

An Appraisal of Local Government Autonomy in Nigeria: Issues, Institutional Constraints and Reform Prospects

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Abstract

Local government constitutes the third tier of government in Nigeria's federal system and is constitutionally designed to bring governance closer to the people through the provision of basic services and grassroots development. Despite this recognition in Nigeria's constitution, local governments have historically operated with limited financial and administrative autonomy, largely due to state government interference. This paper examined the concept of local government autonomy in Nigeria by appraising the key issues and institutional constraints that have undermined its effective functioning. Anchored on decentralisation theory, the study adopted a qualitative research design and relies on secondary data drawn from academic literature, policy documents, constitutional provisions, and judicial decisions. The paper situated its analysis against the backdrop of the landmark 2024 Supreme Court judgment that affirmed full financial autonomy for local government councils. It argued that notwithstanding this judicial intervention, factors such as constitutional ambiguity, political resistance from state governments, the persistence of caretaker committees, power imbalance, and weak institutional capacity continue to hinder the realisation of genuine autonomy. The study further explored the implications of these constraints for grassroots democracy, service delivery, and civic participation. It concluded by proposing reform prospects including constitutional amendment, clarification of state-local relations, capacity building, and strengthened accountability mechanisms as necessary steps toward institutionalising local government autonomy and deepening democratic governance in Nigeria.

Keywords: Local government autonomy, Supreme Court judgement, decentralisation theory, civic participation, state-local government joint state account.

Introduction

Local government plays important roles in any government structure as it serves as a link between the citizens and the central administration. Considered in a federal system of government as the third tier, local government administration is that level of government that is closer to the people when compared to federal and state administration. This is so because it is a form of public

administration that is tasked with the provision of basic and/or primary services to the people. Hence, the theory behind local government administration is that the people's needs and desires can best be appreciated and accounted for if the people can easily assess those empowered to cater for their needs. In a federal structure such as Nigeria, the federal and state governments might be distant, broadly tasked, and incapable of addressing the needs of all their constituents. Local government, as the name implies, exists therefore to look into the local needs of the people and seek to find ways to address them. Local governments are an effective avenue for delivering goods and services in more efficient and easier ways to local communities.

Blair (2017), cited in Ibe et al. (2024) note that “local government is rather a resident population occupying a defined area that has a locally authorised and governing body... which has the power to provide certain public...services, and has a substantial degree of autonomy...to raise part of its revenue” (p. 48). It is therefore local government access to revenue that gives them not only their credibility and legitimacy to act, in the eyes of the people whose interest they are constitutionally empowered to oversee, but also free them from the lordship of state governments. Without financial independence, local government become a mere appendage of state governments who decides what they can and cannot do.

The establishment or recognition of local government in Nigeria has strong constitutional backing as the country prides itself as a federal system where power is shared between the central government and its political units. Thus, in the words of Nnamani, Ihejirika. & Ekekwue (2017), a federal system of government “accommodates multi-level governance that authorises autonomous political units to perform their peculiar functions within a political structure” (p. 235). Nevertheless, in cases where political and financial autonomy is not guaranteed, achieving the mandates that local governments have been tasked with becomes a very difficult one. This is the case with Nigeria, where despite having solid constitutional backing as to its creation, local governments have had little or no financial autonomy as states continue to dictate how local governments in Nigeria will be run. Aside from the tension that this has necessitated, it has also hampered the smooth running of local government administration in Nigeria, affecting their ability to deliver the basic goods and services they are positioned to do. In any case, the people at the local level that are the focus of local government administration have also been adversely affected, as their access to basic infrastructure has been severely hampered.

This paper seeks to interrogate the concept of local governments' autonomy while appraising the issues and institutional constraints that have weakened their capacity to function effectively against the backdrop of the recent Supreme Court judgement, which unequivocally and unambiguously recognised local government's full autonomy. The paper makes the argument that notwithstanding the constitutional backing of local governments in Nigeria and the recent court judgement, factors such as legal constraints, financial culpability and politics have all combined to undermine their effectiveness. The primary objective therefore is to seek out prospects for reform that could institutionalise and enhance their autonomy, enabling them to carry out their constitutional role by bringing government closer to the people. An effective local administrative system is a sine qua non to a sustainable political system as it is one of the surest ways to political socialisation and participation.

