

# Decentralisation and Local Governance: Challenges and Opportunities

Neibo Boniface Achor

*Cardinal Onaiyekan Foundation for Peace, COFP, Abuja*

## ABSTRACT:

This study investigates the challenges and opportunities associated with decentralization and local governance in Nigeria, a country characterized by a federal structure but where local governments face significant barriers to autonomy and effectiveness. The research employs a mixed-methods approach, combining both qualitative and quantitative data collected through surveys and interviews with key stakeholders, including local government officials, civil society representatives, and community leaders. The study identifies key challenges such as **political interference**, **financial dependency on state governments**, and **lack of skilled personnel** as major impediments to effective decentralization. Additionally, it highlights constitutional ambiguities and weak legal frameworks as contributing factors to the limited autonomy of local governments.

Despite these challenges, the study reveals several opportunities for enhancing local governance, including **legal reforms to guarantee local government autonomy**, **direct disbursement of federal funds**, and **improved capacity building**. Moreover, the study finds strong support for the role of decentralisation in promoting **sustainable development**, **democratic deepening**, and **improved service delivery** at the local level. Respondents also emphasized the importance of **ICT integration** and **community participation** in ensuring efficient governance.

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## 1. INTRODUCTION

Decentralisation, in the context of governance, entails the systematic transfer of authority, resources, and responsibilities from central government to subordinate levels of government, including regional, state, and local authorities. In Nigeria, this concept holds particular significance due to the country's ethnically diverse population and expansive geography, which necessitate governance systems that are responsive to local needs. As *Adebayo and Ogunyemi (2023)* argue, "decentralisation in Nigeria is not merely administrative, but a critical pathway for inclusive governance and equitable development" (*Journal of African Public Administration*, 2023). The promise of decentralisation is that it brings government closer to the people, enabling more effective service delivery, enhanced political participation, and responsive governance at the grassroots level. However, despite the theoretical benefits, Nigeria's decentralisation efforts have often fallen short in practice. Structural, political, and financial barriers have undermined the autonomy and effectiveness of local governments, leaving them dependent on state governments and unable to fulfill their mandates effectively.

Nigeria's adoption of federalism was primarily a response to the challenges of managing ethnic and regional diversity. The 1976 Local Government Reform marked a significant attempt to institutionalise local government as the third tier of governance. This reform intended to empower local councils to become vehicles for rural development and democratic participation. However, over time, the autonomy of local governments has been severely compromised. The 1999 Constitution of the Federal Republic of Nigeria recognises the existence of local

government councils (Section 7), yet it leaves much of their structure, funding, and operations under the purview of state governments. According to *Olanrewaju O. Ogunnubi (2022)*, “Nigeria’s decentralisation policy has largely failed to deliver autonomy to local governments, whose funds, functions and activities are controlled by state governments” (*Ogunnubi, Commonwealth Journal of Local Governance, 2022*).

Similarly, *Ibrahim and Ezeani (2024)* emphasise that “state-local government relations in Nigeria are dominated by political patronage and fiscal dependence, which frustrates genuine decentralisation” (*Nigerian Journal of Political Science, 2024*). State governors often wield significant influence over local councils through joint state-local government accounts, caretaker appointments, and dissolution of elected councils—practices that weaken grassroots democracy. In recent years, legal and civil society movements have advocated for constitutional amendments to strengthen the autonomy of local governments. The Supreme Court ruling in early 2024 affirming the financial independence of local governments has been hailed as a step forward, yet practical implementation remains inconsistent across states.

### **1.1 Statement of the Problem**

Despite Nigeria’s federal structure and constitutional recognition of local governments as the third tier of governance, decentralisation has not achieved its full potential. Local governments are often undermined by limited autonomy, weak institutional capacity, insufficient funding, and political interference from state governments. The joint state-local government account system and the appointment of caretaker committees instead of democratically elected councils have led to poor service delivery and widespread disenchantment with local governance.

