

## THE CHALLENGE OF FEDERALISM AND ITS IMPLICATIONS FOR THE NIGERIAN STATE

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### ABSTRACT

*This paper examines the current challenges of federalism in Nigeria, contextual and theoretical analyses and its implications. It aims to explain philosophically the variables that have influenced and are influencing the entrenchment of federalist option in Nigeria. In achieving this broad objective, secondary data such as scholarly works from the internet, newspapers and textbooks were used. Philosophical deduction and content analyses in relation to contextual background of federalism in Nigeria serve as the bases for arriving at the challenges of federalism in Nigeria. However, most literature on federalism focused on power relations between and among levels of government vis-à-vis fiscal federalism while issues relating to contextual dilemma and the pitfalls in the experiment have attracted few academic works. Moreover, scholarly works on the concepts of federalism are premised on the method of content analysis paying no or little attention to philosophical explanations. Hence, this paper seeks to investigate the aforementioned issues above. However, issues such as military incursion, corruption, civil war, colonial master and Nigerian elites' manipulations, etc, among others have been identified in this piece as contending factors that have created a setback to Nigerian federalism. Consequently, the paper suggests and recommended among others a strong anti-graft institution to lower the temple of corruption; an embracing fiscal formulae that sincerely and purposefully looks into population and derivation, a purposeful and un-politicised national conference should be organize; and regions or states should be encourage to tap their local resources for holistic economic development.*

**Keywords:** Federalism, Fiscal Federalism, Corruption, Mono-economy, Nigerian state:

### Introduction

It is generally acknowledged that Nigeria is, arguably the most richly endowed State of the African continent in terms of human and non-human resources. It is similarly acknowledged that it is one of the least developed states in Africa. This contrast of poverty of development in the midst of abundant resource endowment has been attributed

primarily to institutional deficiencies. Specifically, inappropriate intra and inter-governmental relations and processes have been flagged as the root cause of this institutional deficiency and to some schools of thought, issues such as corruption, ethnic and egoistic politics, military incursion and among others have created deficiency within the Nigerian federation (Awolowo, 1968; Ikelegbe, 2004; Obiyan, 2010). It is in this view thereof that there has been renewed interest in the discussion of issues relating to federalism (Burgess, 1993a; Watts, 2000). Most of these interests or researches by scholars are directed towards power relations between and among levels of government (Akinyemi, 2001; Okhaide, 1992; Panter-Brick and Dawson, 1970; Tyoden, 2000) while issues relating to contextual dilemma and the pitfalls in the experiment have attracted few academic works. Issues such as the performance of the regions or states and other acute strategic issues towards making a robust federalism in Nigeria have attracted low scholarly works. This issue has been a threat to the survival of Nigerian federalism in the ongoing political dispensation, states are in huge financial debt leading to institutional deficiency and decay (Guardian, Nov., 28<sup>th</sup>, 2015:49; Tribune, 8<sup>th</sup> 2015: PP.6, 10 and 14). Hence this paper, therefore, seeks to contribute to ongoing efforts aimed at enhancing the understanding of the theories and practice of federalism, with special focus on the Nigerian state and its current pitfalls in the experiment.

Federalism no doubt represents an institutional mechanism through which intra societal plural elements can be accommodated and protected. The adoption of the system in Nigeria can therefore be viewed in the context of this virtue of federalism. But ever since adoption about five decades ago, the high hopes and aspirations which propelled its adoption seem not to have been fully transcended as evidenced in series of agitations by scholars (Ikelegbe, 2004; Obiyan, 2010). But this cannot be attributed to failure or inefficiency of the system but rather to ineptitude and insincerity on the part of its operators and other political elites, which made all loose sight of the virtues inherent in the system (The Guardian, Nov., 20 15:49; Jinadu, 2004). This is because competing political elites often paint the system and its operators (political leaders) at any particular time in much negativity thereby eroding its good sides from public glare. Consequently,

Nigerians have not really done much in appreciating the gains of the system in over fifty years of its operation. On the contrary, what tends to be in vogue is a call for what is termed ‘true federalism’ in the country (Jinadu, 2004). Evidently, on the 13<sup>th</sup> of July, 2016 the Vice President Professor YemiOsinbajo allied with the view of through true federalism from the context of state police (The Guardian, 13th July, 2016; The Punch, 13<sup>th</sup> July, 2016).

