can bring their influence to bear. The next two chapters discuss in greater detail the role of local authorities in relation to the two great development agencies, the community development movement and the national planning authority. Chapters V and VI deal with the two essential supports of local government, adequate finance and competent staff.

#### Questions for Discussion

19. The points for discussion which arise from this chapter are general ones:

- (1) Identification and description of the essential characteristics of decentralized local administration = local government.
- (2) Public enlightenment about the nature and purpose of local government.
- (3) Removal of improper political pressure on the administration of local government.
- (4) Eradication of corruption including nepotism.
- (5) Construction of a theory of central/local relations.

## CHAPTER II

### CENTRAL AGENCIES DEALING WITH LOCAL AUTHORITIES

#### List of Agencies

1. It was pointed out in the previous chapter that central services to local authorities must include not only help given to them but also restrictions placed upon them. The term, central agency, itself should also be extended to include any agency external to a local authority such as voluntary associations of local authorities, institutes of administration, and in some cases, superior local authorities and provincial or regional councils.
2. If this inclusive definition is accepted, the following is a list of agencies which exist in Africa:
  - (1) a ministry or at least a central department wholly dedicated to the operation of local government;
  - (2) other ministries, for example, health, education, works;
  - (3) field agents of ministries;
  - (4) general area administrators, for example, prefects, governors, commissioners;
  - (5) other local authorities including regional councils;
  - (6) local loans boards;
  - (7) local service commissions;
  - (8) associations of local authorities;
  - (9) associations of local authority staff;
  - (10) institutes of administration;
  - (11) political parties.

Need for Local Adaptation

3. Since administration has to be carried out in real, not imaginary, situations the nature and work of these agencies will be better understood if some description can first be given of the conditions in which they have to operate.
4. The systems of local government which are being practised at present in Africa are not indigenous growths but are being imposed from the top. Local government was imported into Africa from Europe in quite recent times by the policy makers of the central governments. In principle, it was seen to be one of the essential institutions of government in all developed countries: in practice, it was seen to be a better foundation for the close and intensive administration which would be necessary in Africa in an era of rapid development than either an extended tribal organization or a vastly expanded central bureaucracy which were the only other choices available. It was also viewed emotionally from the nationalist stand-point as making a break with the former colonial type of administration.
5. Nevertheless there is a limit to what one country can borrow from another. The laws, regulations and outward organization may easily be understood and reproduced. It is much less easy, however, to understand the unwritten conventions which supplement the written law and still harder to reproduce them in a different environment. For, in general, they are the outcome of attitudes of mind and habits of behaviour formed over tens and hundreds of years in a particular society. Local government must be firmly based on the social life of the people, otherwise it will be unstable, as indeed it is in much of Africa for lack of just this essential base. It is not yet a movement of the people.
6. To make a system of local government work while at the same time striving to make it a popular movement is primarily the task of the central agencies, a sufficiently practical task from one point of view, but from another point of view a task that demands the qualities of vision and patience

in those who establish these agencies and those who operate them. They must have a clear idea of their goal, for in the short run not only is local government under constant attack by impatient politicians or officials, who may see it as an obstacle drawn horizontally across the country to bar them from direct access to the people, but also the early local authorities themselves may disappoint.

7. The process is unending and cannot be hurried. "The greatest theme of history still is, and perhaps always will be, the unending story of man's effort to reconcile order and liberty, the two essential ingredients of a truly great civilization".<sup>1/</sup>

There can be no finality, only constant effort, constant vigilance.

8. It is against this background of the ideal and the practical that the work of each of the central agencies is now briefly examined.

#### The Ministry of Local Government

9. In the circumstances which have been described the establishment and nurture of local government calls for positive, concentrated attention at the highest level of government. This concentration is not possible without a separate ministry of local government. If there is only a department of local government joined with other departments in a comprehensive ministry, the minister has to divide his attention between local government and a number of other activities. Some combinations make little sense in terms of practical administration, for example, a ministry of local government, lands and mines. A more sensible arrangement is for a department of local government to be combined with a department which deals with one of the main activities of local authorities, say health or education: but this can lead to the particular dominating the general. Better still, therefore, is to combine local government with another general subject such as home affairs or community development. Best of all is, as has been said, to have a separate ministry at least during the formative period of local government.

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<sup>1/</sup> B. Wilkinson, quoted by Sir Arthur Bryant in *The Age of Chivalry* - 1963

10. The practice in some countries of placing urban and rural local government in separate ministries has little to recommend it. Historically, it arose because in colonial territories a European form of local government was introduced at an early date and without question into certain of the larger towns which were themselves mainly of a European rather than an African character. When local government was introduced into the rural areas, much later and as a conscious act of policy, it was mainly thought of as a development of "native" administration, and was therefore placed in charge of the department or ministry of native or African affairs. There was in consequence little cross-breeding between town and country. Local government is, however, essentially the same in towns and in rural areas: the difference is one of degree rather than of kind. It is a matter of observation that ideas about local government spread from the towns to the rural areas and not from the rural areas to the towns. Every unit of local government ought to contain a core of economic activity: a system of local government which is based on rural areas only stands little chance of development.

