29856

ECA/MRAG/92/52

UNITED NATIONS

ECONOMIC COMMISSION FOR AFRICA

Multi-Disciplinary Regional Advisory Group

LOCAL GOVERNMENT AND RURAL DEVELOPMENT: A CRITICAL REVIEW OF EFFORTS, PROSPECTS AND PROBLEMS

By

M.J. Balogun

Senior Regional Adviser, ECA,

Multi-disciplinary Regional Advisory Group

Addis Ababa, Ethiopia.

LOCAL GOVERNMENT AND RURAL DEVLEOPMENT: A CRITICAL REVIEW OF EFFORTS, PROSPECTS AND PROBLEMS

INTRODUCTION

In recent years, and particularly with the problems accompanying the overwhelmingly pro-urban development strategies, attention is gradually shifting to rural development. In Nigeria, for example, the government established a Directorate of Food, Roads and Rural Infrastructures to implement an ambitious programme of integrated rural development and to channel resources to rural-based projects. However, while the new stress on rural development represents a welcome departure from the past benign neglect, it would appear that further thought need to be given to the institutional implication of the policy shift. In specific terms, the question has to be answered whether the tasks of developing and managing rural projects should be carried out by central government agencies or by community-based institutions. If it is argued that the tasks are best handled jointly by both central and local institutions, what factors should be taken into account in defining the various agencies' jurisdictions and forestalling inter-agency conflicts? Above all, where does local government fit in under the new arrangement? To put it bluntly, do we need local government under the pro-rural regime any more than we needed it under the pro-urban one?

This paper poses many questions, but it cannot pretend to have all the answers. It begins by examining the developments

preceding the disillusion with pro-urban strategies - particularly, the strategies which relied on central governments to engineer economic growth and promote social change. The second section, using Nigeria as an illustration, focuses on recent efforts at promoting the development of rural communities. The third section discusses the institutional constraints which would need to be addressed if local governments are to be adequate to the challenge of rural development.

I. Meeting the Challenge of Nation-building: The Early Post-independence Strategies

The early post-independence period witnessed efforts on the part of many African governments to overcome obstacles to development. Having attained political independence, the various countries sought to "modernize" their economies and raise the living standards of the people. The mechanism adopted in the "modernization" drive was the national development plan incorporating each country's dream of a prosperous society over a period of 5 to 10 years. As the most "modernized" institution in society, the central government bureaucracy was assigned the role of formulating and implementing the economic development plans. In any case, the circumstances prevailing in the immediate post-independence period strengthened the case for centralized approach to development planning and administration in many African countries. The same set of circumstances worked in favour of urban areas as against rural communities. At least six factors account for this centralist-cum-urban bias in the

early days of independence - viz, the desire for national integration, the quest for rapid 'modernization' and material progress, the national political elites' zero-sum view of power, the civil service bureaucracy's empire-building tendencies, the "withering away" of cooperative and community development institutions, and the weakness of local government agencies.

The fear (whether real or imaginary) of separatist tendencies in post-colonial Africa led many a government to adopt measures aimed at strengthening the centre at the expense of the periphery. Centralization measures ranged from the establishment of one-party states, through rigid control of community power structures and local government institutions, to the constant flirtations with military rule. Even where central government laws provided for the creation of local authorities, the independence of the latter tended to be undermined by clauses requiring central government ratification of the least consequential of local decisions. For instance, a typical local government legislation, while expecting the local authorities to perform multifarious functions, frequently left the power and authority necessary to discharge the functions with central government officials1/

In some cases, local government laws simply regarded local authorities as a mere extension of central government. An example is the People's Local Government Act (No. 46) of 1971 which in Sudan produced a system that was controlled by a mixture of central government officials and elected councillors. The

same enactment empowered the Provincial Commissioner (a Presidential appointee) to suspend or vetoe any decisions taken by a People's Provincial Executive Council if he considered the decisions prejudicial to "public interest" or the "general policy of the state".2/

Another illustration is provided by law No. 74-23 enacted in the United Republic of Cameroon in December 1974. This Law defined a local council as "a decentralized public authority having the status of a corporate body under public law". However, while the council possessed a "legal personality" and enjoyed "financial autonomy", the Law stipulated that it (the council)