Theoretical Framework

The thrust of this paper is anchored on decentralisation or democratic decentralisation theory that will help to not only explain the relevance of local government in a federal system but also the need to be financially independent in order to carry out their functions in a democracy. Decentralisation theory, which began gathering momentum since the 1960s, captures many of the

various reforms national governments across the globe are embracing as they pursue economic and political development through fiscal discipline (Faguet, 2021). The origin of decentralisation theory can be traced to the early 19th century when there was an increased demand for local autonomy, which was believed to be an antidote to political apathy. Through the writings of thinkers like Alexis de Tocqueville, decentralisation was heavily linked to civic participation as efforts during this period were geared towards reducing the powers of central administrative authorities. As a concept, decentralisation aptly refers to the empowerment of subnational entities in handling more responsibilities with or without the supervision of the central body.

According to Faguet (2021), decentralisation can be seen from three main perspectives. First, we have deconcentration, which refers to when the government decides to unburden the centre through the shifting of personnel, offices and tools or equipment to cities, towns or villages from the central government. This involves action that may not affect accountability or the chains of command, as the central authority continues to dictate major decision-making. Even fiscal flows like taxation and expenditure may largely remain unchanged. This is because the primary idea behind deconcentration is to move officials from the centre to sub-areas. The second is delegation. Delegation aptly refers to situations where the central authority shifts certain responsibilities to units or organisations that are not part of the bureaucratic structure of the central authority. In the words of Faguet (2021), in this kind of arrangement, “Chains of command, reporting, and accountability are somewhat altered for the services in question, but public officials’ incentives continue to point upwards, and the central government monolith may not be overly disturbed” (p. 4). The last and one which is germane to the creation of local government councils is devolution, or as captured by Manor (1999), democratic devolution. This refers to situations where power is shifted from the central authority to local government, empowering local government to handle matters that the central government cannot control. In democracies, devolution is backed by the constitution and in a federal system of government, they operate chiefly under a residual list, as the case of Nigeria shows.

Shrestha & Hankla (2025) opined that the basic reasons government is decentralised are attributed to certain factors that are political, economic and geographically related. In this case, the primary key drivers are “country size, population growth, federal constitutions, and income levels (p. 2). Put succinctly, access to localised goods is a key driver as against centralised service deliveries, which is burdened by inefficiency. Nevertheless, decentralisation without its fiscal components (fiscal decentralisation) will hamper the effectiveness of local administration efforts to bring government closer to the people. Even more so, it will, in the long run, discourage citizens’ participation in government.

The need for an effective local government administration not only in a federal system of government but also in a democracy cannot be overemphasised. For example, public participation or citizens’ turnout in democracies across the world in recent times is becoming a concern. Even established democracies, not just new democracies, are struggling when it comes to active participation by their citizens. An empowered local government administration with enhanced fiscal responsibility and autonomy can address low citizen participation and enhance public participation. In Nigeria, where citizens’ participation in elections is at an all-time low (Sangotowo & Edo, 2026), empowering local government administration and bringing government closer to the people will deepen democratic consolidation in the country.

Methodology

The study adopts a qualitative research design to gain an in-depth understanding of the meaning which relates to the phenomena under investigation. This method prioritises the collection of rich

secondary data and acknowledges the subjective nature of the reality it seeks to study. In this vein, data were derived from secondary sources such as academic journals, newspapers, academic books, and the Nigeria constitution that are relevant to the study. This data was analysed by comparing accounts, identifying relationships and patterns and by situating them within the broader political environment.

The Concept of Local Government

Despite the variations in local government conceptualisation arising from environmental contexts, country-specific factors, and governmental systems, there seems to be a broad consensus regarding what local government means. For instance, Adeyeye (2005) defines local government from a unitary perspective when he wrote that local governments are “non-sovereign communities possessing the legal right but which are essentially administrative agents of the central government” (p.3). In general terms, however, local government is broadly understood as an independent or autonomous form or level of government that is empowered by the constitution of a state or country to provide localised services within its sphere of influence or jurisdiction. Given this all-important role, especially as populations continue to witness unimaginable explosions, this level of government has emerged in the 21st century as the most effective way through which central government can engage directly with the people. Hence, the 1999 Constitution of the Federal Republic of Nigeria as amended in Section 7 and 8 provides for “the system of local government by democratically elected councils (which) is by this Constitution guaranteed and accordingly, the government of every State shall, subject to section 8 of this Constitution.... ensure their existence under a law which provides for the establishment; structure, composition, finance and functions of such councils”.