11. There is no space here to elaborate the various functions of a ministry of local government but a check-list is given below:

- (1) Its main function is to formulate policy and to promote this in its own right.
- (2) It also co-ordinates the work of the other technical departments or ministries which have direct dealings with local authorities.
- (3) It prepares legislation both principal and subsidiary.
- (4) It works out administrative procedures, e.g. for conducting elections, the employment of staff, the making of contracts, the purchase of stores.
- (5) Similarly, it works out financial procedures, e.g. for the preparation of estimates, the keeping of accounts, the making of super-annuation schemes.

- (6) It exercises statutory control of local authorities by approval of estimates, auditing of accounts, conducting inquiries.
- (7) Similarly, it exercises administrative control by various forms of tutelage.
- (8) It provides legal and financial advice to local authorities and also technical advice on such subjects as housing and town planning. It often sets up organizations within the ministry for such purposes.
- (9) It is responsible for arranging training.
- (10) It conducts or sponsors research.

This list is not exhaustive but will serve to illustrate the sort of work that is being done to-day by various ministries of local government.

#### Other Ministries

12. It is debatable to what extent other ministries should deal direct with local authorities. In some cases they do, but in other cases communication is conducted both ways through the ministry of local government and its local agents. In the latter event, as services become more numerous and more technically complicated, the ministry of local government would be compelled to add to its own staff specialist officers for education, health, works and so on and there might be a tendency for it to grow into a government within a government. On the other hand, if, say, the education ministry deals direct with local authorities, two difficulties may arise. The officials of the local authority may not at present be sufficiently well qualified to hold their own in professional argument with the officials of the education ministry; and, secondly, the Ministry may actually obstruct the devolution of its own powers, whatever the law may say. The case can be quoted of a law under which it was necessary for various ministries to transfer certain of their powers to local authorities. No ministry took



any initiative to carry out this law and it was not until officials of the Ministry of Local Government were placed inside the other ministries to draft the necessary orders that any steps were taken to carry out the intention of the law. There can be no hard and fast rule about this but arrangements will vary according to the maturity of local government as a whole and of the capacities of individual local authorities.

#### Field Agents of Ministries

13. There is always the possibility of jurisdictional conflict between the local officers of a ministry and the local authority of the area to which they are posted. It arises at the point where the vertical specialized responsibility of the agent intersects with the horizontal generalized responsibility of the local authority. Where different ministries use different operational areas, the conflict will be greatest. This is a bald statement of a problem which can only be solved by co-ordination, a word which can never be kept out of any discussion about public administration.

#### General Area Administrators

14. One way of achieving co-ordination is to place all the local officers of the ministries under the local command of a general administrator who is also the officer responsible for dealing on behalf of the central government as a whole with the local authorities in the area. In logic there is little to criticize in this method, yet it has not been practised everywhere, perhaps because of a feeling that it is too rigid and formal and does not make any concession to the good sense of the people concerned who, it is said, if left alone will achieve co-ordination by informal means. The formal and informal methods derive from French and British theory respectively. Thus the district commissioner in the former British colonies was never accorded the legal status and powers of a French Prefect. Even so, his office has been abolished by most of the successor governments. This might have indicated a wish to go back to the practice in Britain

itself where there are no district commissioners, still less prefects, but in fact it was more of an emotional assault upon a particular office peculiar to the colonial regime. The disappearance of the office, however, did not mean that the need for the functions of the office likewise disappeared, so it is being recreated in several countries with a much greater political content than before. The new government representatives or regional and area commissioners are much more like the French Prefects than British District Commissioners ever were.

#### Other Local Authorities

15. Sometimes local government services are divided between a major local authority operating over a certain area and one or more minor local authorities each operating over only a part of that area. If the minor authorities are placed in administrative subordination to the major authority, it will mean that they can only communicate with the central government through the major authority. Again local authorities may join together to establish a joint committee to administer a particular service over the combined area. Some countries too have established regional or provincial councils midway between local government as a whole and the central government. In such cases the regional or provincial council is an agency external to and acting upon all local authorities in the area, including major ones.

#### Local Loans Boards

16. Very soon after a local authority has been established it finds that it cannot accumulate sufficient capital out of budget surpluses to undertake the capital works necessary for the development of the services for which it has been made responsible. It will then need to borrow money but has no access or is not allowed any access to the capital market. In these circumstances central governments are the only source of supply and many governments have already established a procedure for issuing loans and set up a semi-autonomous board to administer it. The Government usually primes the

loan fund with a substantial amount of money and this fund can be increased by aggregating part of the various reserve funds of individual local authorities which are not under immediate call. The fund is intended to be self-supporting and the loans are of course serviced by amounts appropriated in the annual budgets of the borrowing authorities.

#### Local Service Commissions

17. The supply of qualified officers for local authorities nowhere matches the demand and in consequence there can be no free self-regulating market. In this state of disequilibrium the separate recruitment and employment by individual local authorities of their own staff can lead to many abuses and undermine the confidence of the officers. Chaotic conditions may make it imperative in the interests of the staff and therefore of local government and therefore ultimately of central government itself to introduce some order. In some countries the government through the Ministry of Local Government has decided to regulate the appointment of staff by local authorities and to determine the conditions of employment. In other countries, in order that decisions should be seen to be free from political bias, the duty has been handed over to an impartial local service commission.