> "shall administer local affairs under the supervision of the State to secure the economic, social and cultural development of its population" (emphasis mine, MJB)3/

Besides the claims of national integration, the quest for material progress and rapid "modernization" justified actions taken in the post-independence period to tilt the balance in favour of central authorities. Having won the battle for political independence, the attention of the leaders shifted to the economic front. The strategy that was adopted was that of national development planning, and the war machine was the central government bureaucracy. The confidence in the efficiency of government as an agent of growth and "modernization" was not entirely misplaced. Afterall, the preceding colonial rulers had

formulated and implemented development programmes using the same mechanism. However, whereas the colonial bureaucracy proceeded with caution (well aware of its limitations) the post-colonial rulers appeared to expect miracles from the civil service. Instead of concentrating on capital and infrastructural development projects and relying on "indicative planning" to spur private investment, government in post-colonial Africa over-extended themselves. They were not content to build dams and manage railways; they established national airlines, administered modern telecommunication services, baked bread and retailed cigarettes. It did not matter much whether the interest of the bulk of the people (particularly, the rural dwellers) lay elsewhere. What mattered was that a development plan document had been prepared by experts and a bureaucracy had been established to implement the plan or any projects that were assigned priority rating by the dominant groups in government.

The national elites' perception of power also militated against decentralization. Almost invariably, the elites behaved as if a power that was shared was as good as lost. This in a way explains the tendency on the part of central government leaders to pay lip service to the idea of autonomous local government. While acknowledging that the interest of the masses would best be served if development started "from below", the bulk of the decisions taken by the central government often stifled local initiative. No further evidence of ambivalence (on the role of local government) is required than in the allocation of resources and the conferment of power and authority. As pointed out

earlier, the central government most frequently expected much from local government, but gave very little in terms of resources and power.

Not to be out-done in the drive for power the career bureaucracy almost invariably adopts subtle techniques to frustrate popular aspirations and curb local initiative. Even where the political elites appear anxious to decentralise power and transfer resources to local institutions, the bureaucracy's empire-building tendencies sometimes stand in the way. That is probably why the bureaucracy cannot wait for an elected local authority to be dissolved before sending one of its members as a "Sole Administrator" or as a care-taker. Besides, the bureaucratic norms (of centralization, hierarchical conformation, professionalization, and standardization) often run counter to the idea of local political control of administrative action. For example, in spite of the efforts made by the Zambian Government to decentralize powers to provincial and district administrations as from January 1969, Permanent Secretaries at the ministerial headquarters continued to:

(i) play a leading role in policy formation;

(ii) maintain tight control over accounting and financial processes in the field offices;

(iii) deploy, transfer, promote and discipline "field" staff;

(iv) supervise and receive reports from heads of the departmental field offices.4/

The steady march of centralization has witnessed the decline of local institutions - particularly those which had hitherto been active in promoting community development and agricultural cooperatives. During the colonial period and in the early days of independence, community action programmes were implemented by voluntary associations, village improvement groups, age-grades, craft guilds, farmers' cooperatives and savings' clubs. The "modernization" drive of the post-colonial era pushed these grass-roots institutions aside and raised the profile of the central government. Activities which had hitherto belonged within the province of local communities (e.g. arts and culture, construction or renovation of town halls and chiefs' palaces, rehabilitation of village roads and the management of community schools) were taken over by central government agencies.

The general weakness of local government institutions served as an additional justification for keeping power and resources at the centre. Under normal circumstances, an effective and representative local government ought to serve as a focal point for local initiative and community action. However, the typical local government is likely to be short of qualified personnel, lacking in financial and material resources, and incapable of managing even the simplest projects without hiccups. If a local government council is not disbanded because of corruption and mis-management, it is likely to face a serious credibility crisis.

Up to the recent years, a combination of the factors discussed above appeared to have promoted the cause of centralization as against that of rural development and community action. As the next section shows, the situation is gradually changing.

II. Decentralization and Community Action: Recent Developments

In spite of (some would say, because of) central government effort to engineer economic growth, stagnation and recession were the salient features of the African economy, particularly, as from the beginning of the 1980s. As Table 1 below indicates, when compared with the other regions of the world, Sub-Saharan African recorded low growth rates between 1981 and 1988.