A classic definition of local government which has been the foundation on which many other recent definitions are based is that of the United Nations Office (UNO) for Public Administration. It defines local government as a political sub-division of a nation (or in a federal system a state), which is constituted by law and has substantial control of local affairs, including the power to impose taxes or to exert labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected (cited in Yohana et al., 2023). There are at least four basics about local government that can be delineated from the above definition. First is the fact that local government, as an established political subdivision, is legal; that is, its establishment is backed by the laws of the land. The second is the allusion to its power. In this case, it is given the power to exercise significant authority over local issues, which includes the power to impose taxes and exert labour, among other things. Lastly, it is in most cases democratically formed in that those given the authority to act are either elected or locally selected.

Efforts have been made by scholars to define the concept, and as observed earlier, these efforts cannot be totally divorced from certain factors like geography and system of governance. This means that no single definition of local government exists, as scholars tend to approach the concept from different angles depending on their theoretical attachment. While some see local government as a non-sovereign community that possesses certain legal rights that enable it to regulate and oversee its affairs, others propose a definition emphasising its decentralisation basis. In this vein, local government is seen chiefly as a decentralising power taking the form of either devolution or deconcentration. Considered in this light, local government is largely seen as a lesser power, especially when compared to national authorities. For example, Agagu (2004) opined that local government possess both a political and administrative structure which helps to drive decentralisation, government efficiency, national integration and a sense of belonging especially at the grassroots level (Oloyede & Adeniran, 2023). According to Chukwuemeka & Uche (2005),

local government is defined as “a political sub-division of a state, which has a legal existence under the law and is run by elected representatives of the local people, with substantial autonomy in administrative and financial affairs” (p. 317). To Obi (2009), local government is not only the third tier of government but the government that is nearest to the people at the local level, deliberately set up to address the needs and aspirations of rural dwellers.

True, local government helps to decongest activities and burden at the national level, allowing national governments to meet their targets as they strive to fulfil the social contract that they entered with the citizens. But they cannot achieve this without the inputs of local administration, whether through deconcentration or devolution. Even more so is the fact that without financial autonomy, it becomes even more difficult for these local governments to help the central government reach the nooks and crannies of the states (Ojo & Akinwunmi, 2022). If this is the case, it becomes worrisome why this level of government is starved of funds and set up to fail by both the federal government and state government, as the case of Nigeria shows.

Indeed, local government in Nigeria is a well-recognised level of government. The Guidelines for the 1976 Local Government Reforms alluded to this fact when it defines local government as:

Government at the local level exercised through representative councils established by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal governments in their areas, and to ensure through devolution of functions to these councils and through the active participation of the people and their traditional institutions, that local initiatives and responses to local needs and conditions are maximized” (FGN, 1976)

In fact, four key objectives were outlined by the local government reform that local governments are expected to achieve. These are;

- a) To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representative bodies;
- b) To facilitate the exercise of democratic self-government close to the grassroots level of our society, and to encourage initiatives and leadership potentials;
- c) To mobilise human and material resources through the involvement of members of the public in their local development; and
- d) To provide a two-way channel of communication between local communities and government (both state and federal) (FGN, 1976).

The 1976 local government reform was a comprehensive document aimed at repositioning Nigeria's local governments for effective delivery of localised services for national integration. This is even more appreciated when compared to earlier reforms before it, such as the Northern Nigeria Local Government Law of 1954 and the Western and Eastern Nigeria Local Government Laws of 1954. According to Ibe, Yusuf et al. (2024), despite the lofty ideas behind those initiatives aimed at democratising the local governments, the master-servant relationship did not witness any

improvement as the regional governments continued to dictate how local administration should be run at least until the 1976 reform that gave a clear insight into the conceptualisation of local government administration in Nigeria. The 1976 local government reform was therefore an audacious attempt to make local government the foundation of national development in Nigeria. Thus, H. V. Akpan in Adeyemo's (2005) conceptualisation of local government is insightful. He defined local government as:

the breaking down of a country into smaller units or localities for the purpose of administration, in which the inhabitants of the different units or localities concerned play a direct and full part through their elected representatives, who exercise power or undertake functions under the general authority of the national government (Adeyemo, p. 79).

