

## Cities in the 21st Century: A Challenge for Sustainable Urban Spending in Bauchi-Nigeria

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### Abstract

This paper is aimed at explaining the relationship between growth of cities in the developing countries and urban governance in the 21st century. The Nigerian experience in fiscal matters has posed numerous challenges to urban finance as well as sustainability of urbanization and its development. The joint account system between states and the local governments has generated numerous contentions as to how the system will operate without creating setback to local governance. While the joint account system affects good governance, the states are using it as weapons against any disloyal elected chairman in some quarters. In order to finance viable projects, local government need resource at all levels to be mobilized and also put into proper use for urban management. Therefore, the paper examined the phenomenon of urban politics in one of the major cities of Nigeria. The study conducted documentary research of city development in the 21st century, with specific reference to Bauchi Metropolis in Nigeria, to give explanation and predict what will be the future of urbanization and sustainable development in developing countries. It assumed that high level of poverty, decay in social infrastructure, legal obstacles and pattern of physical planning are found to be the major predictors of problem bedeviling urban governance.

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## **Background to the Study**

The growth of cities in the world today has both positive and negative consequences. Where cities are managed well tends to exhibit significant opportunities for urbanization, innovation, investment and development. Thus, city managers most know that cities growth offer grounds for economic growth, sustainable development and urbanization, since traditionally cities were known to be the focal area where commercial centers and opportunities are located. But where the reverse is the case, cities pose numerous challenges to urban governance especially in the area of financing human development projects. Cities in the 21st century, particularly in the developing world grow without corresponding improvement in social infrastructure, thereby leading to outbreak of diseases, social problems and increasing demand and pressure for the provisions of more social services for the people. A number of literatures in urban politics, local government administration and politics of inter-governmental relations have demonstrated the extent to which effective and efficient use of resources pave way for sustainable development and urbanization. Ineffective financial distribution and management and often also lack of governance are found on the other hand to be among the central imbalances retarding urban good governance, particularly in Nigeria. Legal hurdles and lack of good governance are fundamental in creating setbacks in the local administration (Nuadozie, 2005; Omotola, 2005; Wunsch, 2001; Cheema & Mugeire, 2001; Ndulo, 2001 and Khan, Thornton & Frazer). In Nigeria nearly all states took advantages of the legal constrains to twist the political process as against promoting local development. It is against this background that the following questions were raised for an answer. First, are cities growth and urban government finances a constraint or a driving force in lack of sustainable development in most cities in the developing world, particularly Bauchi local government area in Nigeria? Second, is poor cities management more likely to hinder sustainable development as result of legal constraints? These questions are vital in the analysis of cities development in the 21st century putting Bauchi Metropolis in Nigeria in focus.

Previous literature on city growth and development had focused more on urbanization and development, intergovernmental relations and urban finances constraints. This paper is an attempt to add to existing literature the impact of fiscal management on city growth and urban management. Most literature has been mainly on whether city growth posed challenges to social service provisions, particularly in the developing countries. In real sense, cities have become a major locus of power and politics consequently influencing vision achievement and dictating policy outcomes. They are also a major factor in environmental trends and sustainability processes. Urbanization is thus providing the setting, the underlying base, and also the momentum for global change (UN, 2013). Contributions to city development and urbanization include Sridhar (2010) and Cohen (2006), believed that city grows because of proximity and improvement in economic activates like the availability of development of industries and growth of scientific exchange. This led them to conclude that managing urban growth is one of the most important challenges of the 21st Century urbanization. However, recent findings by Kugelman (2013), elaborated the changing trends in city growth, positing that on average city grow because of factors like social problems. This assertion has in broader sense become consistent with Abdullahi et al (2009), which also find the role of social insecurity in city growth.