Table 1: Low-and Middle-income Economies: Growth of GDP and GDP per capita by Region, 1981-88
(Average annual % change)

	1966 GDP ($Billions)	1986 Population (millions)	GDP			GDP per capita		
			1981-86	1987	1988(a)	1981-86	1987	1988 (b)
Low- and middle-income economies	2,576.0	3.783.4	4.1	4.2	5.2	2.0	2.1	3.6
Regional Groups								
Sub-Saharan Africa(b)	154.3	428.1	0.4	-1.4	3.0	-2.6	-4.5	-0.4
East Asia(c)	631.1	1,487.4	8.3	8.7	9.4	6.7	7.0	7.9
South Asia	296.5	1,056.1	5.5	4.6	7.6	2.9	2.3	5.7
Europe, Middle East and North Africa (d)	748.1	382.1	3.3	1.6	2.5	1.1	-0.5	0.3
Latin American and the Caribbean	699.5	395.5	1.4	2.7	1.4	-0.7	-0.6	-0.6

Notes (a) Preliminary (end June 1989 data)

(b) Excludes South Africa

(c) Includes China, Fiji, Indonesia, Kampuchea, Kiribati, Republic of Korea, Lao People's Democratic Republic, Macao, Malaysia, Papua New Guinea, Philippines, Solomon Islands, Taiwan, China, Thailand, Tonga, Van uatu, Vietnan, and Western Samoa.

(d) Includes Afghanistan, Algeria, Cyprus, Egypt, Greece, Hungary, Iran, Iraq, Jordan, Lebanon, Libya, Malta, Morocco, Oman, Poland, Portugal, Romanian, Syria, Tunisia, Turkey, Yemen Arab Republic, People's Democratic Republic of Yemen, and Yugoslavia.

Source: The World Bank, Annual Report 1989
Washington D.C., 1989, p.25.

Between 1980 and 1985, per capita GDP in Sub-Saharan Africa declined by 16 per cent5/. The decline in productivity in the food and agriculture sector is indeed illustrative of the severity of the socio-economic crisis. Whereas in the early 1960s, India and Sub-Saharan Africa produced about the same quantity of food, by the mid-80s, India had trebled its output and food production in Africa had either regressed or stagnated. The imbalance between population growth and food production has worsened Africa's food supply situation. While in the 1970s, per capita food production increased at the rate of 1.5 per cent, the population increased at the rate of 3 per cent within the same period. To plug the deficits in food production, Africa had to resort to food imports or rely on food aid.6/

In any case, the drop in food self-sufficiency ratios (from 98 per cent in the 1960s to 86 per cent in 1980) accurately reflected the general decline in domestic production and the consequent reliance on external aid (viz., loans and development assistance).

In the meantime attention was gradually focusing on alternative development strategies for Africa. Convinced that the state-led development strategy had failed to produce the desired results, advocates of structural adjustment reforms insisted on the speedy dismantling of state controls and the "privatization" of public enterprises. In response to the objections that structural adjustment packages were externally

imposed, and that such packages did not address Africa's long-term development problems, the African countries in 1986 expressed the determination to

> "mobilize all our resources for development purposes ... take measures to strengthen incentive schemes, review public investment policies, improve economic management, including greater discipline and efficiency in the use of resources, encourage domestic resources mobilization and ensure the broad participation of all our peoples in the veritable fight against poverty, famine and hunger, disease and ignorance." (emphasis mine, M.J.B.)7/

The significance of the preceding quotation lies in the African leaders' pledge to involve their people in the development process. Whether they are prepared to back this commitment with radical institutional changes - changes favouring the bulk of the people in rural areas - is another matter. It should also be noted that under the African Priority Programme for Economic Recovery (APPER) 1986-1990, the leaders undertook to make increasing resources available to the rural sector which had hitherto been neglected. Tables 2 and 3 indicate how far they were prepared to go to alleviate conditions in rural communities.