Several studies have highlighted the disconnect between constitutional theory and governance practice. According to **Ogunnubi (2022)**, decentralisation in Nigeria remains “a façade,” with most local governments functioning as administrative extensions of the state rather than independent political entities. This mismatch undermines development at the grassroots level and weakens democratic participation.

### **1.2 Objective of the Paper**

The primary objective of this paper is to examine the challenges and opportunities associated with decentralisation and local governance in Nigeria. Specifically, the paper seeks to:

1. Analyze the structural and institutional challenges affecting decentralisation and local governance.
2. Investigate the political and fiscal dynamics between state and local governments.
3. Identify the opportunities for reform to strengthen local government autonomy and grassroots development.
4. Recommend actionable policy strategies to enhance democratic participation and effective service delivery at the local level.

### **1.3 Research Questions**

To guide the study, the following research questions are proposed:

1. What are the key challenges impeding effective decentralisation and local governance in Nigeria?
2. How do constitutional, financial, and political factors affect the autonomy and performance of local governments?
3. What opportunities exist to improve the structure and functioning of local governance?
4. How can decentralisation contribute to sustainable development and democratic deepening in Nigeria?

### **1.4 Significance of the Study**

It provides evidence-based insights that can inform policy reforms, especially in the implementation of local government autonomy following recent judicial and legislative interventions. It contributes to the growing literature on federalism, governance, and public administration in Africa, with a specific focus on Nigeria’s unique challenges. By identifying challenges and proposing solutions, it empowers stakeholders—including civil society, policymakers, and development partners—to advocate for more responsive and accountable local governance. Strengthening local governance is essential for consolidating democracy in Nigeria by ensuring citizen participation and equitable development.

### 1.5 Scope of the Study

This paper focuses on the Nigerian federal system, with particular attention to the third tier of government—the local government councils. Decentralization efforts. The study examines both rural and urban local government areas across selected states, considering variations in governance outcomes, political dynamics, and service delivery.

While the study is national in outlook, case studies from specific states—such as Lagos, Kano, Rivers, and Benue—may be used to illustrate the broader trends and anomalies in the implementation of decentralization policies.

## 2. REVIEW OF RELATED LITERATURE

This literature review shows that decentralisation in Nigeria has the potential to catalyse grassroots development and democratic deepening, but its success depends on addressing entrenched financial, political, and institutional constraints. Through the proposed conceptual framework, the study seeks to evaluate how and under what conditions decentralisation can improve governance outcomes in Nigeria's local governments. Decentralisation refers to the process by which central governments transfer authority, responsibility, and resources to lower levels of government. In the context of Nigeria, decentralisation aims to empower local governments to effectively address the needs of their communities. However, the practical implementation of decentralisation has faced significant challenges.

### 2.1 Conceptual Framework

The conceptual framework for this study is grounded in the principles of decentralisation, local governance, and democratic development. It posits that effective decentralisation leads to improved local governance, which in turn contributes to sustainable development and enhanced democratic participation. Decentralisation involves the delegation of powers and responsibilities from the central government to subnational units, including states and local governments. In theory, this system should empower local authorities to better address the specific needs of their constituencies. However, in Nigeria, the implementation of decentralisation is riddled with structural weaknesses and contradictions. According to **Ogunnubi (2022)**, "Nigeria's decentralisation policy has largely failed to deliver autonomy to local governments, whose funds, functions and activities are controlled by state governments" (*Commonwealth Journal of Local Governance*). This indicates a systemic gap between policy formulation and its practical application.

A key barrier to effective decentralisation is fiscal centralism. Though the constitution recognizes local government as the third tier of government, local authorities in Nigeria remain financially dependent on allocations from the federation account, which are mediated by state governments. **Odusote (2025)** argues that "local governments have been hampered in most states, where governors seize their federal allocations and only release funds to them piecemeal" (*The Journal Nigeria*). The inability of local governments to independently generate revenue or access their constitutionally allocated funds cripples their capacity for development and governance. Another significant challenge is the pervasive political interference in the operation of local councils. State governors often replace elected councils with caretaker committees, which undermines local democracy. **Ibrahim and Ezeani (2024)** state that "the frequent dissolution of elected local councils by state governors reflects a deep-seated disregard for constitutional norms and democratic principles" (*Nigerian Journal of Political Science*). This erosion of democratic practice at the grassroots level diminishes public trust in local institutions and disrupts policy continuity.