This development for example can be seen in recent time in Central Africa Republic, Nigeria, South Sudan, Chad Republic, Libya and Mali. But there was typical instance with some variations of how intergovernmental relations particularly in Nigeria, on how constitutional matters created hurdles to develop a local management plan that will promote education, road development, primary health care and sewage regulation system. For example, the work of Jinadu (2009), acknowledged the constitutional setbacks affecting the third tier of government in Nigeria on its right and independence. Stating that the legal framework needs a reform to reconsider the fiscal independence of local government from the political manipulation particularly the fiscal strangulation which effects retards development at the local level of government. Olaniyi (2009) also concurred with the notion of reforming the fiscal management system but blamed the Nigerian political system on unregulated political finances due to corruption, personalization of power and brigandage. To achieve functioning urban governance and fiscal management systems in Nigeria, each local government in the 36 states of the Federal Republic of Nigeria has to canvass for the new legal and administrative processes as against what is involved in the administration and financial systems of local governments in Nigeria.

In real sense, this is a case for a politics of the urban development which is nevertheless recognized as the importance parameter that defines particular cities. It is fundamental to have effective territorial understandings which continue to provide an important focus for speedy political response which is equally important in a way that those local administrative system of government to achieve sustainable development. It is assumed that local spending in the administration of local government is under more pressure from states-local government relation because of legal constraints which this paper considers faulty and have to be reform. In this case the paper would argue that states in Nigeria have taken advantage of its powers as states with fiscal allocation and have responded ineffectively to suppress the local economy.

### **Theoretical Farmwork**

A reasonable starting point for an analysis of city growth and sustainable developments is to consider that urban government is to foster individual choice and provide essential social infrastructure by virtue of processes that are multidimensional in spectrum. Public choice theory and urban regime theory has provided discussions as well as theoretical background that links city development in the 21<sup>st</sup> century and sustainability of urban spending. Public choice theory sees this from the political economy approach that cities are centers of capitalist accumulation (Potter 1980). That cities and set of cities has become a mechanism through which international economic relations incorporates countries into globalism. Public choice theory is an attempt to explain the collective outcomes which emerge from the political process according to the incentives facing the different individual agents within the political system (Pennington 2000). On the other hand, urban regime theory a neo pluralist approach to urban politics explains power within local communities where urban government or rather local authorities lack comprehensive powers to govern. With it distinct approach to the study of urban government and issue of power, the theory provides framework for analysis on key aspects of urban government. It also came up with new conceptual framework about causal

relationships and behavior in urban politics (Stoker 2009). The theories fundamentally explained the relationships between city growth, urban government finances and sustainable development. The theoretical postulates pinpoint vividly the reality of public choice theory in linking city growth with economic growth and free market economy. While the urban regime theory gives us framework for analysis of power relations especially in the area of state powers over local governance which seriously undermined mandated functions of municipalities to improve the living condition of its citizens.

The study found urban regime theory as vital to guide the research for being the most suited theory worthy to explain, describe and analyses state and local government relationships. The main assumption of the theory stipulates that; powers of the city is more of collaborative arrangements where actors involved are assembled to govern in accordance with their capacity; structures and pattern of interactions are geared towards stability and growth; it emphasizes private and public sector relationships; and consider the incorporation of various interest into the governing coalition. Among the proponents and theorists of this theory are Clarence Stones, Fainstein and Faintein; and Elkin who were considered to be the earlier writers on the theory. Later scholars such as Clarke, Leo, Dowding, Purcell, Turner, Karen, and Gerry to mention but few dominated the discourse for more than a decade. Therefore, this article uses the assumptions of this theory as an analytical framework to guide the research towards clear understanding of relationships between urban spending, powers of local authorities and sustainable development. While analyzing the case of Bauchi metropolis in Nigeria, the emphasis will be on the indicators of city grow and effect of poor urban spending on achieving desired goals in the environment. This will shed light on the why local authority failed in their desire to ensure sustainable development in an atmosphere of distorted fiscal arrangements suffocating the local authorities via legal constraints and political maneuvers.

### **Methodology**

The Bauchi city is located in the Bauchi local government area of Bauchi State in the northeastern Nigeria. The town constituted of 22 wards and is a key commercial center with a heterogeneous population from different parts of Nigeria. Therefore, the inhabitants of the city constitute both natives and settlers. In the study area clusters of ethnic groups including Hausa, Yoruba and Igbos, as well as the indigenous tribes are the dwellers of the city. The study has benefitted from secondary sources which enable the paper used documentary analysis in the analysis of data. The documents analyzed comprise official publications, journals and books. Using documentary sources for the analysis is due to researchers' inability to obtain primary data to supplement the secondary data for data triangulation.