Table 2: Resource Requirements for APPER 1986-1990

in million of US dollars)

Sector	Total Cost	Domestic Inputs	External Resource Requirements
Agriculture	57,434.1	40,288.4	17,145.7
Other sectors in support of Agriculture	60,110.5	36,675.8	23,435.1
Drought and desertification	3,408.9	1,505.5	1,903.4
Human Resource development	7,151.0	4,017.7	3,132.9
Total	128,104.5	82,481.4	45,617.1

Source: ECA

Table 3: Resource Requirements for APPER 1986-90
(per centage)

Sector	Total Cost	Domestic Inputs	External Resource Requirements
Agriculture	100.0	70.1.	29.9
Other sectors in support of Agriculture	100.0	61.0	39.0
Drought and desertification	100.0	44.2	55.8
Human resource development	100.0	56.2	43.8
Total	100.0	64.4	35.6

In terms of resource allocation at the individual, national level, APPER set an investment target of between 20 and 25 per cent in agriculture. However, when the ECA in April 1987 despatched survey teams to its member-States to find out what had

been achieved, only 63 per cent of the respondent-States reported that they had attained the agreed investment target. This compared less favourably with the 80 per cent of the respondents that had reported progress in the involvement of the private sector in the development process.8/

Nigeria: A Case Study

In spite of what would appear as lukewarm support for the rural development strategy, the changes which have taken place in some countries can be described as remarkable. Nigeria is an example of a country where concrete measures have been taken to "change the face" of the rural communities.

The establishment of the Directorate of Food, Roads and Rural Infrastructure attests to the fact that hitherto, Nigeria's development efforts focused almost exclusively on infrastructural development in the urban centres. Ironically, the bulk of Nigeria's population is in the rural areas which produce, at least 90 per cent of the food consumed by Nigerians. Through its policy of integrated rural development, the government is determined to reverse the predominantly urban trend. The main policy objective is to increase rural productivity and incomes, diversify the rural economy and generally enhance the quality of life in the rural areas. This, hopefully, is to be achieved through the provision of basic infrastructural facilities and social amenities such as roads, electricity, water, agricultural inputs, basic health facilities and functional education. This

strategy is seen as having the potential of stemming the increasing tide of rural-urban migration as well as a step towards the total transformation of the Nigerian society from a peasant, subsistent agricultural economy to a modern agro-industrial economy capable of raising and sustaining the quality of life of the people.

Through the instrumentality of the National Directorate of Food, Roads and Rural Infrastructure and its state counterparts, the government initiated the process of rural transformation and rural infrastructural development. The government wished to achieve the objective through popular participatory efforts. In other words, it is recognised that it could not alone change the conditions of the rural communities but had to act in concert with the entire citizenry at the grassroots. The thrust of the new programme was the mobilization of local communities for development purposes and as a means of promoting local self-reliance, foster local initiative and enhance rural employment opportunities.

Integrated rural development was accorded such a high priority that all state Directorates were located in the office of the State Governor. The policy-making organ for each State Directorate comprised the Governor (as Chairman), those members of the State Executive Council whose portfolios were relevant to rural development, and a few technocrats. Policy decisions were implemented by a hierarchy of implementation committees from State, through Zonal to Local Government and, sometimes,

Community Implementation Committees. As the tier of government that is closest to the people, local governments all over the country were used by the State Directorates in their crusade for rural transformation. Most of the projects were executed by direct labour although those involving specialised knowledge were given out on contract.

The programmes/projects involved in the rural development efforts of all the states include:

(i) Road rehabilitation and construction;

(ii) Water supply;

(iii) Provision of electricity;

(iv) Assisting the local farmers in the area of agricultural development, including food storage;

(v) Provision of improved educational facilities;

(vii) Encouragement of cottage industries, particularly agro-based ones;

(viii) Construction of Human Waste Disposal e.g. ventilated improved pit (V.I.P.); and

(iv) Mobilisation of local communities for self-help projects.