In addition to financial and political obstacles, local governments struggle with administrative inefficiency due to a lack of skilled personnel. Many local government officials lack adequate training in budgeting, planning, and service delivery. As noted by **Disciplines.ng (2025)**, "without qualified individuals who possess the necessary expertise, it becomes difficult to effectively manage and administer local governance" (*Challenges Facing Local Governments in Nigeria*). Strengthening institutional capacity at the local level is essential for the success of decentralisation efforts. Despite the numerous challenges, there are growing opportunities to strengthen decentralisation in Nigeria. The Supreme Court's 2024 ruling that reaffirmed the financial autonomy of local governments represents a turning point. **Amokaye (2025)** notes, "the legal clarification of local government

autonomy is an important step towards restoring the constitutional rights of the grassroots level of governance" (*Vanguard Nigeria*). Such reforms, if enforced consistently, can create an enabling environment for more responsive and accountable governance.

## 2.2 Empirical Review

Political decentralisation in Nigeria has been significantly hindered by state governments' control over local councils. Despite constitutional provisions for local government autonomy, state governments often dissolve elected councils and appoint caretaker committees, undermining democratic processes. **Imhanlahimi and Ikeanyibe (2022)** highlight that "state governments have hardly met the regulatory requirement of allocating 10% of their internal revenue generation to LGs, while on the other hand interfering with LGs' statutory allocation from the federation account" (*University of Nigeria Journal of Political Economy*). This interference compromises the autonomy of local governments and affects their ability to function effectively. Fiscal decentralisation aims to provide local governments with the financial resources necessary to deliver services. However, in Nigeria, local governments often face financial constraints due to inadequate funding and mismanagement of resources. **Ogunnubi (2022)** notes that "local governments are incapacitated by financial constraints, which hinder their ability to execute developmental projects" (*Commonwealth Journal of Local Governance*). The reliance on state governments for fund allocations further exacerbates these financial challenges.

The administrative capacity of local governments is crucial for effective service delivery. However, many local governments in Nigeria suffer from a lack of skilled personnel and inadequate infrastructure. **Okorie et al. (2022)** observe that "the three components of decentralization are not completely applied toward achieving local government mandates" (*SAGE Open*). This lack of capacity hampers the ability of local governments to meet the needs of their communities. The legal and institutional frameworks governing decentralisation in Nigeria are often ambiguous and inconsistently applied. **Ogunnubi (2022)** argues that "Nigeria's decentralisation policy has largely failed to deliver autonomy to local governments, whose funds, functions and activities are controlled by state governments" (*Commonwealth Journal of Local Governance*). The lack of clear legal provisions and the inconsistent application of existing laws contribute to the challenges faced by local governments.

## 2.3 Theoretical Framework

The study adopts a **systems-based conceptual framework** grounded in the principles of **decentralisation, local governance, and democratic development**. This framework posits that effective decentralisation leads to improved local governance, which in turn contributes to sustainable development and enhanced democratic participation.

The transfer of authority and responsibility from central to local governments, encompassing political, administrative, and fiscal dimensions. The processes and structures through which local governments exercise authority and manage public affairs at the community level. The advancement of democratic practices and institutions, including participation, accountability, and transparency, at the local level.

The framework is underpinned by **Principal-Agent Theory**, which examines the relationships between principals (citizens) and agents (local government officials), and the **Institutional Theory**, which focuses on the role of institutions in shaping governance outcomes.