A key deduction from the above definition is the truism that the very concept of local government presupposes a democratic action. Put succinctly, the creation of local government is in tandem with democratic practices because it is the direct and indirect involvement of the people in the activities of government which, in the long run, advances the interest of the national government. Local government have the potential to enhance active participation of the people in governance as they come face to face not only with its structure but also with the outcomes of its decision-making as they become pervasive in the people's lives, whether it is the construction and/or provision of pipe-borne water, primary schools, agriculture, social amenities and so on.

Local Government and the Issue of Autonomy

The issue of autonomy as it relates to local government has not been as straightforward as the conceptualisation of local government earlier discussed in this paper. This is because the very concept of local government autonomy in Nigeria's political lexicon has led to more confusion, so much so that governmental reforms aimed at ensuring local government autonomy have often fallen short of achieving their objectives due to how the term itself ought to be applied (Adeyemo, 2005; Odunfa, 1991). Also, as inferred by Adeyemo (2005), ambiguity surrounding local government autonomy, particularly the tendency to confuse it with the very notion of "local self-government", may partly be the reason for the failure of local government reforms. This confusion stems from an unrealistic expectation, as the attainment of complete self-government is not compatible with the political realities of sovereign states such as Nigeria. To be certain, local government autonomy, which aptly refers to the ability of local government to operate with a measure of independence while still under federal and state authority, should not be confused with the erroneous belief that local governments have now become more like mini-sovereign entities. Problems surrounding local government autonomy tend to arise when reforms are designed as if these local governments are self-governing entities, enjoying complete self-rule, and not delegated authority.

Generally, the term autonomy refers to a degree of independence from certain control. It is the ability of an entity to be able to carry out certain activities without the overbearing presence or control of another. In this case, local government autonomy refers to the degree of freedom that local government should enjoy as the third tier of government in a federal state such as Nigeria. Local government autonomy also means that local government should have the freedom to govern themselves, control their finances, and carry out development projects without interference from the state government. Adeyemi (2025) define local government autonomy as "independence and

self-governance of local governments in decision making, financial management, and development policy implementation” (p. 704).

The term autonomy as used in a federal system of government typically refers to the capacity of each level of government to enjoy independence and separate existence without being controlled by other governments. This will, of course, imply that a government under a federal system which recognises, as in the case of Nigeria, three levels of government, must not be seen as an appendage of another but rather an autonomous entity being able to independently make decisions and exercise its own free will without the overbearing oversight of another government. It is in this vein that local autonomy often presupposes the notion of fiscal responsibilities, without which local government cannot function effectively and in a manner that makes them accountable to the people at the grassroots level. These responsibilities, discretion and resources are essential factors because they will help local government address community needs and aid service delivery (Olaoye, 2021; Ekpo & Ndebbio, 2022; Ekwueme, 2023)

There are two basic forms of autonomy often discussed in the literature. These are administrative/political autonomy and financial autonomy. Administrative and political autonomy refers to the ability of local governments to make decisions, manage their affairs and be independently free from the dictates of the central and state government (Ogunleye & Bassey, 2023). Studies on this form of autonomy show that aside from the fact that it is a sine qua non for effective governance at the local level, it also makes local government to be more proactive in terms of how they respond to community needs, making accountability and responsibility a measurable goal (Ibekwe, 2019; Abubakar & Eze, 2022). The absence of local government administrative autonomy can lead to ineffective service delivery and political apathy, as citizens' civic participation will be hindered. Another impact that lack of administrative control can have at the grassroots level is that, according to Eke & Obasi (2017), it can lead to patron-client politics, political patronage and corruption. Also, Agbo & Ezeh (2022) believe that this form of autonomy can also equip local governments to prioritise the needs of the communities as they strive to efficiently allocate resources within their jurisdiction.