Road Development Programme

At the initial stage, the rural development efforts of the states seemed to be directed mainly at road construction and

rehabilitation. The choice of road development as a first priority all over the country was informed by the fact that unless there was access to the rural communities, all other programmes (e.g., electricity, water, and farm inputs) would not reach them. Some of the roads were constructed on virgin land and this facilitated access to both small and large-scale farmers. What is more, rural roads opened up villages, the main food production centres, and therefore aided the production and distribution of food items to the urban areas where they were most needed. Using the local governments all over the country as the spring-board, a number of old roads were also rehabilitated and new link roads across villages were completed to connect existing highways. In February 1987, participants on ASCON's CPA and DPA programmes visited rural projects in all states of the Federation. They discovered that a number of local governments had been so enthusiastic about road development that they had exceeded the kilometre targets in the first phase which was scheduled to end in March, 1987. It is noteworthy that the Directorate on its part re-imbursed local governments regularly for expenses incurred on completed projects after carrying out the necessary inspection. In some states, e.g. Cross River State, Rural Development Committees were constituted to mobilise and motivate the people for voluntary self-help projects. The table below shows the comparative achievement of all the states in respect of road construction and rehabilitation as at the end of the first week of February, 1987.

State	Target (for 31/3/87) in Kms	Completed (as at 6/2/87) with bridges and culverts (in kms)	In Progress (in kms)	Remarks
1. Abuja	844	211	65	
2. Lagos	-	-	-	Not supplied
3. Ogun	948	600	120	-
4. Benue	-	-	-	Not supplied
5. Rivers	850	28	184	Riverine area with difficult terrain
6. Kaduna	-	-	-	Agency for Rural Development set up only on 9/1/87
7. Ondo	850	-	222	-
8. Imo	945	250	-	-
9. Sokoto	Not supplied	304	748	-
10. Anambra	"	150	280	-
11. Bendel	1,047	700	-	Many of the uncompleted roads are in the Delta area with difficult terrain
12. Oyo	Not supplied	1,906	-	-
13. Kano	1,040	478	-	-
14. Borno	1,200	900	-	-
15. Kwara	3,000	1,369	-	-
16. Plateau	1,488	301	-	-
17. Niger	Not supplied	124	-	-
18. Bauchi	1,123	1,100	-	-
19. Gongola	Not supplied	110	300	-
20. C/River	Not supplied	1,044	-	-

Complied from the Field Trip Reports of Participants on ASCON's DPA and CPA Programmes. (ASCON stands for the Administrative Staff College of Nigeria, while DPA and CPA respectively stand for Diploma and Certificate courses in Public Administration)

It is noteworthy that inspite of the many teething problems associated with programmes of such a magnitude as the road development programme, many of the states of the Federation had achieved remarkable feats at the beginning of 1987. This success is attributable to the enthusiasm the programme generated in both the government officials and the local communities who were the main beneficiaries.

In the states that achieved laudable successes, it was observed that the State Directorates were particularly well-organised and managed. There was also a high level of rapport between the state Directorate and all the agencies and officials connected with programme execution, particularly the Chairman of the local governments. Officials of the States' Ministries of Works, who operated the road-construction equipment, also readily co-operated with the State Directorate to guarantee programme success. More importantly, most local communities viewed the projects as theirs and, therefore, readily collaborated with government officials.

The nation-wide road development programme would have been much more successful but for a number of crippling problems. A few states, e.g., Kaduna State, had the initial problem of mobilising the local communities many of whom relied on the promises made by politicians during Nigeria's Second Republic and, therefore, had the mistaken impression that government was in a position to provide the needed services to the people. A few other states, e.g., Bendel, Rivers, Anambra, and Borno, faced

ecological problems (like the numerous creeks in the riverine areas, difficult terrain and erosion) which considerably slowed down the pace of work on the road projects. An equally daunting problem which adversely affected road development nation-wide was the dearth of road-construction equipment. Road development relies on heavy earth-moving vehicles and equipment, e.g., bull-dozers, graders, rollers, water tankers, tippers, land rovers, and concrete mixers. The cost of procuring and maintaining these equipment is very prohibitive. In the face of the inflationary pressures on the economy, many of the states had enormous difficulties mustering the resources to implement their rural development programmes. Against the background of these and many other problems, the National and State Directorates should be commended for the successes the rural road development programme achieved.

Other Programmes

A few states have made impressive strides in other aspects of the integrated rural development programme, notably in agriculture, water supply, provision of electricity and cottage industries. In Bauchi State, for example, 147 boreholes were drilled for water supply while 98 existing ones were rehabilitated. In Kwara State, excavation of pipe-laying for the supply of water to 99 villages through gravitational flow were completed. Not less than 56 rural water schemes were handled in Anambra State, while Sokoto State constructed 57 bore-holes, 98 improvised wells with hand-pumps, and 96 open dug wells

throughout the State. Bendel, Anambra and Rivers States recorded notable achievements in agricultural development. Bendel State, for example, managed the following schemes among others:

(i) Agricultural Development Project - which aimed at increasing food production through the supply of seedlings, other inputs and vigorous extension services. The project attained much progress in the dissemination of agricultural information and on-farm demonstration of agricultural techniques, among others.