#### Associations of Local Authorities

18. These are sometimes said to represent employers in local government in contrast with the staff associations which represent the employees. This is not the correct antithesis, however, because what they really represent is the policy-making side of local government. As such their merit is that they can present to the central government a broad view of local government seen from the inside. Moreover, the government can consult them about the effect of any proposed measures upon local authorities. This makes it easier for both sides to avoid special pleading. If separate associations are formed for different classes of local authority, for example, urban, rural, major or minor, care must be taken lest they become unduly competitive among themselves. It will be better to postpone the establishment of such associations until a real need is felt for them.

### Associations of Local Authority Staff

19. These are to be distinguished from societies established to promote the interests of members of a particular profession, for example, engineering, medicine or the law. Local authorities employ representatives of several professions and a much larger number of non-professional staff all of whom, however, have a common interest in the fact of their being employed by local authorities.

The main activity in the early years of a staff association will be of a trade union nature, that is to increase the status of its members and to improve their conditions of service. When these matters are taken care of by a local service commission the staff association will be able to turn more rapidly to establishing welfare and educational services for its members.

### Institutes of Administration

20. Independent or semi-independent institutes can perform a useful service in keeping the theoretical basis of local government constantly under examination. They can provide training courses for staff and councillors alike. They can run libraries and spread knowledge of the ways of local government among the people. They can conduct research and put themselves in a position to give an independent consultancy service both to the government and to local authorities.

### Political Parties

21. Local authorities are political bodies. To the extent that they are elected it is idle to suppose that they can be insulated from politics and illogical to suppose that they should be. The beneficial role that political partisanship can play in local government is to activate and educate otherwise apathetic and sluggish communities. Sometimes in Africa, unfortunately, political partisanship has been destructive of sound administration. Political differences which ought more properly to have been expressed at the national

level have been brought down to local level and have interfered with decisions about such practical matters as the siting of a school. Occasionally political partisanships have made a local authority unworkable. In one town where all the councillors were elected on party tickets, business was brought to a standstill by the failure of the opposing parties to agree to anything. Moreover, the staff were terrorized by political pressure brought to bear upon them by both sides. In the end the council was dissolved and replaced by a council wholly nominated by the central government. Although the government nominated the same persons who had formerly been elected and had just been dismissed, the reconstituted council immediately forgot all its previous quarrels and devoted itself to the service of the town and recaptured the loyalty and enthusiasm of the staff. There is probably a moral somewhere.

In the single party State, the object of the party is to ensure that the local authority does not deviate from the party line. This may prevent a local authority from falling a prey to the undignified squabbles of rival parties, but on the other hand, and especially when the party is indistinguishable from the State, there is the obvious danger that the local authority from a political point of view may become no more than a party cell and from an administrative point of view may become no more than an agent of the central government.

In one form or another politics has penetrated local government in Africa for purposes other than those which may be beneficial. The only way to check this is to retreat wholly or partially from local elections and to fill all or some of the seats on a local council by some other method of selection.

Questions for Discussion

22. This chapter raises the following questions for discussion:

- (i) Is the list of central agencies complete? Check and amend as necessary - para 2.
- (ii) What adaptations of European models of local government have been satisfactory and unsatisfactory respectively - paras 4, 5?
- (iii) Is the purpose of local government in Africa to reconcile order and liberty - paras 6 and 7?
- (iv) What is the case for having a separate ministry of local government - para 9?
- (v) Should urban and rural local government be combined in one ministry - para 10?
- (vi) What should be the relation between a ministry of local government and other ministries which deal with local authorities - paras 11, 12?
- (vii) How should the field agencies of the government, including general administrators, be co-ordinated with local authorities - paras 13, 14?
- (viii) What is the role of provincial or regional authorities in relation to local authorities - para 15?
- (ix) To what extent in present conditions can local authorities regulate their own affairs, including staff matters, through voluntary associations, with the object of making direct government intervention less necessary - paras 16, 19?
- (x) Can institutes of administration render direct services to local authorities, apart from their primary function of training staff - para 20?
- (xi) What is the correct role of politics in local government - para 21?

### CHAPTER III COMMUNITY DEVELOPMENT

#### Its origin

1. An undeveloped country is one in which people are wholly at the mercy of their environment. They do not attempt to control it but adapt themselves as best they may. This often includes deifying the rain and the wind and other natural forces as a justification of men's submission to them. A developing country is one in which a start has been made by some to master the environment. A developed country, however, is not one where nothing remains to be done, but one where most of the people can recognize a new problem and, moreover, know what steps should be taken and by whom if it is to be solved. The characteristic of an undeveloped country is a subsistence economy: few people are affected by development and money is of little account. The characteristic of a developed country is an exchange economy which affects everyone: money is all important for development but cannot be extended beyond its face value. The characteristic of a developing country is that large numbers of people are still free to give personal service, if they are willing, and thus to make a substantial addition to the face value of money available for development.

2. The majority of the people in many African countries have scarcely yet moved out of a subsistence economy. To judge the level of development by measuring the national income per person has little meaning outside statistical tables, for it takes no account of distribution; vast numbers of people have no cash income at all. The problems of development are therefore social and political as well as economic. Quality is necessary as well as quantity. Quality is reflected in such things as the possibility of general education and professional training, security of employment, medical care, pensions, and more generally, human rights.<sup>1/</sup>

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<sup>1/</sup> See Bulletin of Inter-African Labour Institute. CCTA November 1963. Article by Professor Neuman, President of the Belgian National Investment Society.