The other form of autonomy often discussed in the literature is financial autonomy. In fact, this is the most alluded-to form whenever the issue of local government autonomy is discussed. Financial autonomy simply implies that local government should have unrestricted access to their finances and should also exercise the right to use these finances for community development within the confines of the law or as stated by the constitution. The issue of financial autonomy for local governments in Nigeria's federal system is a very heated debate, especially as the Nigerian constitution did nothing to resolve the debate. Although the 1999 Constitution, as amended in sections 7 and 8, gives recognition to local government existence as the third tier of government, their ability to function within this constitutional recognition is extremely curtailed or limited because the funds meant for them are paid into the State-Local Government Joint Account, allowing state governments to direct how the funds should be used and when they are to be used. While it is a truism that local government autonomy cannot be absolute in the real sense of the word, ensuring that they are financially responsible to the local people will ensure that grassroots development is not jettisoned. Situations of this nature are not only controversial, but also weaken grassroots democracy, slow local development and contradict the very principle of federalism. The lacuna in the 1999 Constitution as amended has also led to cases where governors interfere in local government administration by electing caretaker committees and refuse to organise elections, often ensuring that their cronies are appointed into these caretaker committees. Of course, Section 7 (1) of the 1999 Constitution as amended provides for an elected body to administer the affairs of local governments in Nigeria. In reality, however, many state governors do not follow this constitutional

requirement, often citing logistics and an unfavourable political climate as reasons for delayed local government elections. Democracy is thus put on hold at the local level, effectively disenfranchising the local citizens from having a voice in the government that is supposed to be the closest to them.

Nigeria's Supreme Court Ruling and Local Government Autonomy

Given the intense agitation to reposition Nigeria's local government for grassroots democracy and enhanced civic participation, a suit was instituted at the Nigerian Supreme Court on May 20th 2024, by the Federal Government through the office of the Attorney-General and Minister of Justice, Lateef Fagbemi (Akinkugbe, 2024; David-Makar, Pillah & Ayeh, 2025). The federal government instituted the suit against the 36 state governors of the federation, arguing for full autonomy for the 774 local government councils in the country. Among other things, the federal government sought to request the Supreme Court to:

- i. stop state governors from arbitrarily dissolving elected local government councils and instituting caretaker committees
- ii. stop state governments and/or their agents from spending, receiving or tampering with funds meant for local government councils which were released from the federation account; and
- iii. authorise the federal government to disburse funds meant for local government councils directly to local governments, which in effect will put an end to the State-Local Government Joint Account, amongst others.

The verdict of the Supreme Court, which was delivered on July 11th 2024, reaffirmed local government autonomy and strengthened the independence of the local government councils (Onanuga, 2024). This landmark judgment overturned most state governments' undemocratic practices of collecting federal government funds meant for local government and which they often withheld or, at best, decided what it would be used for. The Supreme Court also directed that the federal government should directly disburse local government allocations to them and to elected officials of the local governments.

The implication of this ruling on local government as a third tier and grassroots government is manifold. First, it helps to reinforce subnational governments, refocusing them towards grassroots development and making them closer to the people. Second, the ruling is a reaffirmation of the very principle of decentralisation and reduces the domineering power of both the federal and state governments in areas of revenue allocation. Third, the ruling is not only a recognition of the roles of local governments in a federal system, but also, by emphasising the need for capacity building, it shows that local governments are accountable to the citizen (Okunlola, 2024). Nevertheless, this ruling is also expected to advance civic participation at the local level and, by extension, at the state and national level. As the figure below shows, civic participation and voter turnout in Nigeria's Fourth Republic have been witnessing a downward spiral since 2003. It is believed that grassroots participation will be effective in addressing political apathy among the electorate in Nigeria. This is because, as Adeyemi (2025) puts it, "local government autonomy can serve as a countermeasure [to political apathy] by creating a governance structure that emphasises accountability and transparency" (p.710).

Figure 1**Voter Turnout in Nigeria's General Elections (1999-2023)****Election Year Registered Voters Voter Turnout (%)**

1999	57.9 million	52.3%
2003	60.8 million	69.1%
2007	61.6 million	57.5%
2011	73.5 million	53.7%
2015	68.8 million	43.7%
2019	84.0 million	34.7%
2023	93.5 million	26.7%

Source: (Adeniyi & Salawudeen, 2020; Nwambuko et al., 2024)

However, despite the landmark ruling of the Supreme Court and the euphoria that greeted the ruling, certain institutional issues and constraints have arisen which, if not addressed, may hamper the realisation of local government autonomy in Nigeria.