### **Structure of Nigerian Local Government Administration**

Federal system of government is what the constitution of Nigeria recognizes as the political system of the contemporary Nigeria. It has been in effect for nearly 70 years. The constitution of Nigeria embodied tiers of government in the federal structure, such as; Federal, State and Local governments. Constitutionally, the system requires coordinated action in the intergovernmental relations, but at the same time gave independent powers to local government authority to enable policy decision making to people at the grassroots. It is thus

that, the constitution separate powers between various levels of government. The powers of the federal government is enshrined under the exclusive list, the powers of the states is under concurrent list while that local government is under the residual list. According to Ekpo (2004), the issue of relative fiscal autonomy and independence of the State and Local Governments in a true federal structure goes with the corollary issue of the correspondence of governmental functions and revenue sources". The reality of such fiscal arrangement among the different tiers of government in a federal structure of Nigeria is recognizing each tier of government with different powers expenditure responsibilities, economic responsibilities and taxing powers.

The local government represents the people at the grassroots and response to their immediate needs. Being the system meant to be nearer to the people the government concern with the issues in the locality as well as areas like villages, towns, and suburbs. In this regards the local government perform a number of major functions which include the following (a) provision of basic education (b) primary health care services (c) registration of birth and death in the locality (d) planning and control of building structures (e) revenue generation on goods and services. The services provided are meant for socio-economic and development purposes through efficient regulation of the affairs of the people. The role played by local government in dealing with grassroots flights has been the political system arranged constitutionally to serve the people and ensure speedy provision of effective cooperative and coordinative task between the local government and other levels of government. The Nigerian constitution is clear that the shared responsibilities are authoritatively split across various government levels. Therefore, there is no provision that single out one tier of government to deliver services meant for other tier of government in the service delivery on its own. But as a rule, the system in its fiscal arrangements spell out areas which meant for federal, states and local governments that indicated that coordination and cooperation are pre-requisites for sustainable development. However, the reality on ground is clear that existing political system and inter-governmental coordination are weak and need strengthening. The argument here is that coordination could be uphold to lead to a better resource utilization that will ensure effective management of the economy, provision of desired services, and more efficient use of limited resources.

The fiscal management between state and local authorities in Nigeria is one of the most complicated relationships lingering smooth urban spending. For example, Nigerian Union of Local Government Employees (NULGE) once lamented that; "there have always been attempts to suffocate or incapacitate local government by other tiers of government especially state government who see it as rival instead of partner or supporter in the series of impunity directed at local government especially since the beginning of the fourth republic in 1999" (NULGE, 2014). While recognizing the truth of this assertion, the causes of the problem are rooted in the nature of constitutional status, intergovernmental politics and degree of autonomy. In reality, the inability of local government in Nigeria's federal arrangement to deliver services to their teeming population has direct bearing on power politics existed between state and local government that compounded problems and constraints instead of addressing them.

### **Politics of Intergovernmental Relations and Urban Spending in Nigeria**

In federalism, different levels of government are required to work together for developmental purposes through coordination and cooperation. As clearly noted by some scholars, a number of intergovernmental relationships involve money and fiscal management in an attempt to achieve some coordinated goals (Omotola, 2009, Rosenbloom, Kravchok & Clerkin 2009; Addams, 2007; Grodzins, 2004, Wright, 2004; Tapscott, 2000 and Gboyega, 1981). For example, the work of Tapscott in South Africa has identified problems associated with intergovernmental relations in the country and the challenges of co-operative government which highlighted that the shortcomings in the existing system of intergovernmental relations in South Africa has led to poor co-ordination within and between the different structures of government and also limit its capacity to deliver multi-sectoral social programmes. From this we can hypothetically say that, where the goals of coordination and cooperation are tempered with, there is every possibility that fiscal management may not be effective. In describing the Nigerian case, Gboyega (1981) has captured the history of legal constraints in the 1979 constitution of Nigeria and see the constitutional provisions regarding local government as the stumbling blocks for smooth operation, though it was able to clearly defined separate areas of State and Federal responsibilities towards local government councils but in practical terms does not guarantee smooth inter-governmental relations. Adding that, the entire Constitution operates under the usual uncertainties associated with novelty and the general atmosphere of suspicion. Therefore, the politics of intergovernmental relations are bedeviled by power politics and party differences which render cooperation extremely difficult, if not completely impossible.