However, the call for true federalism as a way of achieving equity and development can better be seen as politicization of federalism in Nigeria. That is, the practice of interpreting federalism to be in line with ethnic or group interest. Thus for instance, while true federalism for a Southerner in Nigeria lies not in the introduction of sharia law in any part of the country but in achieving control over oil resources in the region, to a typical Northerner (especially Northern Muslim), true federalism lies in the full entronement of *Sharia* legal system in the region rather than regional control of resources, while the Westerners (Yorubas) understand it from allocation of resources should be based on need and population and so on (Jinadu, 2004). But as Jinadu (2004) noted, ‘there is no pure or true form of federalism rather what exists is a federal spectrum along which there are variations’. But this as well is not to suggest that there are no imbalances in the country’s practice of federalism. If in the least, the asymmetric structure of the federation, which creates room for marginalization and inability of the federal structure to fully redress this, is a factor to contend with. Moreover, one of the current challenges facing the country’s federal option that this paper intends to explore is the inability of states to fund some of their institutions and the performance of their legal duties towards staff in area of recurrent expenditure (The Gurdian, Nov., 2015:49; Tribune, 27<sup>th</sup> June, 2016; Ikelegbe. 2004 Obiyan,2010), whereas federalism presupposes that the component units within the federation should be economically and political autonomous at least to a very large extent.

In a nutshell, this paper aims to examine the current contentious issues in Nigeria’s federal arrangement, and the challenges they pose for the Nigerian State. On this note, we

begin with the schools of thought that advance reasons for the adoption of federalism in Nigeria; proceeded by concepts and theory of federalism; factors that have influenced and are influencing Nigerian Federalism; conclusion and; recommendation.

### **Theoretical Discourse**

The essence of this section is to identify the factors responsible for the adoption of federalism in Nigeria and the prevalence of those factors on the pattern of federalism adopted by Nigerian elites. This will enable us to locate the pitfalls in Nigeria's federal experiment. Here the paper identifies two broad schools of analyses, the Internalist and the Externalist that give birth to a midpoint analysis. We begin with the domestic analysis popularly called Internalist school of thought.

### **Internalist School**

According to this school, the realities of the Nigeria's historical past coupled with perceived economic advantage accruable from federalism as well as geographical and political factors made federalism appealing to nationalists prior to independence. These factors were reinforced by growing suspicion and fear of domination by the North against the West and the East against West or the North. Thus, it became appropriate to have a system of government that will grant units considerable freedom and autonomy in the internal governance of their people. This desire was found fulfilled in federal option since it is inherently decentralized and deconcentrated. The emphasis here is that, Nigeria's nationalist leaders have long before independence became convinced and reached the conclusion that the country could only survive on the basis of a federal option. For instance, this was one of the arguments of Dr. Nnamdi Azikiwe, Nigeria's first President (1960-1966), when he canvassed for a 'federal *commonwealth* of Nigeria' (Azikiwe 1945). It was also the arguments of Awolowo in his books, 'Path to Nigerian Freedom' and 'Thoughts on Nigerian Constitution' published in 1947 and 1966 respectively. Similarly, Nigeria's first Prime Minister, Sir Abubakar Tafawa Balewa was reported to have argued the case for a federal option in the following words:

I am pleased to see that we are all agreed that the federal system is, under the present conditions, the only sure basis on which Nigeria can remain united. We must recognize our diversity and the peculiar conditions under which the different tribal communities live... therefore... we must do all in our power to see that this federal system is strengthened and sustained (quoted in Elaigwu, 2000: 41- 42).

In essence, the internalist school of thought is of the view that the nationalist leaders had a strong preference for federation while the British merely provides the conducive atmosphere for its establishment.

The second school of thought, on the other hand, sees the adoption of federalism in Nigeria as externally motivated. Federalism is seen as a British imposition meant to serve the political interest of the British alone. It is therefore nothing but a contrivance of British rule for the purpose of administrative convenience of the colonial state apparatus (Alapiki and Odondiri 1992). The argument of this school is that, even before 1954 when federalism formally evolved, the country had been a conglomeration of different subcultures administered unitarily, to later introduce the federal system therefore reflects nothing but the self interest of the British. It is the belief of some scholars that contrary to the widely shared notion of achieving unity in diversity, federalism was introduced as a divide and rule strategy and to this extent was an abominable, disruptive and divisive British heritage (Awolowo, 1968). Still following from this school are scholars who do not share the idea of federalism as a divide and rule strategy but rather as a strategy for decolonization. Such a strategy according to Ayoade was either proposed to truncate the cost of colonial administration as in east and central Africa or to stem internal divisive tendencies as obtained in Nigeria (quoted in Ojo, 1998:3). Yet, others have argued that the system was imposed on the country in order to maintain a neo-colonial state apparatus for effective control of the country after independence because British colonialists had the opportunity to de-emphasize the particularistic tendencies of the different ethnic groups in the country but for selfish reasons, they ended up creating ‘structural imperfections to bedevil inter- ethnic relations after independence’ (Okhaide, 1992).

