

# The Efficacy of Federalism in a Multi-Ethnic State: The Nigerian Experience

by

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## Abstract

The continuing debate among social and political commentators over the utility of federalism in a multi-ethnic federation like Nigeria, as well as the unending clamour in some parts of the country for the dissolution of the federal union, make the writing of this article not only timely, but also a worthwhile exercise. The paper, which adopts a historical and descriptive method of analysis, is therefore an attempt to join the discourse on the efficacy of federalism in Nigeria by arguing that the geo-demographic complexity of the Nigerian state and society makes federalism the most appropriate political framework for the country. This is not suggesting that the federal system of government constitutes a panacea to the country's hydra-headed multiplicity. There is no denying that the system is not working the way it ought to in its current incarnation, but it has lived up to the expectation of the country's founding fathers in 'holding together' the diverse ethnic groups in the country as well as in achieving 'unity in diversity'. Therefore, our suggestion is that Nigerian political leaders should improve upon the current system and redress the inherent imbalances that have become its features, because history suggests that federalism is Nigeria's best obtainable option.

**Keywords:** Federalism, Nigeria, ethnic groups, federal character principle

## Introduction

Federalism became fashionable in the British Commonwealth at the end of the Second World War when the governmental system was promoted as a means of nation-building. The system was seen not as an end in itself, but as a means to achieve some political and economic objectives, good government, as well as national unity, especially in deeply divided societies such as Nigeria, India, and Malaysia. Nigeria, arguably one of the world's ethnically diverse countries with about 350 ethnic groups<sup>1</sup> became a political entity in 1914 after the British colonial authorities had brought together peoples of diverse ethnic and cultural backgrounds, and thereafter became a 'holding together' federation in 1954. With the multifaceted differences among the peoples of Nigeria, a unitary form of government seemed improbable, and the choice of federalism became almost inevitable. Therefore, the adoption of a federal political framework in Nigeria was a necessity as the system was the only viable option for a multi-ethnic country like Nigeria. Promoters of the idea were of the view that the interests of the ethnic minorities in the country would be better protected under a federal political arrangement.

The adoption of this seemingly multi-purpose system notwithstanding, peace continues to elude the most populous country in Africa. Nigerian leaders still contend with certain challenges, including the herculean task of ensuring that the peoples of the country continue to live together in harmony and under a single political umbrella. Political battle lines and alliances are often made with regional and ethnic divides in mind, and accusations of inequalities in the country's federal structure rarely die down. Federalism was adopted in Nigeria largely to ameliorate the negative effects of diversity but the system has not been able to resolve the inbuilt contradictions within the Nigerian society as envisaged by the architects of the system who saw federalism as a solution to the country's multiplicities. The problems inherent in lumping together myriad of different peoples and regions continue to provoke debate and controversy which are often directed at Nigeria's federal system. It is therefore not surprising that the practice of federalism in Nigeria has come under severe criticism from certain sections of the country, with some even clamouring for the system to be jettisoned.

Nigeria's return to democratic rule in May 1999 after fifteen years of military dictatorship kick-started a resurgence of ethnic and regional confrontations with the newly emergent Federal Government. These hostilities manifested in the clamour for resource control,<sup>2</sup> true federalism<sup>3</sup>, self-determination<sup>4</sup> and outright secession, among others. Cries of marginalisation, particularly by ethnic minorities – which dates back to the 1950s, when minority groups, out of fear of domination, demanded separate constituent units – became louder, especially in the Niger Delta region of the country.<sup>5</sup> Minority groups in this part of the country have persistently criticised the lopsided nature of Nigerian distributive politics and have also continued to demand their own exclusive political space that would guarantee them control over the resources found in their domain. Post-military<sup>6</sup> Nigeria has also witnessed a revivification of the agitation for a restructured federal Nigeria among southern elites who had continuously decried the collapse of regionalism.

The problem with federalism in Nigeria is complex but the most striking is the over-centralisation of the country's federal system, which has resulted from a flawed domestic political economy that entrenches over-dependency on oil. The continuous inflow of oil rents into the Nigerian state's coffers has significantly contributed to the excessive centralisation of economic resources that has become the feature of Nigeria's federal system. It is important to note that the most salient feature of the Nigerian Federation at inception was that the federating units enjoyed substantial political and financial autonomy, which explains why it was described as regional federalism (Nolte, 2002). However, the emergence of oil rents eventually gave rise to a politically and economically strong federal centre. Therefore, by 1999, the character of Nigerian federalism had significantly changed to one in which the constituent units are politically and financially subordinate to the centre. This brings to the fore the link between Nigeria's oil and the practice of federalism in Nigeria.