From 1999 onwards, the local government system has been the victim of intergovernmental politics in Nigeria facing numerous challenges most of which are politically motivated. Thus, the resources of local government have been mismanaged and politicised to the extent that urban spending is affected. First and foremost, the distorted finances rendered local government system ineffective from carrying out its shared responsibility despite the fact that cities in the 21<sup>st</sup> century are facing socio-economic, political and security challenges. Secondly, the power politics and excessive political domination also put the system in jeopardy. Finally, the problem of corruption and mismanagement of resources which to a greater extent heightened the irregularities in the administration system of the 774 local governments operating under the constitution of Nigeria since 1999. Jinadu (2009), for example, has categorically highlighted the causes of problems bedeviling local government administration in Nigeria from 1999-2007. These include the fiscal throttling enshrined in the constitution, political domination by the state government and tyranny of executive rule executive. The problem is not only found in Nigeria, but also in a global scale which in their second global report on decentralization and local democracy, United Cities and Local Governments states that “intergovernmental systems in many countries remain problematic in many respects, and local governments in many cases need to be better equipped to perform their functions well and to become stronger and more effective partners of upper level governments in meeting pressing common goals” (United Cities and Local Governments, 2010).

Another account stresses that financial imbalance among tiers of government in Nigeria is a constitutional matter but the lower level of government has been suppressed financially, only serving as agents of central government in spending function. Also, the local governments due to fiscal imbalances are facing numerous difficulties in carrying out development programmes at the grassroots level (Philip, 2007). Although state's status in the constitution of Nigeria as a second tier of government appears to be beyond question, the reality is that, states are politically convergent in their approach to local governance and have been questionable trends in the fiscal federalism of Nigeria. Thus, another aim of this paper is to demonstrate the uniqueness of local government's governance while focusing on Bauchi local government as the case may be in the way urban politics operate in the local administration system in Nigeria. To achieve this aim, the paper begins by sketching the political and administrative context of fiscal federalism in Nigeria, while considering a large part of that unique context from the problems urban managers faced being in the area of sustainable spending. Before moving to an assessment of the impact of legal constraints on urban spending and how it has affected system of local governance, an elaborate analysis of indicators of cities in global scale is addressed to understand the impact of poor urban spending on governance in Nigeria. Though the focus here will be on the need for effective and efficient spending in the system of local administration, the concern is the need for total overhaul of the constitutional provisions regarding fiscal management between states and local governments for sustainable development in the system. Here, the assumption is that poor urban spending weakens the capacity for local governance by incapacitating grassroots policy making bodies from addressing the challenges they faced which impacts affects the living condition of the people.

### **Indicators of City Development in the 21st Century**

Local governments around the world today play a key role in facilitating development and improving living standards (United Cities and Local Governments, 2010). But cities of the developing countries faced numerous problems and challenges in a number of ways towards managing unprecedented growth and increasing decay in urban infrastructure. Cities whether in the developing countries or rather in the developed countries have their peculiar challenges and consequently require political attention and innovative action for effective managerial efficiency. The growing urbanization all over world is worrisome so much so that faster planning and efficient resources are needed to convert the changing increments. Knowing fully that only effective local government system can safeguard the swelling problems, improving socioeconomic and security conditions for all people and ensuring sustainable development is the challenges urbanization. The swelling growth in population in the cities is not receiving any reasonable financing in some quarters in the delivery of housing schemes, road infrastructure, water supply, social services and other important aspect of human life. This is evident and also visible from the poor settlements and increasing congestion in most localities, lack of security, large number of poor people as result of unemployment and deteriorating infrastructure, and lack of regulation that will improve quality life.

City growth is widely known to be the factor that makes governance more difficult. Some urban growth is highly associated with low social infrastructure provisions, poverty, poor

economic growth and increase in crime. These are the major challenges bedeviling urban management and economic outcomes. While the challenges are enormous, indices from the United Nations Department of Economic and Social Affairs Population Division revealed that: world urban population is not distributed evenly among cities of different sizes. Over half of the world's 3.6 billion urban dwellers (50.9 per cent) lived in cities or towns with fewer than half a million inhabitants (United Nations 2012). From these, we can argue that, cities development or its rapid growth in the world most have positively or negatively affects the relationship between the urban government and the public. Therefore, in developing countries, with incredibly low level of resources to meet the challenges, the growth is to some extent tends to be negative to urban government. And this is always the result of insufficient resources and difficulties in its management. The question to ask is what are the indicating factors through which city growth will be understood?