Arising from the above backdrop, certain facts become obvious about the evolution of federalism in Nigeria. It is clear that some factors made federalism desirable if the country was to remain united. Hence, one can hardly query the foresight of the Nationalist leaders who out of the desire to have self rule along with shared rule opted for the federal solution. Similarly, the British overlords could not have pretended not to know that it was the most appropriate for a heterogeneous society like Nigeria, though other pecuniary considerations may have influenced the choice. Added to this is that the British would not have imposed federalism in the country if circumstances had dictated otherwise. In other words, adoption of federalism in Nigeria is neither an exclusive action of the British nor that of the nationalist leaders alone but rather, it was a mutual desire of the two parties. It is on this premises, Watts (2000:5) aptly made this point while describing the relevance of the federal idea in the post 1945 period. He opined that:

... the creators of the new states approaching independence found themselves faced with simultaneous conflicting demands for territorial integration and balkanization. They had to reconcile the need, on the one hand, for relatively large economic and political units in order to facilitate rapid economic development and to sustain genuine political independence, with the desire, on the other hand, to retain authority of the smaller political units with traditional allegiances representing racial, linguistic, ethnic and religious communities. In such situations, where the forces for integration and separation were at odds with each other, political leaders of nationalist independence movements and colonial administrators alike found in the “federal solution” a popular formula, providing a common ground for centralizers and provincialists (Watts, 2000:5).

A pertinent question that derives from the preceding analysis is that, if mutual fears and suspicion of domination among groups, quest for self determination, economic prosperity, desire for unity in diversity among other compelling factors propelled a federation of Nigeria, to what extent then have these imperatives been transcended many

years after adopting the system? This calls for an examination of the theory and practice of federalism (Ikelegbe, 2004).

Conversely, it can be said or argued that the adoption of federalism in Nigeria lacks a nationalist consensus due to the colonialist infiltration and hence Nigerian state has been described as a disjointed state arising from a disjointed society leading to disjointed institutions (Ikelegbe, 2004; Awolowo, 1968). Its adoption was a part to self determination from the British government. The Nigerian state also, the current dilemma in the country in area of revenue allocation formula, debt of states arising from huge reliance on crude oil products through federal allocation, outright lack of initiatives for economic diversifications by subsequent state governments have posed a big challenge to having a robust federalism in Nigeria. On this note, former US ambassador to Nigeria asserted that falling oil price is a serious challenge to Nigeria.... dependency on oil was *now stirring serious concern throughout the country's political class* and in similar vein, Babatunde Fashola former governor of Lagos state forwarded with heart of bitterness that Nigeria state governors should be ashamed for depending on federation account before that can cater for her population and further stressed that *states should sit up and start serious work to encourage investments in agriculture in their domains..., in a robust federation, states do not waste resources by plunging directly into Agribusiness or by becoming fertiliser and seedling marketers....* (The Punch, Dec., 2014: 18)

### **Federalism**

As a concept, federalism has had a long and tortuous history right from the time of its American inventors-Madison, Jay and Hamilton, the authors of the Federalist Papers to the classical formulation of the idea by Kenneth Wheare and its modern-day exponents such as Carl Friedrich, Etzioni, Nwabueze and Adele Jinadu. What these scholars have in common is allegiance to the notion of federalism as a bifurcation of political power within a polity such that the central or federal government has its area of authority well-defined in the constitution vis-à-vis that of the constituent units, with each level possessing the wherewithal for its sustenance under some form of fiscal autonomy. The

union, either temporary or permanent was based on the need for special common purposes like defence, trade, communications, among other reasons, that would be of benefit to the parties involved. According to Dicey cited by Agarwal (2005) “A federal state is nothing but a political contrivance intended to reconcile national unity with the maintenance of state rights”. In same book titled “Political Theory” R. C. Agarwal cited a lot of scholars. A popular American writer Hamilton described it as an association of states that form a new one”. Federalism to Montesquieu is a convention by which several similar states agree to become members of a larger one”. Finer on the other hand sees federal state “as one in which part of authority and power is vested in the local areas while another part is vested in a central institution deliberately constituted by an association of local area (Burgess, 1 993a & b)”.

Contemporary writings on federalism that recognize mutual interactions between and direct contact with, at least, two levels of government take their roots from 1787 American constitution. A leading writer in this respect is Kenneth Wheare, who describes federal system as a constitutional arrangement of dividing powers and functions between two levels of government in a coordinate and independent relationship. According to him, “by the federal principle I mean the technique of dividing powers so that general and regional governments are each, within a sphere, coordinate and independent”. Thus, Wheare’s proposition posits that the federal permutation essentially engendered a legal division of powers and roles among tiers or levels of government anchored on a written constitution guaranteeing and reflecting the permutation. However he further stressed that: “I have put forward uncompromisingly a criterion of federal Government - the delimited and coordinate division of Governmental functions - and I have implied that to the extent to which any system of government does not conform to this criterion, it has no claim to call itself federal” (Wheare, 1963).