(ii) Communal Farm Project - with eight farms established in rural areas, the project aimed at generating self-sufficiency in food production and creating employment opportunities for able-bodied persons, thereby arresting rural-urban drift.

(iii) Farm Service Organisation - an integrated farming package whose logistics was directed at the peasant farmers in the rural areas. Each farm service organisation was an integrated station comprising silos, grain treatment machines, workshops, storage for inputs, office shed and power station.

The Anambra State Government encouraged farmers to form themselves into co-operatives, made land available to them, and supplied the necessary inputs. To establish farms, farmers were given loans which could be liquidated with agricultural produce. Oyo State appeared to have excelled in the area of cottage industries. Its Garri Processing plant in the Lagelu Local Government as well as Garri, Palm Oil and Dodo production in Irewole Local Government bear eloquent testimonies to the efforts of a government determined to stimulate development at the local level.

General Assessment

It is a bit pre-mature to fully assess the achievements of the Directorate of Food, Roads and Rural Infrastructure. This notwithstanding, impressive achievements were recorded all over the Federation, particularly in the area of rural road development. If only the other projects involved in the integrated rural development programme could be executed with as much vigour as the rural road development project, the dream of transforming Nigeria's rural areas would be realised in the very foreseeable future. But in view of the fact that rural development projects tend to be constrained by central governmental direction and caught up in jurisdictional tangles, the issue of decentralization becomes very critical. This is the subject taken up in the next section.

III. Decentralization and Rural Development: A Recurring Theme

Laudable as the achievements in the area of rural development are, Nigeria, like many other African countries, is confronted with the yet unresolved issue of decentralization. Undoubtedly, huge sums of money (certainly not less than N400 million) were pumped into the rural areas within a period of two years. Thanks to the high-level support which the programme enjoyed, and the energetic pursuit of programme objectives by the Directorate of Food, Roads and Rural Infrastructures, a silent revolution was ignited in the rural areas. Yet, the gains may be dissipated and the priorities forgotten if local, community-based institutions are not developed by the time partisan politics returns with all its negative and corrupting influences. In specific terms, the issue of power-sharing needs to be addressed at this point in time. Afterall, rural development is by itself in the realm of resource allocation. For such allocation to take place, there must be transfer of political power to the intended beneficiaries - the rural communities. As a matter of act, a school of thought holds the view that ever before a country embarks on a bold and comprehensive strategy of rural development, it ought to resolve the issue of local autonomy. If this is accepted, the first step that has to be taken is to organize the masses in relatively autonomous units, and link them with higher levels in a process of "co-production" of economic goods, social services, and other outputs of modern government.

The key to the future of rural development lies in the establishment of local government units capable of initiating and taking actions on matters affecting the destiny of rural communities. Unfortunately, the prospects for autonomous local government appear remote. Central governments have traditionally looked upon local government as pawns to be moved in a complex power game. In his foreword to the Guidelines on the 1976 local government reforms in Nigeria, the then Chief of Staff, Supreme Headquarters noted that:

> "Local Governments have, over the years suffered from continuous whittling down of their powers. The State Governments have continued to encroach upon what would normally have been the exclusive preserves of Local Government. Lack of ... funds and appropriate institutions had continued to make Local Government ineffective and ineffectical".

If Nigeria's state governments had overwhelmed their local governments with needless controls and directives, the federal government had achieved the same objective with its power of the purse. The Directorate of Food, Roads and Rural Infrastructures which disburses huge sums of money in the name of rural development is a federal government agency - an agency that is too distant from the rural communities.

In fairness to the federal government, one should acknowledge the efforts which have been made in recent years to

promote the cause of local government. Especially after the coming into force of the 1979 constitution, a number of far-reaching changes in the status and role of local government became noticeable. Among the changes are:

(i) the provision for democratically elected local government;

(ii) the recognition of local government as a third-tier of government - one which does not owe its existence to a state government, but to the constitution;

(iii) the granting to local government of a statutory share in national revenue; and

(iv) the assignment of specific socio-economic development roles to local government.