These developments have, undoubtedly, raised some critical questions about the operation, as well as the efficacy of federalism in Nigeria. There appears to be some agreement among Nigerians that their country's federal system is not working the way it ought to but our position is that the problem with the Nigerian state is not federalism but the failure to operate it properly. What this paper therefore aims to accomplish is to make a case for the continuity of federalism in Nigeria but with some fundamental restructuring. The paper is organised into five sections, including the introduction. The first is conceptual in which attempts are made to clarify the concept of federalism and other related concepts in an attempt to lay a solid foundation for our overall argument. In the second section, we provide an overview of the origin of federalism in Nigeria. The third section is devoted to the examination of the usefulness of Nigeria's federal system, that is, how federalism has been put to use, ensuring that the Nigerian state continues to exist decades after its creation. This section principally focuses on the palliative mechanisms put in place by the country's political leaders to achieve the objectives of its creation. Finally, the fourth section, which concludes the paper, reinforces our argument for the retention of the practice of federalism in the multi-ethnic state.

## **Federalism: Conceptual Clarifications**

In federal studies, it is important to conceptualise such terms as 'federalism', 'federation', 'confederalism' and 'confederation' or 'confederacy' and to treat them as separate concepts as they mean different things. The conceptual clarification between federalism and federation in particular is not just about avoiding the danger of misapplication but because, as King (1982: 76) reminds us, there may be federalism without federation, but there can be no federation without federalism. Likewise, distinguishing between federalism and confederalism has some implications for the practice of federalism in Nigeria, especially in light of the growing agitation for the return to genuine federalism or what has been referred to as 'true federalism' in Nigerian parlance.

In our opinion, the interchangeable use of these terms was first observed by the eminent Nigerian professor of Political Science, Eme Awa in his book, *Issues in Federalism*, first published in 1976 (p.1). However, there seems to be a consensus among Anglo-American writers that Preston King was the first to observe the distinction, particularly between 'federalism' and 'federation', in his book, *Federalism and Federation*, first published in 1982, where he lamented that most writers 'make no distinction at all' (p.20). Following on from King, Burgess (1993: 12) also noted that most political analysts often allude to 'federalism when they really mean federation', and 'some scholars still use the terms "federalism" and "federation" interchangeably to refer to both a process and a terminal end-point'.

Federalism, like most social science concepts such as power, justice, democracy and freedom, is an ambiguous concept that is difficult to define. To be sure, Birch (1966: 15) described federalism as a concept with no fixed meaning, as 'its meaning in any particular study is defined by the student in a manner which is determined by the approach which he wishes to make to his material'. Thus, federalism has no standard definition as it 'may mean all things to all men' (Duchacek, 1970: 189). However, an attempt will be made in this article to arrive at a working definition.

Defining federalism is problematic but earlier writers have bequeathed on us some valuable definitions. For example, Ivo Duchacek (1970: 192), though admitting that federalism has no standard meaning, defined the concept as 'a constitutional division of power between one general government and a series of subnational governments'. For Duchacek, the general government has authority over the whole territory whilst the federating governments exercise their own independent authority over their own territory. Likewise, for King (1982: 75), federalism denotes a political principle, as well as an ideological position involving 'the constitutional diffusion of power' between the central and the constituent governments. Thus, federalism is a 'value concept' aimed at achieving federation (Burgess, 1993: 3) or 'self-rule and shared rule' (Elazar, 1987: 5-6). In this article, therefore, by federalism we mean a system of government in which powers are shared between the central government and the federating governments, and as a governmental system, it promotes the autonomy of the governments within the union.

Federalism may mean different things to different people, but what appears to be constant about this political system is the intrinsic principle that distinguishes it from others. This principle, which Wheare (1963: 10) called the *federal principle*, has been defined as the 'method of dividing powers so that the general and regional governments are each, within a sphere, co-ordinate and independent'. What is meant by 'independent' here is that each tier of government has its own independent functions and neither has supreme authority over the other. However, this view poses a problem of applicability, as it is not feasible for governments involved in the federal arrangement not to inter-depend on each other for one purpose or another. Some measure of interdependence and cooperation in areas that touch upon the lives of the citizens is necessary for the successful operation of any given federal system.

The term federation, on the other hand, has been taken to mean a state or group of states. K. C. Wheare, who modelled his notion of federalism along the lines of the American model, has in his highly influential work, *Federal Government*, first published in 1946, defined federation as:

an association of states so organised that powers are divided between a general government which in certain matters – for example, the making of treaties and the coining of money – is independent of the government of the associated states, and, on the other hand, state governments which in certain matters are, in their turn, independent of the general government. This involves, as a necessary consequence, that general and regional governments both operate *directly* upon the people; each citizen is subject to two governments (Wheare, 1963: 2).