Wheare’s uncompromising criteria are due to his classical conceptualization of any federal union, whereby the parts are conscious of retaining a measure of their autonomy. This is ensured by a written constitution with an independent of the judiciary to resolve



any rancour on matters relating to the nature of the permutations. Moreover Wheare (1963), added that each level of government must be financially autarky. He says “it is fundamentally that there should be available to each part, under its own unfettered control, financial resources adequate for the performance of the roles assigned to it under the permutations derived from the organic law.” This, he argued that, is to afford them the opportunity of performing their functions without depending or appealing to the others for financial assistance. A broad observation of Wheare’s grounds indicates certain propositions, ensuring the gradual evolution of federalism from the consent of the people rather than dictatorial clique (Wheare, 1963). He states thus: “dictatorship, with its one party government and its denial of free election, is incompatible with the working of the federal ethos. Federalism demands forms of government which have the characteristics usually associated with democracy or free government. There is a wide variety in the forms which such governments may take but the main grounding ingredients are free and fair election and party system with good atmosphere for responsible opposition (Aniekwe&Kushie, 2011; Jinadu, 2004).

Arising from K.C Wheare’s conceptualisation and which formed the foundation of most western federalism, it is glaring issues of free and fair election, revenue generation by states, constitutional adherence to fiscal and vertical relation, all these and among others have been abused in Nigeria in the course of federalist option. There are a lot of flaws and irregularities that international electoral monitoring bodies have unveiled in the course of election administration in Nigeria. These challenges have punctuated the synergy that federalism in Nigeria meant to deepen. Issues such as intimidation, hooligalism, threat and assassination, vote buying emanating from the activities of clientelism or what some scholars described as godfatherism have made election in Nigeria to fall below universal standard (Aniekwe&Kushie, 2011).

However, K.C. Wheare also emphasised financial autarky by federating units (states) and constitutional co-ordination of various levels of government (Wheare, 1963). Bringing this to Nigerian state right from the onset of Nigerian federalism in 1954, regions as at

1954 to 1966 where self sustaining and the regions contributed towards the country's national treasury, for instance, the West was noted for the production of cocoa and other cash crops, the North produced agricultural products such as groundnuts, animal skin, etc, and mineral resources like tin, iron, etc and the East produced palm oil and kernel and other agricultural products. But the sudden rise of crude oil in the international countries and its exploration in Nigeria squashed the agricultural sector which eventually made Nigerian economy into a monocultural state, a state that mainly exported a single product and which is an acute challenge to Nigerian federalism. On this note, a former US ambassador to John Cambell opined that Nigeria dependency on oil "*now stirring serious concern throughout the country's* federal arrangement (The Punch. Dec., 14<sup>th</sup>, 2014:7).

Consequently, this product has dominated the country's budget as a source of revenue to the 36 states and the FCT, this crude oil product is explored from 9 states in the southern part of Nigeria which has been over 50 year of the country's independence. This notion is against the background of K.C Wheare concept of financial independence and formidable units. Creations of states in Nigeria have formed by elites' interests and perhaps the quest for equitable revenue allocation by minority groups in Nigeria (Yahaya, 1978), these and among other made federal option in Nigeria a joke in the eyes of international observant (Burgess. 2012), this joke has been deepened by some elites in Nigeria by trivialising the concept of federalism which has giving birth to true or pure federalism. Although, it has been argued that federalism all over the world differs but for Watts (2000), who has argued against this thought that there are peculiar features that universalised federalism which K.C. Wheare has accentuated in his thesis on the federalist option. Based on this premise, the former Governor of Lagos state BabatundeFashola observed that in *US, Australia, Canada, India and Brazil, States/Provinces implement creative policies to boost their economics. California had by 2004 \$36.6 billion agriculture industry that generated \$100 billion in related economic activities* (The Punch, Dec., 14<sup>th</sup>, 2014:18).

For Livingston (cited in Burgess, 1993a & b), the essential nature of federalism is to be sought from, built in the forces of economic, social, political, cultural that have made

federalism necessary and its essence lies not in the constitutional or institutional structure advocated by Wheare's school of thought but in the society itself. Federal constitution is a device of which the federal qualities of the society are articulated and protected. This sociological approach gives much premium to the forces in the society that shape the future of any federal arrangement. The federal society plays vital role in the shaping of the structure of the federal set up because of the presence of social forces (Chapman, 1993; Burgess, 1993a & b). The federal society, according to Livingston, is a plural society of multi-ethnic groups with different historical, cultural and linguistic backgrounds with distinct location and boundary. This proposition uncovered the nature of Nigeria society. on basis that there are over two hundred fifty tribes in the country but these tribes attempt to influence the system by their aspiration, the approaches that subsequence government tried to initiate is by creation of a leprosy state and this has liquidated the power of states to the federal government. In Nigeria, there are 36 states with 774 local governments, in some quarters it has been observed that some states seized the fund due for local government based on some feeble reasons. This has weakened some states in Nigeria when it comes to internal revenue generation (Ikelegbe, 2004). Against the stand of Livingston, different literature have concorded that the interaction that could shape the pattern of the society has to be based on the established political institutions that define the nature of the relationships between the two levels of government (Burgess, 1993a).