It can be said that money is no less necessary for qualitative development than it is for quantitative development and that the social reformers must wait for their money until large scale physical developments are producing a sufficient increase of revenue. This seemed to be an inexorable law but, as often, necessity proved to be the mother of invention and the doctrine of community development was born.

#### Its nature

3. Community development is both a new agency and a new technique of development. Yet "probably the most common error, and perhaps the most unfortunate, repeated in country after country, has been the false assumption that the end purpose of community development is material improvements. Physical improvements are an inevitable and essential part of community development. However, these improvements are not to be regarded as ends in themselves, but simply as instruments of stimulation that are used as part of a broad process of helping people to establish for themselves a participating, problem-solving society in which the chief concern is the dignity and well-being of individuals".<sup>1/</sup>

4. Community Development in Africa still suffers from those who look upon it, as the saying goes, as no more than a poor man's public works department. On the other hand, it also suffers from those who, disregarding realities, have the vision of "a great leap forward" of whole populations. This has not happened and if it did, it could not be sustained. The rational aim of community development is, as Poston more moderately expresses it, "a participating, problem-solving society". Participating means co-operating with central and local government in both the planning and execution of all improvements. It implies that the people have confidence in their Government at all levels. Problem-solving means taking the initiative to identify whatever is wrong or lacking and then doing something about it.

#### Contact with government

5. To do something one must know not only what to do but how to do it. It has always been the custom in Africa for people to help one another

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<sup>1/</sup> R.W. Poston. Democracy Speaks Many Tongues, 1962, Page 185.



in their private activities like clearing the land or building a house; but it is only recently that this community self-help has been extended to public projects such as the creation of new services and amenities. This is the point where the Government must step in because of its ultimate responsibility for all public affairs. It must top off with equipment and technical skill community projects which otherwise could not be brought to completion. It must arrange to maintain whatever has been created. It must do both these things in such a way as to encourage initiative without committing itself to greater maintenance costs than it can afford. This is another way of saying that the administrative aspects of community development must never be left out of account.

6. The most obvious point of contact between community development and the Government organization is at local government level. But here there is an administrative problem. Local government and community development are both dealing with the same subjects in the same area. Yet they are both in the early stages of growth and the question is how their further growth should be regulated. Are they to grow in parallel, never meeting? Will they meet and merge? Will one prevail and the other die out?

#### Comparison with local government

7. In some ways local government and community development are entirely opposed. A local authority is a statutory body with power to tax and power to make decisions which have the force of law and are thus enforceable in the courts. Community development is a voluntary movement and any sanctions, other than the pressure of community opinion, would destroy it. Again, local government operates over a fixed area and over all the residents in that area; community development may operate over any part of that area and any of the residents even in that part may opt out. Lastly, the business of local government revolves round the budget in an annual cycle; community development is not confined to any time schedule. It might seem therefore that the two are of a different nature and in a sense this is true.

8. Nevertheless, they depend on each other. Although material improvements may be not the most important aim of properly conducted community

development, it would be too theoretical to argue that they can afterwards be neglected. In the aggregate they amount to a considerable capital investment which it would be folly not to maintain. They must usually therefore be taken over for maintenance by the local authority. This in practice means spreading the cost over all the residents of the local authority's area who must in consequence be allowed, through their council, some say in what projects are started.

It is also to the local authority that community development will normally look for the help with materials and technical advice which must be available when it is required. Thus community development needs local government.

9. Local government also needs community development. Nothing is more depressing to an actor than to perform in an empty theatre. Local government likewise needs the support of a participating and co-operative public which it is not always able, as yet, to create for itself, partly because it has been imposed from above, partly because the boundaries of many local authorities extend beyond the limits of naturally cohesive communities and partly, it must be admitted, because through corruption and other abuses many have forfeited their chances of ever winning public confidence.

#### The way ahead

10. At the present stage then local government and community development are not the same thing but they are complementary and their interdependence is highly advantageous for general development on the broadest possible front. People who live in communities have an obligation to serve their communities and it is the task of community development not only to arouse a sense of this obligation but also to make it effective. However, as public works and services become more elaborate and more technically complicated, it ceases to be possible for them to be run on the basis of personal service. The citizen must then commute his service by a cash payment to a public organization, actually a tax paid to the local authority. At the same time the citizen himself will have become a specialized worker and will not be able to take time off from his trade or profession to give personal service. There is no fixed point of time at which this

happens. It is just a normal tendency but little by little the local authority must take over public works from community development. This in the long run will limit community development to cultural and social activities which, though immensely valuable, are not part of public administration.

11. If this forecast is true and although it may seem that at present both can be backed to the limit, it is important that policy makers should prepare for the time when community development will vacate the field of public administration in favour of local government. Community development, therefore, should not be allowed to compete with local government in the field of public administration. It is the best possible means of filling gaps at present, but as soon as competition sets in the balance must be tilted in favour of local government. This situation is summed up by the United Nations in the statement that community development is most needed where local government is weakest, yet where community development is most effective local government remains weak.

12. Meanwhile, administrative action should be in line with this probable conclusion. The central government must of course frame general policy: it must employ officers qualified in the special techniques of community development and it must be responsible for training. But as far as possible it should deal with community development groups through the local authority, especially channeling grants this way and freeing the local authority to the greatest possible extent in its own relations with the groups, for example, by allowing it to operate a special fund outside the controls which are applied to the ordinary budgetary process.