Yet, in spite of the reforms, the actual status of local government has not changed in any remarkable way. Terms of democratically elected local governments expired without any elections being conducted. Local government chairmen and/or councillors have been removed by executive fiat rather than through the process of elections and recall. It was also not impossible for state governments to divert the statutory share of local government revenue to other expenditure items. Above all, the cankerworm of corruption, nepotism and mismanagement has defied succeeding reform efforts and tarnished the image of local government.

It is possible that the experience of Nigeria is not illustrative of other African countries' with respect to the role and status of local government. As a matter of fact, in countries such as Malawi, Botswana, and the Gambia, specific roles have been carved out for local government. In Kenya, the District Focus scheme has integrated elements of 'Harambee' and community development with the principle of representative local government. However, if it is accepted that democracy and decentralization are critical to the implementation of rural development programmes, due consideration would need to be given to local government as a body that is both physically and psychologically close to rural dwellers. In specific terms, the institutional constraints on the effectiveness of local government would have to be examined with a view to removing them or minimizing their negative impact. Among the issues which need to be immediately addressed are those of:

(i) popular participation and sovereignty;

(ii) self-reformation;

(iii) unity of direction;

(iv) institutional flexibility/adaptability9/ and

(v) resource mobilization and financial self-reliance.

Popular Sovereignty

The principle underlying the decentralization of powers to lower-level institutions is that of popular sovereignty. However, many central authorities merely pay lip service to the

idea of popular participation. Even when "local governments" are established, they operate as directed by the central government. In nearly all cases, it is the latter which determine the size, jurisidcition, membership, functions and powers of the former. The "field units" of government departments do not fare better. Their staffing, accounting and financial processes are decided upon at the headquarters rather than out there in the field. If the objectives of integrated rural development are to be achieved, the central authorities should seriously consider alternatives to their paternalistic, top-down, and most frequently, condescending attitudes to lower-level institutions. Members of these institutions should be credited with some intelligence, and should be encouraged to take decisions affecting their areas. In these days of 'perestroika' and 'glasnost', "power to the people" should go beyond the level of rhetoric to action.

Self-reformation

Closely related to the objective of popular sovereignty is that of self-reformation. While the central authorities have a vital role to play in setting broad development targets and defining the code of conduct for community leaders, the decision whether particular local functionaries should be retained in office or removed should be left to each community. Yes, the local communities require the services of persons who are public-spirited, dedicated, managerially capable, and who possess the additional attributes of foresight, probity, and sensitivity to

environmental needs. Nonetheless, the actual evaluation of the performance of local leadership should be done by the people, and not by administrative fiat or by central political directive. Accountability should be to the people served and not to an organization operating far away at the national or state capital.

Unity of Direction

The third priority area in any future scheme of decentralization is the development of a structure capable of ensuring that all the institutions operating at a local level pull in the same direction, with community service as their aim. These institutions (among them, elected local government councils, "field" offices of ministries and departments, local offices of federal and state parastatal organizations, civic groups, farmers' unions, voluntary and community development associations) should be part of an integrated Local Development Authority under the general and managerial control of a Local Government Chairman, Mayor, or prefect, howsoever designated. This is particularly necessary in Nigeria where the various bodies operate without reference to one another. If the needs of the local communities are to be met, the discordant tunes produced by these solo players must be replaced with the beautiful symphony of an orchestra under an able conductor.

Institutional Flexibility

Institutional flexibility is the fourth problem which should receive the attention of policy-makers. By this is meant the design and operation of a local government structure which responds to the specific needs of the various communities. The present bias in some countries towards a "uniform" local government structure needs to be critically re-examined bearing in mind that the problems facing the different local government areas are not uniform. Some are densely populated, others have their populations scattered over vast territories; some are located in riverine areas, others are in the middle of a desert, somewhere; some are industrialized, others are agricultural/fishing communities.

If the appropriate policy measures are adopted, local government is most likely to be effective as an agent of integrated rural development.