William Riker (cited in Burgess, 1993a & b), in his political ideas on the issue of federalism noted that the establishment of any federal option is a synthesis of political bargaining among a different historical background. For him there are two preconditions for establishing federal state: Desires to expand their territorial control either to meet an external military or diplomatic threat or to prepare for them and; desires for compromise in order to strengthen the pact (Chapman, 1993).

For Carl Friedrich (cited in Burgess, 1993a & b; Jinadu, 2012), it is another form of constitutionalism or a way of instituting constitutionalism within a plural state which is

oriented towards the definite value of liberty and protection of citizens within a territory. He further noted that variables such as strong feelings and desires, nationalism, economic factor, security are prerequisite that necessitate the acceptance of federal union (Burgess, 1993a). Generally, the theoretical analyses given by K.C. Wheare, William Livingston, William Riker and Carl Friedrich in relation to historical background of Nigerian federalism, shows that federalism in Nigeria was not a function of social contract but rather a combination of internal and external factors (Jinadu, 2012).

### **The dynamism of Federalism and the Nigerian State**

Currently the Nigerian state is unofficially divided into six geopolitical zones namely: the North-West comprising Kaduna, Katsina, Jigawa, Sokoto, Kebbi, Kano, and Zamfara; the North-East comprising Bauchi, Gombe, Borno, Taraba, Adamawa and Yobe; the North Central comprising Federal Capital Territory, Abuja (FCT), Plateau, Nassarawa, Niger, Kwara, Kogi and Benue; the South-West comprising Lagos, Osun, Ogun, Oyo, Ekiti and Ondo; the South-East comprising Enugu, Anambra, Imo, Abia and Ebonyi and the South-South comprising Rivers, Cross River, Akwalbom, Delta Edo and Bayelsa. Nigeria is a pluralistic society with different and overlapping regional, religious, and ethnic divisions. Culture in Nigeria is as diverse as its population, which is estimated to be over 150 million. With the regaining of political process in 1999 and after over three decades of military rule, Nigeria looked set for a return to stability and the regaining of its position in the comity of nations particularly in Africa. Unfortunately, this was not to be (Aniekwe&Kushie 2011). Since the 1999, 2003, 2007 and 2011 elections, the Nigeria electoral and political landscape has fallen from par to below par and has moved from violence to greater violence. The level and magnitude of electoral, political, regional and religious violence has risen and the political elites have often converted poverty ridden unemployed Nigerians into mercenaries for the perpetration of electoral, regional and religious violence. For K.C Wheare and contemporary scholars who observed that free and fair election is a precursor or prerequisite to the entrenchment of federalism, the history of elections in Nigeria appeared to have proved otherwise (Aniekwe&Kushic 2011).

Moreover, a major challenge currently facing the Nigerian state is the inability of many states to pay the salaries of workers regularly. Although, this problem has been associated with corruption and the inability of states to generate enough revenue, the fact remains that these states are not financially autonomous. The recent bail-out assistance to many state governments by the federal government to enable them pay the salaries of their workers confirms this (Yahaya, 1978; Tribune, 1, July, 2015:4). Researchers have attributed these pitfalls to how most of these states were created in Nigeria unlike other federations that are flourishing like the United States of America where most states are acquired to consolidate the union in area of economy, educated population and military (The Punch, Dec., 2014:18). The Nigeria's case shows that state were created or carved from existing ones in order to harmonise ethnic interests and to weaken an opposing elites against a ruling elites, the Yakuhu Gowon administration state creation in 1966 serve as a reference point (Alao, 1990: Yahaya, 1978). Additionally, the situation of insecurity in Nigeria right from the onset of this democratic dispensation has become an unending debate among academia and policy cycle in the country, a debate that has posed a series of questions on the federal might, especially the inability of the federal government to put an end to the different social menace in the country. The act of armed-robbery that happened to be a breakfast at the beginning of civilian rule in 1999, followed by the Niger Delta militancy that gave birth to kidnapping/pipeline oil vandalism in the Niger Delta region that assumed its ugly face during the administration of late President Musa Yar'Adua and currently the Islamic Sect act of terrorism popularly known as Boko Haram, all these among others suggest that Nigeria is at the part of failing (The Punch Feb., 7 2012). Arising from these variables and other studies conducted by Burgess in Africa on federalism, he lamented that "*Federalism in Africa does not have a positive image. Its record of success is patchy while its failures seem manifest*" (Burgess, 1993a). Below are some unarguable factors that have influenced and influencing Nigerian federalism: Mono-economy; Military incursions; Civil War; Ethnicity and Corruption; State creations and the impotency of these states.