The first indicator of city growth is the increasing number of the population in urban centers and this were caused by a number of factors such as rural–urban migration, natural population increase, high growth rates in economic activities and annexation (Cohen 2006). Thus, the effect of swelling population in a country is that, the rising numbers usually raised the questions of needs, demands and political capacities to deliver for the large population. Once the indices keep rising, the urban management most earmark plans to response to the yearning and aspiration of the people whose life is fundamentally changing as result of the high population. Not only that new cities have to be managed responsively, but a whole set of innovative management and ways of thinking about tackling the problem high population posed most also have to be addressed. The rising population is acknowledged as the change in the dominant habitat of city population making the process of urbanization to be among the most significant global trends of the twenty-first century. Therefore, cities and urban places in general are now occupying the centre piece of globalization. They no longer exist as mere spaces for settlement, production, and services, rather shape and influence social and political relations at every level. The development also determining advancement as well as hurdles in the way society lives their life (UN, 2013). In Nigeria, the consequence of a high population is real in the national budgetary politics and planning. The demands of the people have the most overarching challenge that includes the need to provide essential social services and effective managerial skills to control public spending. Moreover, due to increased financial dependence, governance is now understood within the context of political manipulation. These manipulations include politicization of the process, mismanagement of the available resources and systematic distortion. Governance is thus characterized by irresponsible management leading to political and administrative uncertainty, complexity or even maladministration.

It is obvious that the rapid expansion in urban population has been a new development without the corresponding needed expansion in basic services and development opportunities. The need to deal with the problem is always the concern of the local government authority using every available resource and administrative capacity to ensure economic prosperity, improve internally generated revenue via mobilized resources and provide basic social services. As noted by NULGE, the reason why local government in

Nigeria cannot maintain rural roads construct market, sink wells or boreholes and perform all of its function is that the local government are closed and distorted from carrying out its responsibilities. As result of this, any government that is not allowed to perform its duties may not have addressed the challenges of rising population (NULGE, 2014).

The second indicator is largely driven by migration through which people entered into cities to escape war, conflict, insecurity, natural disasters (Kugelman 2013), or outbreak of diseases. If we take the issue of escaping from war, conflict, and insecurity to link the development of urban centers and integration with better environment, then countries in Africa such as Somalia, South Sudan, Nigeria, and Central Africa Republic are special cases in point which are highly acknowledged. The problem disturbing the regions are essentially based on poor governance, lack of growing economic activities and absence of links with the other economies in environment, and above all poor social amenities. Muggah (2012) notes that “what is clear is that violence has emerged as one of the central development challenges of our time. Virtually all fragile states have experienced repeated episodes of violence, and the large majority of the world's poorest people live in states affected by violence – over 1.5 billion people”. It is true that cities are growing faster in the developing countries than in the developed countries considering the existential reality and complexities associated to these indicators. For example, Masika, Hanna & Baden (1997), study show that, urban violence is estimated to have grown drastically between three and five percent a year over in the last two decades. Apart from that there are large variations across countries and different cities within them. They further emphasize that violent crimes are more visible in cities due to large increase in rural-urban migration and there is growing evidence that violence should be considered a social problem for which there are need for prevention through effective urban management. Therefore, there is no doubt that urban violence is the result of many factors illuminated in our second indicator which are largely driven by movement through which people entered into cities to escape war, conflict, insecurity, natural disasters. With this in mind there is considerable desire to attempt planning and urban management about ways to address the challenges of the people.