Institutional Constraints and Challenges towards Local Government Autonomy

Despite the affirmation of the Supreme Court recognising the need for full autonomy in Nigeria's local government system, findings show that genuine implementation of the Supreme Court judgement is far from full realisation. Granted, the ruling was a major victory not only for the federal government that instituted the suit against the 36 states in Nigeria, but it was also a legal victory for democracy and grassroots politics. However, the impact of this victory has been limited by political, practical and structural issues. Unless urgently addressed, these key challenges will not only undermine the court rulings, but they will also negatively impact political and civic participation in the country.

- i. **State Government Political Defiance:** Although the Supreme Court judgement was hailed by Nigeria's Governors Forum and a pledge was made to support reforms that would advance administrative and financial autonomy of local government councils, there has been resistance by many governors to implement the ruling of the Supreme Court. According to Lamidi (2025), state governors have been "reluctant to relinquish control over local government funds" This is despite the clear directive from the Supreme Court that local government funds should be paid directly into local government accounts. In fact, some states have created unnecessary bottlenecks which have enabled them to still control these funds or continually use the joint accounts to hold on to local government funds.
- ii. **Constitutional Ambiguity:** One issue that has not been resolved by the Supreme Court judgement is the fact that local government councils are, technically speaking, still the creation of state governments at least under the 1999 Constitution as amended. What this means is that oversight powers on how local government should be treated remain with state governors, and according to Lamidi (2025), this scenario seems to conflict with the Supreme Court judgement. This lacuna in the court judgement is being exploited by some states like Anambra State, where the State Assembly has passed a resolution which tends to retain state control of local government councils under Anambra Local Government Administration Law, 2024. Lamidi (2025), in examining the law, noted that "the law mandates that federal

allocations to Local Government councils in Anambra State should firstly be deposited into a State-Joint Local Government Account...and allows the state to deduct a specified percentage before disbursement to the councils”. This is a classic example of state resistance to the Supreme Court judgement and local government autonomy. According to Tunji et al, (2025), money disbursed to local government councils between July 2024 and June 2025 was N4.5tn, and these funds continue to pass through the State Local Government Joint Account. This is even as the federal government had directed the Central Bank of the country to open individual accounts for the 774 local government councils for direct disbursement. Again, as inferred by Professor Itse Sagay, a constitutional lawyer and Senior Advocate of Nigeria, while it is true that the judgement was unambiguous, it is against the highest law of the land, the Constitution, which recognises the joint state-local government account. Until this constitutional provision is amended, the implementation of the judgement cannot be fully enforced (Tunji et al, 2025).

- iii. **Power Imbalance between both Levels of Government:** Another challenge faced by local government autonomy, despite the court judgement and one that has obstructed implementation, is the power imbalance between the states and local governments. The fact cannot be ignored that many local government chairmen, even where elections are held, are mirrors of their state governors. This has led to situations where local government chairmen remain beholden to their state governors. For instance, according to Olumide et al. (2026), despite the clear directive given to local government councils to open individual accounts with the nation’s apex bank, there is no evidence that any of the 774 local governments in the country has done so. In Enugu State, Olumide et al. (2026) observed that:

local government chairmen reportedly recently granted a power of attorney to the state government, through the Board of Internal Revenue, authorising it to collect and manage both tax and non-tax revenues of the councils. These include taxes, levies, fees, charges and penalties, with the board expected to remit an agreed percentage of the revenue into designated local government accounts at specified intervals.

It is therefore clear that most local government chairmen do not want to obstruct their benefactors or principal. Rather, from a political cost-benefit perspective, it is more advantageous to continue to toe the line of their state governors who determine their political future.

- iv. **The Persistence of Caretaker Committees:** As a result of constitutional ambiguity concerning the relationship between local government councils and state governments, which the Supreme Court judgement fails to address, most state governments continue to use caretaker committees. This practice is at variance with the spirit of the constitution, which calls for direct elections in local government councils; such practices, according to Lamidi (2025), undermine the legitimacy, accountability and credibility of local government councils, making true autonomy difficult to achieve.

- v. **Lack of Capacity Building at the Local Level:** The capacity to manage funds is a sine qua non to democratic consolidation, especially at the local level. Lack of capacity building at the local level might lead to corruption and misappropriation of funds meant for development. However, one of the concerns about direct funding to local government councils is “institutional and capacity weaknesses at the local level” (Lamidi, 2025). This has raised fears that if the local governments are directly funded, it might lead to massive corruption rather than grassroots development and improved governance. This is why one primary requirement for the disbursement of funds directly to local governments is that they must comply with the financial transparency and accountability regulations. This will subject them to the oversight of the Nigerian Financial Intelligence Unit (NFIU), which will monitor how the funds are being utilised.