**Mono-cultural economy:** It is no longer a news that the nature of Federalism that the Nigerian government practices which embodied presidential system of government is an expensive one that requires a viable, diversified, progressive and strong economy. An economy that can sustain the Nigerian state is the type whose economy is highly diversified and anchored by a larger number of local investors that spread outside the Nigerian market, especially a hold in Africa. Currently, the Nigerian economy has been dominated by the revenues accrued to her through exploration of crude oil and Nigerian state and her institutions have been controlled by the international laws of demand and supply due to unstable nature of the crude products (The Punch, Dec., 14<sup>th</sup>, 2014:18). This invisible control has affected the federalist option and other political ideas that the country practices (The Punch, Dec., 14, 2014:7). It is on these notions that scholars have argued that a multidimensional economy that produced from more than one sectors and also make provision for the development of her economy within region or continent serves as a mechanism for enhancing institutions in a country (Burgess, 1993a; Chapman, 1993).

**State creations and the impotency of these states:** It is a fact that federalism all over the world possessed different mechanism of federating but the question of financial potency or state viability is a sine qua non to any states that exist within the union. This is where federalism in Nigeria has faced numerous challenges due to the unviability of most states that depend wholly on national allocation before they can function and carry their duties (The Punch, Dec.. 2014:7 The Nations, Feb., 25, 2013: 9). This problem has been accredited to how the Nigerian federalism has been created and given or handedover to the country by the foreigners, hence, Nigerian federalism has be described as a restructuring federal .hat needs a sincere national conference. Currently, most states in Nigeria are indebted to commercial banks and international financial institutions. This ugly situation has weakened intergovernmental relations in Nigeria and unable states to carry out their constitutional duties towards their citizens (Yahaya. 1978; The Guardian. Nov., 28<sup>th</sup>, 20 15:49; Vanguard, Oct., 20<sup>th</sup>, 2011:35). However, thus, there were subsequent state creation exercises in 1976, 1987, 1981 and 1996 resulting in the present

thirty-six state federation, emerging primarily from separatist agitations. The overall consequence of the continuous balkanization of the Nigerian federation is that political and fiscal power has become over-centralised in the Federal Government which continues to distribute resources, favours and sanctions as it wishes, while most of the thirty-six states are mere appendages of the centre that cannot survive for weeks without federal allocations (Tribune, Jan., 27<sup>th</sup>, 2013). Yet, agitations by minority elements of all kinds for the creation of additional states have continued unabated (Gofwen, 2004; Yahaya, 1978).

**Conflicts over Revenue Allocation Formula:** The issue of revenue allocation is one of the most fundamental problems facing Nigeria. The need for an acceptable formula for revenue allocation has been the occupation of succeeding governments in Nigeria, which have established various revenue allocation commissions and made other laws/decrees (The Punch, Feb., 2012:7; Tribune, Jan., 27<sup>th</sup>, 2013). The summary of these commissions' reports and decrees on revenue allocation is as follows:

1. Phillipson Commission (1946): Recommended the use of derivation and even development as criteria for distribution of revenue. By derivation, the commission means each unit of government would receive from the central purse the same proportion it has contributed to the purse.
2. Hicks Phillipson Commission (1951). Criteria: derivation, independent revenue or fiscal autonomy, need and national interest.
3. Chicks Commission (1953). Criterion: derivation.
4. Raisman Commission (1957). Criteria: need, balanced development and minimum responsibility. Percentage division: 40% to the North, 31% to the East, 24% to the West and 5% to Southern Cameroons.
5. Binn Commission (1964): Rejected the principles of need and derivation. Criterion: regional financial comparability. Percentage division: 42% to the North, 30% to the East, 20% to the West and 8% to the Mid-West.

6. Dina Commission (1969). Criteria: national minimum standards, balanced development in the allocation of the States' Joint Account, and basic need.
7. Aboyade Technical Committee (1977). Criteria: national minimum standard for national integration (22%), equality of access to development opportunities (25%), absorptive capacity (20%), fiscal efficiency (15%) and independent revenue effort (18%). Other criteria: 57% to Federal Government, 30% to state governments, 10% to local governments and 3% to a special fund.
8. Okigbo Presidential Commission (1980). Percentages on principles: population (40%), equality (40%), social development (15%) and internal revenue effort (5%). Percentages for governments: Federal (53%), States (30%), Local Governments (10%), special fund (7%).
9. Danjuma Commission (1988). Percentages: Federal (50%), States (30%), Local Governments (15%), special fund (5%).
10. Other laws and decrees on revenue allocation: Decree 15 of 1967; Decree 13 of 1970; Decree 9 of 1971; Decree 6 of 1975; Decree 7 of 1975; Allocation of Revenue (Federation Account) Act, 1981.