### **The Experiences of Bauchi City in Northern Nigeria**

The city of Bauchi is the administrative capital of Bauchi state (one of the 36 states of Federal Republic of Nigeria) which account for about 5.3% of Nigeria's total land mass or 49,359.01 square Kilometers (Mu'azu 2007). The total population of the city stood at 493,730 out of 4,653,066 according to 2006 Census final results (FGN 2009), and it is an important trade center as well as home for many immigrants from neighboring states. It is also popularly known as civil servants' town that witnesses the influx of visitors from southern part of Nigeria aiming to establish business. The city is now growing rapidly as in the case of other major cities in Nigeria, where the rural populace moves out in large numbers temporarily or permanently to towns and cities to seek out new opportunities, improved livelihoods and better standard of living (Abdullahi 2009).

Apart from rural-urban migration to Bauchi city, other factors like crisis, inter-groups conflict and Islamists group insurgency in the northern region also contributed to over growing

population of the town. This new trend poses a greater challenge to city managers especially towards improving the living condition of the inhabitants. The most challenging one is the too much demand for services and infrastructural facilities which is central to promoting sustainable development and increasingly complex for urban government finances.

A typical example is the ever-increasing demand for adequate water supply within the metropolitan area. Since city growth has a great number of impacts on housing, the city expanded with the development of more housing in a newly developed city site. This also resulted to a growing demand on urban government to provide sufficient water to the public. But insufficient funding and lack of city planning system to meet up with the challenges of urbanization, nothing concrete to manage the problem has recorded. In a similar vein, the issue of housing itself has exhibited another challenge to urban governance; therefore, the main city is now overcrowded with very high cost of living as well as high housing rent. Though government provides some immediate solution through Public-Private Partnership advocated by new public administration, the demands for government houses even among civil servants is very high. And what is on ground is not sufficient even to provide for civil servant not to mention the general public.

#### **Urban Finance as a Tool for Sustainability**

Borrowing from Stren (1997), improving the level of service delivery is partly a question of sheer resources (as against a rapidly growing population) and also a question of governance and allocation. Thus, the viability and ability of urban government finances in the cities has stand out to be the major ingredient for sustainable development. To effectively administer city management, funding of local government in the cities as well as improved services delivery can invariably lead to the possibility of achieving good result. But constraints from governance process have limited considerably the degree to which municipalities can assess and execute some important economic and social development programs. This is a challenge to urban management and the general wellbeing of people living in already growing cities irrespective of their geographical location. In explaining these constraints in intergovernmental relations, Wolman (1997) states that, local governments in urban areas are constrained entities, therefore their ability to affect the wellbeing of their citizenry is limited.

In Nigeria, the constitutional financial constraint on local governments to use resources allocated to them without state government regulations have restricted the power of local government to function even within their jurisdiction. The federal structure in Nigeria constrains local governments' ability to mobilize and use revenue to meet their obligation in a sustainable way (Adedekon 2006). Moreover, local government system as the third-tier of government does not have adequate finances to enable it cope with numerous developmental challenges. The legal constraint is clear in the 1999 Constitution of the Federal Republic of Nigerian with amendments 2011. Under section 7(1) and (3), Cap (1) the constitution states that:

1. The system of local government by democratically elected local government councils is under 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.
2. It shall be the duty of a local government council within the State to participate in economic planning and development of the area referred to in subsection (2) of this section and to this end an economic planning board shall be established by a law enacted by the House of the Assembly of the State (Federal Government of Nigeria, 2011).

While subsection (1) stated above, tied local government to states in terms of finances and functions, subsection (3) placed municipalities under supervision in issues related to service delivery and management of resources. It is frequently asserted that, principle of diversity has given federal system chance in its intergovernmental relation to provide scope for variety and differences to all level of government in order to ensure public goods are supplied. But indirectly the law has put local government operations under states dictates and legislation. So, the formal constraints imposed on Local Government has limits the capability of urban government to deal with challenges of city growth. Therefore, cities in the 21st century are for sure bedeviled by the challenges of sustainable urban finances for their urbanization and development.

In Bauchi, the local government council has exhibited its lack of resources to control the challenges posed by growing urbanization. In spite of monthly grants allocated to the council by the federal sharing formula. The limited fiscal autonomy hampered developmental goals and urbanization. It is thus, Ikeji (2011), state that, there are several challenges and contending issues confronting intergovernmental fiscal relation in Nigeria and there is also needed to resolve the imbalances between assigned functions and tax power. The phenomenon of city growth has changed the level of water supply, housing scheme, and so many services of collective benefits in the town. What is supplied is not sufficient to the demands of the people and this remains the problem of financial constraints. Consequently, urban government operations are frequently undermined by growing deficits (Davey and Devas, 1997).