13. The local authority for its part, if it is to aid community development projects with equipment and technical staff or if it is to take over the maintenance of improvements, must, as has already been said, have a direct interest in what projects are started. This results in the peculiar exercise of trying to plan for the unpredictable. It can indeed only be done if, as has been suggested, the local authority is itself allowed a wider discretion than is normal. All the same it calls for great administrative ingenuity, for community projects can be killed just as dead by

too much help as by too little. A most useful central service in this respect is the provision of on the spot advice by sympathetic officers of the Ministry of Local Government and indeed there is a great deal to be said for combining local government and community development in a single ministry.

14. This chapter assumes that the broad purpose of central government, of local government and of community development is the same; namely, to develop the country socially and culturally (i.e. qualitatively) as well as economically (i.e. quantitatively). It raises the following

Questions for Discussion:

- (i) Does the narrower expression, 'a participating, problem-solving society', provide a still adequate description of the aims of community development in particular - paras. 1, 4?
- (ii) In what respects is community development different from the earlier forms of community self-help - para.5?
- (iii) Similarly, in what respects is community development different from local government - paras.5, 7?
- (iv) What are the points of contact between community development and local government - paras. 8, 10?
- (v) In what direction should each develop - paras. 6, 11-13?

## CHAPTER IV

### PLANNING

#### The annual revenue budget of local authorities

1. Every local authority is a planning authority in the sense that it is tied either by law or by practice to an annual revenue budget. The planning period, however, is longer than one year for it includes the period during the previous year when the policy decisions are taken and estimates prepared and the period during the succeeding year when there is stocktaking, evaluation and audit of accounts. One planning period may overlap the next, but whatever the time span, the revenue budget is effective over one year only and the figures must be precise because "the budget is the vehicle for fixing the amount of rate" (local tax).<sup>1/</sup>
2. In some African countries capital expenditure is included in the revenue budget. The effect of this is that new works which may have a life of several years are nevertheless paid for by the tax-payers of one year. Cases have been observed where more than half the revenue has been allocated to new capital works with the result that there is not enough left to maintain existing services properly and the further result that no provision is made to cover the future costs of maintaining the new works. This practice is not only unfair; it is also inefficient in the long run. Various rules have been introduced as a corrective, for example, a ceiling may be set to the proportion of the revenue budget which may be devoted to capital expenditure; or the rule may be that no single item of capital expenditure may cost more than a fixed sum.

#### The annual capital budget

3. By now, however, most local authorities are financing capital expenditure by borrowing and are preparing an annual capital budget separate from the revenue budget. It is only the reflection of the capital budget which appears in the revenue budget in the form of service charges for the loans.

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<sup>1/</sup> A.H. Marshall. Financial Administration in Local Government. 1960. Page 262. The first five paragraphs are based on material drawn from this work.

Although the figures must again be precise because it is an annual budget, the capital budget does not carry the same general authority as the revenue budget to incur expenditure: each item must usually be the subject of a separate ad hoc vote.

#### The development budget

4. As development gathers momentum and speed the need is felt for a scheme of capital expenditure planned over a period of several years instead of just one year. It is the role of local authorities in this long-term planning that is the subject of this chapter.

5. Although a long-term plan can be no more than a statement of intentions and the estimates cannot be as precise as they must be in the annual budget, it must be as realistic as possible or it is no plan. It cannot be prepared as a theoretical exercise because this would be to leave out of account two concrete and very human factors. The first is that development must eventually be paid for by increased taxes drawn somehow from the people and free people will only continue to pay increased taxes for something they believe in or at least accept. The second is that the general direction of development is determined by political thinking and this can fluctuate from time to time.

#### Method of preparation

6. It must be emphasized that local authorities are decentralized organs of government: it follows that their role as long-term planning authorities is limited to the extent of their powers to choose between alternatives and to make their choice effective. Within this limit the start of a plan ought to be a survey of what exists, but unfortunately most local authorities have no means of finding out. The first central or external service they require is persons skilled in social research methods and competent to produce the required statistics. It will, however, be a long time before the statistical base can be completed. Meanwhile there is nothing available except intelligent guess-work for which the local knowledge of the authority will be helpful, provided that allowance is made for a fairly wide margin of error.

The best survey possible in the circumstances having been made, the next stage is to set down what the local authority would like to see done by the end of the period of the plan. The plan must then be adjusted to what the available resources, existing and improved, can be expected to produce. Lastly the plan is phased for execution of part of it in each year of the plan. As each succeeding year approaches, greater precision is given to the estimates for that year until they become precise enough to be included in the annual capital and revenue budgets.

7. The available resources are professional staff of varying categories of skill, unskilled workers, equipment of varying degrees of sophistication, and money in the form of grants, loans and taxes. To make the plan feasible these resources must be improved both by action taken internally by the local authority and by recourse to aid from outside sources, usually the central government. These methods are considered in turn.