Under the current revenue allocation arrangement, states and local governments spend about half of total government revenues, almost equal to that of the federal government. The federal government is allocated 52.68% percent of Federation Account revenues (including 4.8% of the Account originally earmarked for “special projects” like the development of the FCT Abuja, development of natural resources, and the amelioration of national ecological emergencies), while the states and the local governments get 26.72% and 20.60%, respectively, bringing the total share of sub-national governments' revenues from the Federation Account to 47.32% (Babalola, 2008; *The Punch*, Feb., 2012:7; *Tribune*. Jan., 27<sup>th</sup>, 2013). There is also a constitutional provision for the allocation of 13% as derivation fund to the oil-producing states. The various Commissions, laws and decrees on revenue allocation had arisen because of the continuous disagreement of sections of the country with the way the national resources were divided. As Suberu observed, “the proportion of oil revenues allocated on a



derivation basis declined from 50% of mining rents and royalties in 1969, through 2% of the Federation Account in 1981, to only 1% of mineral revenues in the account during the period from 1989 to 1999”, many in the Niger Delta consider this concession far too little and agitations for a greater share from the oil wealth or outright control of the oil resources have dovetailed into youth militancy and also criminality (such as oil bunkering, and kidnapping of oil and even non-oil workers) (Suberu, 2001). This has not only threatened the peace of the region but also caused disruption in oil supply.

Externalisation of agitations by the oil minorities soon emerged mainly as a result of increasing centralization of the ownership and control of oil, and the politicization of the revenue allocation system by the Federal government to the detriment of the oil-producing minority states. In flagrant violation of the principles of fiscal federalism, Decree 51 of 1969 gave the Federal government complete ownership of all petroleum resources in Nigeria. The Offshore Oil Revenue Decree No. 9 gave the Federal government total control over the entire revenue accruable from offshore oil wells in the coastal waters adjoining the oil minorities, thereby cutting them off finally from direct oil revenue, and deepening their dependence on the majority groups for a share of the oil wealth. The oil-producing minorities, thus, became alienated from their own resources, and this intensified the struggle between them and the Nigerian State, which through its over-centralization of political and fiscal power sought to exploit and dominate them alongside their strategic resources (The Vanguard, Oct. 20<sup>th</sup>, 2011:35 Tribune, Jan., 27<sup>th</sup>, 2013). The above drama among others have impaired and caused a setback to federalist option in Nigeria (Jinadu, 2004).

In recent years, the agitations have become increasingly militant and radical, including calls for self-determination and outright secession, all of which have had negative socio-political and economic effects on the country’s nation-building process. The violent confrontations constitute a serious threat to personal freedom and the security of lives and property, by extension the quest for entrenchment of federalism. Escalating violence and attacks by ethnic militias, Boko-haram and other faceless groups in the ongoing political

dispensation constitute serious threats to the country's federalist option, democracy, security and nation building (Burgess, 1993b; Gofwen, 2004; Aniekwe&Kushie, 2011).

**Military incursion:** The Nigerian military to some scholars have caused a lot of damage or setback to the Nigerian state. The argument to this understanding and what literature have also ascribed to happened to be the longevity of the military in the Nigerian politics whose activities, files, ranks and administration are contradictory to political ideas of civilian government such as democracy, federalism, etc. Decree No.33 that was invoked by the first military administration dealt a real blow to the Nigerian state especially her bid to enshrine federalism (Alao, 1990). A system or Decree that embodied with centralisation of all governmental institutions and the military permutation reversed the basic tenets of federalism envisage by classical federalist scholars especially the values of devolution and intergovernmental relations (Chapman. 1993).

Military governments tampered with the Nigerian state in area of intergovernmental relations in the bolstering of local governments as a third tier of government. This process began with the 1976 local government reforms, which introduced a uniform local government system; gave local government's jurisdictional competence in matters such as markets, automobile parks, and collection of local taxes; and made it statutory for both the federal and state governments to give specified percentages of their revenues to local governments. Although these reforms were embodied in the 1979 constitution, state governments in the Second Republic refused to allow local governments any measure of autonomy, partly because they were themselves struggling to reclaim their autonomy. With the return of military rule, and as part of the transition towards the Third Republic, local governments were further strengthened (Panter- Brick and Dawson, 1970).

Evidently, the nature and impact of military rule on the Nigerian state overtime has continued to generate serious concern as to the justification of the involvement of the military in Nigerian governance. The military have in the past recorded modest progress in promoting national integration. But as it stands now, there seems to be a general

consensus in Nigeria that the incessant military interventions in the country's administration since January, 15, 1966 constitute serious contradictions and distractions in the nation-building process, especially the development of federalism (Panter - Brick and Dawson, 1970). In view of observable and objective evidence, military rule in Nigeria is both an aberration and a retrogressive phenomenon. Specifically, the greatest damage done by the military to Nigeria's political system is the over—centralization of power coupled with the erosion of democratic values in the Nigerian federation. It is a well-known fact that, given the nature and command structure of the military institution, military rule is antithetical to both federalism and democracy (Panter - Brick and Dawson, 1970). There is indeed an enormous weight of scholarly evidence supporting the view that thirty years of military rule consistently altered Federal-State relations in favour of the former to the extent that Nigeria ultimately became more of a unitary state than a federal one. Worse still, subsequent civilian regimes have not been able to muster the necessary political will to consolidate the country's federalism (Jinadu, 2004; The Punch, Dec., 14<sup>th</sup>, 2014:18). In this regard that former Governor of Lagos states BabatundeFashola stressed “states governors *should be henceforth ashamed to rely on the Federation Account for their survival and seek immediate economic salvation from Agriculture* (The Punch, Dec., 14, 2014: 18)