Like most of the largest cities in Nigeria, the city of Bauchi lack's ability to mobilize resource for their economic and political survival locally. Therefore, the local government should embark on sustained grassroots mobilization of resources mostly through local taxes so as to ensure that resources locally mobilized is apply in city management and development. There should be a will to raise and collect taxes simply because what is usually received from the central government is not enough as well as helpful to the growing demands of city growth. In order to finance some viable projects, local government must be given adequate tax power and also share major tax bases with other tiers of governments. Local governments are the nearest government to the people at the grassroots in Nigeria they are strategically located to play a pivotal role in national development (Adedokum, 1997). To call the attention government over fiscal hurdles, NULGE states that its study indicated that although the constitution has acknowledged the system of local government system in Section 7(1) as a democratically elected entity, the same constitution also complicated the system by empowering the state's

House of assembly to make laws to ensure it exist with certain structure, finances and function. However, the power of the state government over state legislators for political reason has undermined all the constitutional powers detracting the local government from undertaking constitutionally guaranteed responsibilities. The worse is the distortion over its autonomy (NULGE, 2014).

### **Challenges and the Need for Change in Urban Governance**

It is obvious that states have control over municipal activity in the form of legislative, administrative, and judicial control. But these powers exercised over municipalities have proved to have negative impact on local government financing. For instance, in USA cities are faced with many problems that are, at the core, financial in nature. These comprises the extent to which cities in particular are limited in their taxes and borrowing abilities by state law and the degree upon which cities can spend money on specified services (Ross and Levine, 2006). These also share commonalities with what is obtainable in Nigeria, where Local Government's power in the area of financing is constraint by section 7(1) and (3). The joint-Account or rather powers over city development between state and local government is purely legislative prescription and supervision in action. Therefore, the incorporation of local financial powers implied what Martin called; state appropriations for subsidies and grants in aid where cities actively seek financial aid (as in the case of USA) and approval as the case may be in Nigeria to meet up their needs. The state has to support their needs in one hand and municipalities on the other hand must also accept state policy direction (Martin, 1990).

It is understood that cities grow rapidly nowadays. And their growth has both positive as well as negative impacts on urban management, urbanization, and sustainable urban government finances. Its positive impacts usually turn to a blessing to the city and the economy. But the negative site of the mixed blessings always came with major challenges to urban management, of which effective management is needed. Part of the problem has been the inability of city managers to provide required services to better the living conditions of city inhabitants. Local government being an important level of government within democratic regime in Nigeria and also relevant unit undertaken grass root services delivery is faced with numerous challenges. There are also wide expectations from the public simply because the local government is best positioned to meet the needs of people at the grassroots. The local government should be sufficiently empowered with the enabling laws; staff and resources. Most important they require reasonable measure of autonomy to initiate and fashions out policies that will enable them successfully operate.

To overcome these problems, certain changes are required to ensure more effective and efficient services are rendered through improved local management in order to enhance the general welfare of the citizens (Kroukamp and Lues, 2008). To them, this can be achieved through “citizen-centered Programme delivery”, which centrally placed emphasis on the traditional role of public-sector in-service delivery via modern administrative reform. Focusing on this improved local management, the challenge of city development can also be managed when urban governance utilizes the potentials of urbanization towards improving economic growth. Secondly, the pressing problem of poverty, lack of basic needs, decay in

social infrastructure, limited financing which adversely affected the way local government operate can also be deal with through private sector involvement and existence of autonomous municipalities. Thirdly, efficient decentralization in revenue collection and utilization at the local level may likely enable urban governance whereby municipal governments within its jurisdiction may have the capacity to perform their mandated functions. And these may surely create enabling environment for economic growth and development as well as achieving sustainable city development.