8. The measures which a local authority may take to acquire a staff of skilled officers are discussed in Chapter VI. Unskilled labour is available in two ways in addition to the normal one of engaging individuals for a wage. Most local authorities, at least in the former British Colonies, have the power in certain circumstances and subject to proper safeguards, to call on communal labour for specific communal projects. Whether or not these labourers are paid the normal wage, they cannot avoid the obligation to turn out although it is not forced labour in terms of the International Labour Convention. This addition to the normal supply of voluntary workers is, however, less and less called for except in dire emergencies, partly because it is difficult to administer properly but mainly because the method of community development is so much more attractive from every angle and so much more effective because it is drawn out of the people instead of imposed upon them. Nevertheless, as was pointed out in Chapter III the inclusion in a long-term plan of a movement whose essence is non-planning is no easy task. The improvement of the methods of local taxation is also something that can be done by internal action of the local authority. This is discussed in greater detail in Chapter V.

Reconciliation with central plan

9. Quite apart from any improvements which it can make internally, a local authority is compelled to look outside itself, to the central government, for help with technical advice and capital funds. The question is one not simply of development but of extra rapid development and no amount of capital can be generated internally sufficient to bring this about. For this reason, if for no other, all local authorities are at the mercy of the central government but there is another reason which is specially important in the context of planning, namely that the government has a plan of its own. The confrontation of central and local government in the field of planning is a comparatively recent phenomenon, either because the earlier local authorities were not concerned with rapid development or because the central government itself had not framed any national plan for development into which local plans had to be fitted. "Administration of old local self-governing institutions was not beset with the complications of development work and a confrontation with political representatives enjoying superior powers".<sup>1/</sup> Moreover, there is a special difficulty where the government is not framing its own plan within the same structure as the one in which the local authorities have prepared their plans, but may be using the plan as a means to alter the structure of society and of government administration.

10. Such a possibility as the one last mentioned may indeed cause planning difficulties of a sort which are outside the scope of this chapter. Here the point to be made, but not laboured, is that the government plan will be all the better for incorporating the wishes of its different parts. These wishes are expressed in the plans put up by the various local authorities, which themselves have incorporated as far as may be possible the wishes of different groups as expressed by the community development movement. At the same time the government's plans for subjects which lie outside the scope of local government, such as harbours, hydro-electric schemes,

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<sup>1/</sup> K. Sheshadri. Administration of Panchayat Raj Planning in India. Journal of Local Administration Overseas. Jan. 1964. Page 21.



will be all the better if the local authorities, who will later have to provide the supporting services, are brought early into consultation. The best national plan is likely to emerge from such mutual consultation followed by adjustments of both central and local proposals. From the central point of view, the willing co-operation of the people will be assured: from the local point of view there will have emerged at least an outline of the financial aid which will be forthcoming from the government. Much disappointment can be avoided if the government at an early stage can give local authorities a list of priorities which they must observe when preparing their own plans.

#### Practical difficulties

11. Stated thus it all seems too obvious and easy. In practice there are difficulties. First, local authorities compete with one another for the largest share of an all too small amount of money. This does not usually cause a crisis in a country which is sufficiently homogeneous to feel that it is also a nation for local authorities will in the end generally acquiesce in the government's decision between conflicting claims. In countries, however, where some local authorities may represent unassimilated minorities the position is much more difficult: political hostility between the central government and such local authorities may destroy any possibility of fruitful consultation about the plan.

12. The second difficulty is more concrete: it is caused by the inadequacy of the administrative machinery. "Democracy at the top cannot be supported by undirected chaos at the bottom in the name of decentralization".<sup>1/</sup> A local authority cannot be a planning authority unless it can administer what already exists with order and efficiency. Services provided by the central government can help to improve the administrative machinery but cannot by themselves make it efficient.

#### Resumé of the role of local authorities in planning

13. It is possible now to sum up the part that local authorities can play in formulating the national plan. They must first of all concentrate on

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<sup>1/</sup> K. Sheshadri. Op. cit. Page 26.

improving their own administrative organization, particularly by attention to proper staffing and to an equitable method of local taxation. At the same time the councils of the local authorities must apply the doctrine of community development to themselves and must strive to become ever more representative until they can be truly described as community councils. Each local authority must be capable of preparing a long-term capital budget and reasonable enough to discuss it with other neighbouring local authorities and to adjust it if necessary in order to achieve some regional co-ordination. Only from this starting point will representatives be able to go forward to consultation with the representatives of the central government sufficiently confident and well briefed to support their proposals without seeming bigotted. Only from this starting point again will local authorities be capable of appreciating what new local supporting services the government's own proposals will require.

14. If the national plan has been built up in this way the execution of it is likely to present less administrative difficulty than if it has merely been imposed by the government. The local authority will be responsible for what is included in its own capital budget and additionally it can execute other works as agent of the government. The more it actually does either in its own right or as agent of the government, the more the people as a whole will be drawn into the process of development.

15. Successful participation by the people in simple development projects will encourage them to participate in more complicated projects later. The only other means of rapid development is coercion. Local government is strategically well placed to promote the one and prevent the other, but it is not yet a so obviously successful means of local administration that it will necessarily be preserved everywhere for its inherent merit. It could easily be dislodged in favour of coercion if it was seen to make no effective contribution either to the formulation or execution of the development plan.

16. Local government in Africa is likely to acquire real significance for the people only when it is the means whereby they are allowed to exercise sufficient responsibility in the social and economic fields. This

implies that they must also have the will. The necessary human ingredients of development are vision at the higher levels of government and hope among the people. Vision is expressed not in vague exhortations to people to better themselves, but in a concrete plan. Hope is created only when the various communities recognize that the plan contains at least some of their own projects; it is expressed in the will to achieve them; it is sustained by continuity and a sense of direction, which can only be supplied by a permanent institution, in short, some sort of local authority. For all its merits community development is not by itself sufficient, for by definition its task is not to look too far ahead but to strike when the iron is hot.