**Civil War:** Nigeria's civil war is something that has made the Nigerian federalism to be respected and applauded by modern theorists who believe that the war could have be the end of federalist option in Nigeria (Adejumobi, 1992). However, the civil war has brought innumerable damage and problems to the Nigerian people perhaps this can been associated to the elites' feelings and interests outside the Nigerian project. This mindset seems to arise as a need for self determination when the British government quests to relinquish power to Nigerians, hence the bid to control national government by ethnic groups happened to be the order of the day especially the seat of the presidency and; the issue of marginalization and bad feelings towards the first military coup that some part of the country felt that it was a calculated attempt against them. The Nigerian government at this period was particularly sustaining the country with her little resources then was

channelled in procuring the war and it was a dark era in the history of the Nigeria which has made federalism to be in total abyss coupled with military permutation (Panter - Brick and Dawson 1970; Adejumobi, 1992).

**Corruption in Nigeria is primarily a political problem.** The incidence of corruption in a nation is as a result of the lack of political will on the part of the political leadership and the inability of the state to maintain law and order. Thus, business corruption is a fall - out of the failure to tackle political corruption, which casts doubts upon the moral uprightness of the state as a whole and on the political will of the leadership to manage the affairs of the nation. It follows simple logic that where there is absence of political corruption is where the state operates under a high ethical order and upholds, protects and enforce the rule of law on itself and on its citizens (Aniekwe&Kushie, 2011). Under the rule of law and justice, the state machinery works for the good of all and there will be no stealing of public funds, inflation of contracts, forgeries, and mismanagement of money in banks, industries and government bureaucracies.

In a nutshell, as it has played out in Nigeria, political corruption and business corruption are two sides of the same coin. In this regard, it is important to note that the seedy financial scandals exposed in the Fourth Republic involved several financial institutions (Tribune, July 30, 2015: 2). The essence of this contextual analyses, is to bring to the fore that a heavy corrupt state like Nigeria that was rated as the most corrupt country in the year 2000 by Transparency International and still maintained a high position in other successive administrations tell that the survival of federalism in Nigeria is an illusion and which require a sincere anti-graft agency that is corruption free and calculated-selected syndromes. In this regard Jinadu (2004), has stressed that a well purposeful and goal oriented institutions in a country serve as a promoter and enhancer to other growing institutions that federalism is not an exception. In Nigeria, corruption has entered deep into all areas especially institutions that have bearings with the practices of federalism such as elections. Free and fair election by K.C. Wheare is an antidote for the development of federalism but various electoral monitoring groups within and outside

Nigeria and coupled with judicial electoral nullification of results connote elections have not been free and fair, the 2003, 2007 and other states elections serve as a reference point (Aniekwe&Kushie, 2011).

### **Conclusion**

A cursory survey of the positions of scholars on the concept of federalism indicates the continued search for an appropriate governmental system to cope with the problem of maintaining unity in a diversified society. Thus, it has been argued that the nature of federalism as an overriding model for harmonious living is facing great challenges especially in new nations. Situations in Ethiopia, Somalia, Sudan South-Africa, Yugoslavia have proved this point and Nigeria inclusive (Gofwen, 2004). According to Frankel, most federal experiments in new nations were failure because of lack of the necessary ‘civil and cultural conditions’ for stable federalism. In Nigeria, the practice is seen as an attempt to prevent a single group, defined in racial, ethnic or linguistic terms, from holding others to ransom. This has been the main problem facing the Nigerian federal system. The preceding discussion shows that the operation of Nigerian Federalism since 1960 has not yielded meaningful socio - economic and political development. Instead, half - hearted practice of federalism has resulted in over - centralization of fiscal and political power, creation of un-viable and federally dependent State and Local Governments, military intervention in governance increased corruption, ethnicity, and intense minority agitations over oil revenue.

### **Recommendations**

The elements of embracing federalism that Nigeria needs to enthrone include the following: A review of the 1999 Constitution to grant more responsibilities to the States; A review of the Constitution to reduce the responsibilities of the federal government to common services like Foreign Affairs, Currency, Immigration and Defence; Review of the Revenue Allocation Formulae to emphasize the Derivation Principle and allocation of larger percentage of resources to states; a strong anti-graft institution to lower the temple of corruption: a purposeful and un-politicised national conference should be organised:

and regions or states should be encouraged to tap their local resources for economic diversification.

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