Resource Mobilization and Financial Self-reliance

Local governments remain weak principally because of their limited resource mobilization capacity. To overcome this obstacle, while, at the same time promoting the cause of rural development, due consideration should be given to the possibility of establishing rural credit and finance institutions patterned after Jordan's Cities and Villages Development Bank (CVDB) and Nigeria's People's Bank and Community Banks. The first (CVDB)

finances social and infrastructural, and economically viable projects undertaken by municipal authorities in Jordan.10/ To ensure that loans are invested in economically sound projects, CVDB requires that all municipal earnings (regardless of source) be lodged in a deposit account maintained at the Bank. Loan repayments are met directly from the account.

The People's Bank of Nigeria was established in October 1989 to carry out the following functions:

(i) the provision of basic credit requirements of under-privileged Nigerians who are involved in legitimate economic activities and who have little or no access to credit from the orthodox banking system (due to their inability to provide collateral security);

(ii) the acceptance of savings from the same group of customers and making repayment of such savings together with any interest thereon, after placing the money, in bulk sums, on short-term deposit with the commercial and merchant banks.11/

The Peoples Bank's sources of funds include loans and grants from the Federal Government, funds from the Central Bank of Nigeria, low-interest bearing loans from international organizations and other financial institutions, state government resources, and the customers' deposits.

In addition to the Peoples Bank which was meant for the "under-privileged" categories in urban and rural areas, the Government, in december 1990, authorized the establishment of Community Banks to cater for "the economies of micro-enterprises in urban areas."12/ The minimum share capital of a community Bank was N250,000 (approximately, US$25,000 at the 1991 exchange rate). By December 1991, a total of 66 Community Banks had been established at different locations in Nigeria. They had, among them, a deposit balance of N76.7 million (US$7.7).

The type of institution proposed in this paper will have the features of the three agencies mentioned earlier. To be designated Rural Development Banks, the new institution will issue shares to be subscribed to by central and local governments, the private sector, other credit institutions (including the banks and insurance companies) and, where feasible, the NGOs.

REFERENCES

1/ See M.J. Balogun, 'The Nature and Effectiveness of Training for Decentralized Administrative Systems in Africa', The International Journal of Public Sector Management, Vol.I, No. 1, 1988, pp.51-64.

2/ Mukhtar Alassam, Decentralization in Sudan, Ministry of Culture and Information, Khartoum, 1981, pp. 31-32.

3/ United Republic of Cameroon, Council Organization, Law No. 74-23 of 5 December 1974, S.I(1) and (2).

4/ Republic of Zambia, Decentralized Government (Proposals for integrated Local Government Administration), Government Printer, Lusaka, 1979.

5/ The World Bank, Annual Report 1985, Washington D.C., 20433.

6/ Adebayo Adedeji, 'Institutional Dimension in Public Policy: A Critical Review of Development Policy and Management in a Period of Crisis and Adjustment', Keynote Address delivered at AAPAM/ECA Seminar on Critical skills in Policy Management, Mbabane, 17 October 1988.

7/ OAU/ECA, Africa's Submission to the Special Session of the United Nations General Assembly on Africa's Economic and Social Crisis, OAU/ECM/2xv/Rev. 2, E/ECA/ECM.1/1/Rev. 2, para.9.

8/ See P>M> Efange and M.J. Balogun, 'Economic Crisis, Organization and Structure of Government: a Comparative Review of Experiences and New Perspectives', in M.J. Balogun and G. Mutahaba (Eds.) Economic Restructuring and African Public Administration, Kumarian Press, W. Harfor, 1989, p. 51.

9/ See M.J. Balogun, 'Local Government as a Foundation of a viable Political Order' (Paper submitted to the Political Bureau set up by the Federal Government of Nigeria to propose modalities for return to civilian rule). Parts of the paper were reproduced by WEST AFRICA on 22 September 1986.

10/ Talib Younis 'The Role of the Cities and Villages Development Bank of Jordan in the Development Programme', The International Journal of Public Sector Management, Vol. 4, No. 2, 1991, MCB, pp. 33 - 38.

11/ Peoples Bank of Nigeria Decree (Decree No. 22) 1990

12/ The Central Bank of Nigera, Annual Report for the Year Ending December 1991, Lagos Nigeria.