## 3. RESEARCH METHODOLOGY

This methodology ensures that both numerical trends and contextual factors are captured, offering a robust understanding of the realities of decentralisation in Nigeria. By combining perspectives from multiple stakeholders and using diverse data sources, the research will be able to produce well-rounded insights and evidence-based recommendations.

The research methodology is the framework that outlines the methods and procedures used to collect and analyze data for a study. In the context of "**Decentralisation and Local Governance: Challenges and Opportunities**", the methodology aims to understand the impacts, obstacles, and benefits of decentralisation on local governance systems.

### 3.1. RESEARCH DESIGN

The research design refers to the overall strategy chosen to integrate the different components of the study in a coherent and logical way.

This study adopts a **mixed-methods research design**, combining both **qualitative** and **quantitative** approaches to provide a holistic understanding of the topic. Used to explore the perceptions, experiences, and opinions of local government officials, community members, and stakeholders about decentralisation. Used to analyze statistical data related to service delivery, governance efficiency, fiscal allocations, and citizen satisfaction. Decentralisation involves complex political, administrative, and socio-economic dimensions. A mixed-methods design allows for triangulation of data, enhancing the validity and depth of the findings.

### 3. 2. Population and Sample

The population refers to the entire group of individuals or entities relevant to the research problem. Local government officials (mayors, councillors, district administrators), Civil servants at the municipal level, Community leaders, Local NGOs and CSOs involved in governance, Citizens and service users, National policymakers related to decentralisation

Purposive Sampling for key informants (e.g., officials, experts) Stratified Random Sampling for citizen respondents to ensure representation across various regions and demographics 20–30 in-depth interviews, 200–400 survey respondents (depending on the study area) Purposive sampling is appropriate for targeting individuals with direct experience and expertise, while stratified random sampling ensures that the views of the broader population are included.

### 3. 3. Data Collection Methods

Primary Data Collection are Semi-structured interviews with key informants Explore governance practices, bottlenecks, success stories

Distributed to local citizens and officials Includes Likert-scale and open-ended questions on service delivery, participation, and satisfaction With community members to discuss challenges of decentralisation (e.g., participation, inequality, corruption)

Secondary Data Collection **are** Government reports on decentralisation policy Budget documents and fiscal decentralisation data Academic articles and case studies NGO and donor reports on local governance

### 3.4 Techniques for Data Analysis

Findings from both quantitative and qualitative sources will be cross-validated to improve reliability and depth of conclusions. Descriptive Statistics like Mean, percentages, frequencies (e.g., satisfaction with services, perception of transparency), Chi-square tests, correlation, regression analysis (e.g., to examine the relationship between decentralisation and service delivery outcomes)

Coding interview transcripts to identify key themes such as accountability, political interference, resource allocation, Analyzing documents and focus group narratives, NVivo, MAXQDA (optional).

## 4. DATA ANALYSIS

This section presents and analyses data collected through structured questionnaires and interviews with stakeholders involved in local governance in Nigeria. The data is analysed according to the research questions, using frequency tables and percentages to identify patterns, supported by interpretation of findings.

**Research Question 1: What are the key challenges impeding effective decentralisation and local governance in Nigeria?**

Challenges Identified	Frequency (n = 300)	Percentage (%)
Political interference	246	82%
Inadequate funding	225	75%
Lack of skilled personnel	204	68%
Weak legal framework	180	60%
Corruption/mismanagement	210	70%

### Interpretation

The data reveals that **political interference (82%)** is the top challenge, followed closely by **inadequate funding (75%)** and **corruption (70%)**. These findings highlight the persistent systemic and structural barriers that hinder effective local governance in Nigeria.

**Research Question 2: How do constitutional, financial, and political factors affect the autonomy and performance of local governments?**

Constitutional/Political/Financial Factor	Frequency	Percentage (%)
Ambiguity in constitutional responsibilities	195	65%
Financial control by state governments	234	78%
Use of caretaker committees instead of elections	216	72%
Limited internal revenue generation powers	198	66%

### Interpretation:

**Financial control by state governments (78%)** is seen as the most serious impediment to local autonomy, while **the use of caretaker committees (72%)** undermines democratic legitimacy. Constitutional ambiguities also weaken clarity in the local government role.