Though most of the urban financing in Nigeria came directly from the Federal government and prove relatively inefficient to deal with emerging challenges of city growth. Local Government taxes are minimal hence this limits their ability to raise independent revenue and so they depend solely on allocation from the federation account (Adedokun, 1997). Use of grassroots development which involves acceleration of economic growth, reduction of inequality and the eradication of absolute poverty can assist the city managers tackle major challenges bedeviling the smooth running of the city. Adhering to requirement of grassroots development will inevitably meet the basic needs of the people i.e. food, shelter, clothing and health care delivery. Thus, local government development should be planned in a way that the context of providing sources of portable water supply, ensuring primary education; rural agricultural production, primary health care services, in order to ensure speedy urbanization and development.

Participatory planning and budgeting is another avenue for strengthening accountability in the area of city governance. There are evidence that in some countries where citizens are organized into committees [such as neighborhood development or ward or district development committees] to assist the local governments in the planning and preparation of the yearly capital budget. Therefore, such work of development partners may support the creation of a forum that brings together the various actors involved in the local level including the citizens for periodic consultation and deliberation on matters concerning the social welfare of citizens and the economic well-being of the whole community.

Oates (1993), contends that “there are surely reasons, in principle to believe that policies formulated for the provision of infrastructure and even human capital that are sensitive to regional or local conditions are likely to be more effective in encouraging economic development than centrally determined policies that ignore these geographical differences” There is a great relationship between decentralization and economic growth and behavior for economic fundamentals within the decentralized jurisdiction is a matter that remains an empirical issue and discussions must be country specific. Bauchi local government is to some extent not able to deal with its enormous challenges particularly the provision of services, problem of unemployment and growing population. The concern with effective urban governance in Bauchi is related to what is evidence from general flights that call the attention of the populace and also require speedy response to be paid to the issue of 'good governance in ensuring sustainable development. It is obvious that lack of financial accountability, poor administrative efficiency and political manipulation that local government system became neglected without considering the magnitude of demands and social problems confronting it.

Urban governance is fundamental and used to be equated with planning and efficient urban management but this only obtainable if the local authority is allowed to exercise its autonomy, it is clear that, Bauchi Metropolis is understood both as entity without autonomous government responsibility and effective local engagement involving a full range of functioning system, which makes it more vulnerable and ineffective to overcome challenges of 21<sup>st</sup> century facing cities.

### **Conclusion**

City growth especially in Nigeria, is rising a serious leadership challenge to city managers. Therefore, local government council in Bauchi is not exceptional in encountering with these key problems associated with sustainable urban governance finances. But, as we see from our investigation, the problem of local finances has huge problem in terms of effective and efficient local governance and proved that, for sure poor city management has demonstrated its impacts on sustainable development of growing cities. It can be overcome with good intergovernmental relations, improved local management performance via involving third sector and above all ensuring effective urban management through quality financial administration. It is fundamental to note that without viable resources to support local government operations as well as ensuring successful provision of social infrastructure, the prospect of effective local government system is doomed. While the local authority needs some degree of autonomy to function effectively and efficiently, the federal government of Nigeria seems to have too much control over distribution of resources. The ability to generate sense of belongings, safety and satisfaction among populace lies in urban government effectiveness, efficiency as well as capability to handle city growth and development challenges.

City like Bauchi in the developing world at large and in Nigeria in particular is expanding at a much greater rate than in two decades with increasing social and management problems. While the system of fiscal management on the other hand distorted development, cities across Nigeria are usually experiencing the same flights which are also bedeviling economic growth and development in the country. Infrastructure and quality of life is also deteriorating. To address these issues in most of cities of the developing world in general and in particular in Bauchi Metropolis is one of the great challenges facing all the local government authority in Nigeria in the 21<sup>st</sup> century. Moreover, cities have occupied an important role in promoting development as powerful engines of growth and urbanization, in many cases more powerful political heavyweights in the politics of intergovernmental relation has linger all the possibilities for sustainable development. For sure cities remains the centers of innovation by virtue of the fact that people at the grassroots are the major concern of the local authorities and they are nearer to the people as the very force that shape and responds to finance, social services, market, basic amenities, and urban management. It is thus that, NULGE called for the abolishing of State-Local government Joint account to enable smooth urban spending through coordination and cooperation while dues to local council will be paid to them directly as an autonomous entity with interference of the state government. Based on this, the article recommends that, planning and effective urban management is solely the main instruments to provide some direction to how local government can make contributions on how to address grassroots issues and problems resulting from urban growth.

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