#### Questions for discussion

17. Some questions for discussion, arising out of this chapter may be set out as follows:

- (i) Local authorities cannot exist without being planning authorities, at least for the short-term. Is it sufficient for them to carry on in this way, living from year to year and progressively picking up the effects of long-term planning carried out by other organs of government, or should they engage in long-term planning themselves?
- (ii) Bearing in mind the need for development in every direction, are better results likely to be obtained if each local authority makes its own self-contained plan or if all are compelled to reconcile their plans with regional and national plans?

These are general questions. More particular questions are:

- (iii) What are the characteristics of revenue and capital budgets, annual and long-term, respectively - paras. 1 - 5?
- (iv) To what extent should capital development be financed from the revenue budget or from loans - paras. 2, 3?
- (v) How can methods of social research be improved - para.6?
- (vi) Is reliance on communal labour, including labour brigades, youth pioneers, etc., an important factor in planning - para.8?

- (vii) A local authority faces one way the natural imprecision of community development and the other way the precision required by the national plan. How can it best fit itself to reconcile these opposites - paras.8 - 10?
- (viii) What help can the central government give to local authorities to facilitate this task, generally and specifically in respect of:-
- (a) providing a list of priorities - para. 10?
  - (b) Providing the right atmosphere for central/local negotiations - para. 13?

Finally, a general question again:

- (ix) Does popular participation in the plan mean direct, active participation or is consent (or even mere acquiescence) enough? This is the key question.

## CHAPTER V

### FINANCE

#### Financial decentralization

1. The decentralization of administration generally, but not necessarily implies the decentralization of finance. It is possible for administrative devolution to be accompanied by only delegation of finance, as where a local authority has the full power to establish, say, a secondary road system but has no money to spend on it other than an arbitrary allocation from the central government. Such authorities are sometimes called "spending authorities", but the process may be taken a stage further as where they also collect (and retain) a centrally imposed tax. This is, however, still delegation and complete devolution is not achieved until the local authority is given the power to levy its own tax. It is when the local authority has the power to make an operative choice between greater revenue and smaller expenditure that it is a completely decentralized organ of administration. The processes leading up to this choice by a public authority must be exact and fair and the central government on behalf of the public has an obligation to make them so. It fulfils this obligation by positive aids and controls and nowhere are they more important than in the field of finance.

#### Equalization

2. Not very long ago the modern services such as health, education, roads, for which it is now sought to make local authorities responsible, were the responsibility of central governments but they were not evenly distributed. To pay for them a government drew on all the more obvious sources of tax throughout the country but could only spend its revenue in areas where services were needed and could be used. For example, a remote pastoral people paying animal tax might produce a substantial amount of money in excess of the cost of the few services they needed or could use. Few areas were in balance. Later the demand for modern services became widespread and on its way up to the government met the doctrine of the welfare state which was being handed down. The institutional system

of local government and the movement of community development were twin children born of this conjunction. Community development was discussed in chapter III and here the paper is concerned with local government on its financial side.

3. The people everywhere now demand services and the government would like to satisfy the demand. But it cannot unscramble its earlier commitments so as, for example, to take away services from an area which has long enjoyed them in order to set them up again in a different place. Nor can it say that henceforth each area can enjoy the exclusive use of its own revenue because since some areas are richer in natural resources than others through no merit or fault of the inhabitants, the resultant spread of services would be no more even than it is now. Adjustment is therefore being sought through the principle of equalization, by which the government puts each local authority on a financial base no lower than the average base for the whole country. This can be done by means of a block grant in aid of its general revenue and it is logically the first central service to local authorities, although it is not necessarily the first in time. Ideally there should be an equalizing capital grant as well so that the starting point for further development may be the same in all areas.

#### The Local Tax

4. The next service is to provide the local authority with its own sources of revenue which it can tap to a greater or less extent according to its own decisions. Governments are reluctant, however, to hand over their own sources of revenue, partly perhaps because they do not yet quite trust local authorities, but also because, as has already been explained, the yield from them is already earmarked. Yet new sources for a local tax are not easy to find. Maddick lists those currently in use under three heads, property taxes, personal taxes, taxes on economic activity. <sup>1/</sup>

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<sup>1/</sup> Henry Maddick. Democracy, Decentralization and Development. 1963.p.262

5. The essence of a local tax can be found by working backwards from the budget meeting of the local authority. After all items of revenue, other than the tax, have been taken into account, there is still a gap if all the proposed expenditure is to be met. Ideally the local tax should be of a sort that upon a resolution of the authority, it will spring into operation and thereafter will produce at the right time the amount needed to close the gap, neither much more nor much less.

The help of the central government is needed to discover the forms of local tax (or taxes, for it is advantageous to have more than one) which in the circumstances approximate most closely to this ideal. Nor is this a matter for financial experts only but for administrators also, since fair assessment and humane collection are as much parts of the tax as its amount.

The base of a local tax should be specified in the law, so that everyone may know. A local authority should not be free to introduce new forms of taxation without approval of the legislature: its freedom lies in being able to vary the amount leviable on a known base.