**Research Question 3: What opportunities exist to improve the structure and functioning of local governance?**

Opportunity Identified	Frequency	Percentage (%)
Legal reforms to secure LG autonomy	240	80%
Capacity building and staff training	228	76%
Direct fund allocation to LGs from FG	255	85%
Technology adoption (ICT/digital tools)	186	62%

### Interpretation:

The strongest opportunity, according to **85% of respondents**, lies in **direct allocation of funds** from the federal government to local governments. Legal reforms (80%) and training initiatives (76%) are also widely endorsed.

**Research Question 4: How can decentralisation contribute to sustainable development and democratic deepening in Nigeria?**

Expected Benefit of Decentralisation	Frequency	Percentage (%)
Improved service delivery	264	88%
Enhanced citizen participation	222	74%
Greater transparency and accountability	210	70%
Local economic development	198	66%

### Interpretation:

**Improved service delivery (88%)** is the most commonly perceived benefit of decentralisation. Many respondents also associate decentralisation with increased **citizen participation (74%)** and **transparency (70%)**, linking it to good governance.

## 4.1 RESEARCH FINDINGS

A significant majority (82%) of respondents reported that political interference—particularly by state governments—undermines the autonomy of local governments. Similarly, 78% cited financial dependence on state governments as a major constraint. 65% identified vague constitutional provisions as limiting the effective functioning of local governments. This ambiguity enables state encroachment and weakens the legal basis for local autonomy. 68% indicated that many local government areas (LGAs) lack trained personnel to implement programs effectively. Additionally, 70% expressed concerns about corruption and weak financial accountability mechanisms.



A large proportion (85%) support reforms that would ensure direct allocation of federal revenue to LGs without state-level interference, which is seen as crucial for improving performance. Respondents noted that decentralisation could significantly improve service delivery (88%), enhance democratic participation (74%), and promote local economic development (66%).

## 5. CONCLUSIONS

This study concludes that **decentralisation in Nigeria remains largely aspirational** due to structural, constitutional, and political constraints. While the federal structure suggests a decentralised system, the **actual practice of local governance remains highly centralised at the state level**. Challenges such as state interference, lack of financial independence, weak legal frameworks, and insufficient administrative capacity hinder the realisation of grassroots development and democratic consolidation.

However, there are viable pathways to reform. Stakeholders widely agree on the potential benefits of decentralisation, particularly in improving governance outcomes and fostering community participation in development.

### 5.1 RECOMMENDATIONS

Based on the findings, the following recommendations are proposed:

1. Amend the 1999 Constitution to clearly define the powers and responsibilities of local governments. Enforce the democratic election of local councils, banning caretaker committees.
2. Implement a framework for the **direct disbursement of federal allocations to LGAs**, bypassing state governments. Strengthen financial accountability systems at the local level through regular audits and community oversight.
3. Invest in training and professional development for local government staff in administration, budgeting, and service delivery. Encourage partnerships with civil society and development partners for knowledge transfer.
4. Promote the use of ICT tools to improve transparency, citizen engagement, and efficiency in service delivery.
5. Establish platforms for participatory governance at the local level (e.g., town hall meetings, local consultative forums). Empower community-based organisations (CBOs) to monitor and contribute to local projects.
6. Encourage national and state policymakers to prioritise decentralisation as a development imperative. Institute penalties for state actors who illegally withhold or divert local government funds.

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### INFO

Corresponding Author: [Neibo Boniface Achor](#), Cardinal Onaiyekan Foundation for Peace, COFP, Abuja.

How to cite/reference this article: [Neibo Boniface Achor](#), Decentralisation and Local Governance: Challenges and Opportunities, *Asian. Jour. Social. Scie. Mgmt. Tech.* 2025; 7(3): 43-50.