These and other constraints have raised concerns over the effective implementation of the Supreme Court judgment. Without bypassing these legal, institutional, political and administrative bottlenecks, local government autonomy might not be realised, especially as states look for constitutional loopholes to ignore the landmark judgment. Therefore, it is pertinent that if local government autonomy is to be realised, then there must be efforts to address these challenges, which will involve taking proactive steps

Local Government Autonomy and Reform Prospects

To make local government autonomy a dream come true will require the combination of political, institutional, legal, administrative and constitutional reforms. First, there is the urgent need to amend the constitution to reflect the Supreme Court judgement. The 1999 constitution still retains the state-local government joint account, which empowers states to hold local government funds in trust for them and to disburse such funds when necessary. This practice is against the spirit of full autonomy which was recognised by the court judgement. Therefore, there is a need to eliminate the constitutional clause in Section 7 and 162 which positions the Joint State–Local Government Account as the source route of funding local governments in Nigeria. This will be in tandem with the doctrine of decentralisation, which transfers authority and responsibilities to local governments. If local government, as recognised by the constitution, is the third tier of government, then they must be empowered to act as one.

Second, state control over local government needs constitutional clarification. Put succinctly, there is a need to clarify the limit of the oversight functions that states have towards local governments. This is very important because of how the state sees itself in relation to local government. For instance, local government councils are creations of states. This is why states decide when to hold elections, make use of caretaker committees and even dissolve elected officials as they please. So, if true autonomy is to be guaranteed, the tenure of government elected officials must be protected from arbitrary dissolution. If this is not given priority, states are more likely to continue exploiting these loopholes.

Third, there must be a conscious effort to ensure that the letter of the law is followed. Also, the law must be made in such a way that it can be followed and not too rigid. For instance, the law must first recognise why there is a fight back from the governors: governors benefit when they tightly control local government funds, at least politically. This is because in many states in Nigeria, local government councils are seen as tools not only for patronage and electoral politics but also as a form of reward system. In this sense, local government autonomy might be perceived as a grand threat to such continued patronage. Therefore, there is a need for the enhancement of

the political will to obey the law. This will mean that everybody involved obeys the law irrespective of how they are affected and for the good of the people.

The fourth reform prospect is the need for institutional capacity building. True, many local governments lack this aspect in their administration, and there cannot be true autonomy without capacity. For instance, lack of adequate staffing, skills, sound financial management, budgeting, planning, etc., can and do affect the smooth running of local government councils, giving state governments the excuse to interfere in local government affairs. It is therefore important that local government staff should be trained in public finance management. It is also important that local bureaucracies need to be strengthened to handle the day-to-day work. Without capacity building, local government funds are likely to be used to satisfy primordial interests, leading to cases of corruption and service delivery failure.

Lastly, there is the need to strengthen accountability mechanisms. The aim of granting local governments autonomy is to serve the people at the local level and not the elites. Given the way local government is run as an appendage to the state government, funds for local government are often used for primordial interests. For example, local government funds are captured by local elites like traditional rulers who come at the end of every month to take their share of the national cake. This led to situations where citizens are exempted from actively participating in local decision-making.

Granted, these policy reforms are not watertight. If carried out in an isolated manner without situating it within Nigeria's political economy, it is possible that it might not result in positive changes. Nevertheless, as this paper shows, for local governments to effectively function demands that factors that might hinder their autonomy must be looked at and addressed. The paper in this regard has made a modest attempt

Conclusion

Local government is the third tier of government as recognised by the Nigerian constitution, and it is very vital for local development and civic participation. Studies have shown that democracy at the local government level can enhance civic participation at the national level. This is because when citizens participate in local politics, they are more likely to transfer such participation to national politics. However, if local government must effectively deliver grassroots development, they need to be independent from federal and state control. The recent judgement by the country's supreme court, which granted local government autonomy, is a step in the right direction. Nevertheless, for this judgement to be fully implementable, certain reforms must take place, ranging from accountability, constitutional reform and institutional capacity building among other things. If these are carried out, local government autonomy might be realisable.

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