#### Other revenue

6. Other sources of local revenue are licences, fees, e.g. school fees, and charges for services which can be measured, e.g., electricity, water. The role of the government in respect of these is to decide how much they can be used to relieve the local tax. Local authorities in many countries would like to derive most of their revenue from sources such as these because it relieves them from the odium of having to increase the local tax. To achieve this, they often impose a fee or charge in excess of the cost of the particular service provided. the surplus is added to general revenue to defray other expenses of a general nature. This has the effect of forcing certain persons, e.g. the users of water, to subsidize the cost of general services enjoyed by the whole community and, unless watched, the practice may very soon get out of hand. Much the same applies to trading activities. Opinion is divided whether profits and losses should be absorbed in the revenue account or dealt with on a commercial basis: there are attractive arguments on both sides.

#### Central Grants - Revenue

7. Over and above the equalizing grant and the revenue drawn from their own sources and interest on their investments, local authorities with rare exceptions need further substantial grants from the government. Nor are governments in general averse from the principle of paying grants, however much they may haggle over the amounts. The grants reflect the national interest in what local authorities are doing, especially in the fields of education, health and communications. Moreover, because they are drawn from the pockets of the general taxpayers of the whole country, they give governments, acting on behalf of the public, a powerful means of exercising control over the way in which they are spent.

8. Grants are a most substantial service to local authorities, but it is important that they should not be regarded as charity. They should be given and received as of right; they should be calculated by reference to an objective formula which should remain unchanged over a period of at least three years, for, if a local authority when preparing its annual estimates cannot calculate the amount of the grant, it cannot know how much it will have to raise from its local tax.

#### Central grants and loans - Capital.

9. Outside the revenue budget there is, as has been explained, the capital budget which is the reflection of the development plan. Some local authorities used to devote a large part of their revenue budgets to capital works. Others, though framing a separate capital budget, tried to feed it from surpluses deliberately achieved in the revenue budget. Neither of these arrangements is sufficient and in most countries now local authorities receive both grants and loans to finance development. It is not normally possible to work out a formula for capital grants such as is necessary for determining revenue grants, but forecasting the amounts is more feasible if local programmes have previously been fitted into the national development plan.

If there is an agreed plan, it does not matter in theory whether local authorities receive their capital funds from the Ministry of Local



Government or from the Ministry responsible for the work in question, but many governments, in the interests of co-ordination have gone a stage further and set up semi-independent credit banks or loans boards. Such units have several advantages over any organization which may be set up within the ministries. They can add to any funds received direct from the government by themselves borrowing in the market and by acting as repositories for the reserve funds of local authorities. Moreover, by concentrating on this one aspect of local finance, they can develop consultancy and evaluation services for particular local projects and from experience of all aspects of loan finance arrive at the most satisfactory rules of procedure.

A similar service might be provided by an Association of Local Authorities but there would have to be a sufficient degree of voluntary co-operation and the assurance of continuity to balance the statutory powers available to government-sponsored credit banks.

#### Supervision

10. The central government, apart from its responsibility to provide local authorities with the means of obtaining recurrent revenue and capital funds commensurate with their functions, is also ultimately accountable for everything that happens to public money. It has to resist the temptation to impose rules that are so rigid and detailed that they stifle local initiative, yet it cannot afford not to guard against inefficiency and corruption. The balance between stimulation and control is delicately poised and a useful general principle is that it should be capable of being shifted to match the performance of individual local authorities; strict control over an inefficient authority being gradually relaxed as it becomes more competent.

The most important points of contact between central and local government are discussed in the following paragraphs.

#### Form of estimates and accounts.

11. The beginning of the cycle of operations is the preparation of the estimates and the end of the cycle is the external audit. It is clear therefore that the estimates should be prepared and the accounts kept in

a form which will most facilitate the audit. There is absolutely no virtue in allowing diversity in such straightforward routine matters: a local authority does not prove its independence to anyone by adopting a peculiar form of estimating or accounting. A most useful service therefore is for the Ministry of Local Government in conjunction with the Ministry of Finance to prescribe uniform procedures for the estimates and the accounts. These procedures should not be merely copies of the government's own procedures, because the needs of local authorities are somewhat different. What they require for the estimates is a proforma which will set out the expenditure and revenue attributable to each department of the local authority. This will show the true costs of each service. The prescribed form of accounts should be related to the form of the estimates. This will not only facilitate audit, about which more will be said later, but will also make it possible for the local authority at the end of the year to evaluate the performance of each service. "Performance" budgeting is a test of the efficiency of a service and a valuable guide to the development of it.

#### Audit

12. Audit is of two kinds, internal and external. Normally the finance officers of a local authority should be responsible for a continuous internal check, but where there are not enough officers qualified to do this, the service may be undertaken by central officials. The external audit is something different: it is an independent examination of the authority's accounts carried out on behalf of the public. Sometimes it is done by the government auditor, sometimes by private auditors employed for the purpose by the government, sometimes by finance inspectors on the staff of the Ministry of Local Government. Whatever the practice, it is necessary that the auditor should be independent: it is his business to disclose the facts.

What follows depends on local conditions. Where the auditor and the chief financial officer of the local authority are both professionally qualified, the auditor may be given the duty automatically to disallow any unlawful and even unreasonable expenditure and to impose a surcharge on those responsible, whether councillors or staff. This includes the duty to