Implicit in Wheare's definition is that in a federation, two or more tiers of government exist with separate or shared powers, and each has its own separately elected democratic bodies which are answerable to the respective citizens.

Similarly, for Riker (1964: 5), a federation is a state in which both the central government and the constituent governments 'rule over the same territory and people and each has the authority to make some decisions independently of the other'. Also, as King (1982: 77) posited, a federation is a sovereign state in which the central government incorporates governments of regional units into its decision procedure on some constitutionally entrenched basis. The concept of federation has been put more succinctly by Watts (1998: 121), who defined it as,

[a] compound polity combining constituent units and a general government, each possessing powers delegated to it by the people through a constitution, each empowered to deal directly with the citizens in the exercise of a significant portion of its legislative, administrative, and taxing powers, and each directly elected by its citizens.

Therefore, our definition follows on from the foregoing as we posit that federation is a state characterised by territorial division of power between the central (federal) government and the constituent/federating/state governments with the citizen being subjected to at least two main levels of authority: that of his state; and that of his country. Besides, there is also a division of functions between the federal government, which is in charge of the whole territory and the federating governments.

It is of the essence to also shed some light on the notion of confederalism which is more often than not contrasted with that of federalism. A confederation differs from a federation in the sense that it is less binding in its character as the states retain their independent status and their separate identities, as well as enjoy a high degree of autonomy, thereby rendering the central (confederal) authority relatively weak. In a confederal arrangement, 'the general government is dependent upon the regional governments' (Wheare, 1963: 32). However, certain specified powers are surrendered to the central government for common purposes such as mutual security, but this is usually negligible. Moreover, the confederal government does not exercise authority over the citizens who relate directly to their own separate component governments and indirectly to the confederal government. Whereas in a federation, the federal government exercises power over both the states and its citizens, and there is a direct relationship between citizens and their states, as well as with the federal government. The confederal idea is no longer fashionable around the world and has been replaced with the federal idea.

### **Politicisation of Ethnicity in Nigeria: An Overview**

In Nigeria, there are three dominant territorially concentrated ethnic identities – Yoruba, Hausa-Fulani and Igbo – together with some 350 linguistic minorities distributed across the country. This depiction provides an explanation for why the social and political, as well as the economic import of ethnic grouping in Nigeria cannot be overlooked in the analysis of the country's politics. The ethnicity variable remains a significant factor in determining who gets what and when. As in the rest of other deeply-divided countries, ethnic cleavage in Nigeria 'appears permanent and all-encompassing, predetermining who will be granted and denied access to power and resources' (Diamond and Plattner, 1994: xviii ). This inherent centrifugal force explains why ethnic conflicts have become almost inevitable in the country. As remarked by Hameso (2001: 38), the 'forced unification of different ethnic groups with different traditional values with memories of animosity and history of warfare worked to harness the basis for conflicts'.

It may be argued that colonialism, through its system of divide-and-rule which pitched one ethnic group against the other partly sowed the seeds of ethnic conflicts in the former British colonies but it would be erroneous to suggest that colonial rule is to blame for the resentment that characterises social relations in contemporary Africa (Babalola, 2014: 20). However, the lumping together of different peoples laid the foundation for the assertion of ethnic identity among the different ethnic groups in Nigeria and other similar multi-ethnic countries. The colonial rule policy which resulted in the regionalisation of politics in Nigeria particularly brought about a situation in which the three major ethnic groups in the country see themselves as constituting the tripod-stand upon which the country stands (Babalola, 2014: 21). Moreover, the process also brought into sharp focus the majority/minority dichotomy, marking the 'cradle of ethnic minority problems in Nigeria' (Osaghae, 1991: 239).

In contemporary Nigeria, politics is characterised by fierce struggle for national resources with one group doing everything possible to out-compete the others. It is common for Nigerian political elites to promote ethnic sentiments in their quest for political and economic aspirations. When a situation like this becomes the norm, certain groups, especially, the ethnic minorities become marginalised, and when the cry of marginalisation sets in, the agitation for self-determination becomes part of the political lexicon (Babalola, 2014: 22).

## **Unfolding Federalism in Nigeria**

Nigeria, a hitherto unitary state, became a federation in 1954. Having criticised Riker's theory of federal formation, which was predicated on the assumption that federalism is an outcome of political bargain between two sets of rational politicians, Alfred Stepan (1999) chose to examine the modes of federal creation rather than the factors that give birth to federations. Therefore, in an attempt to simplify the debate on the formation of federations, Stepan constructed a typology which helps to illustrate his position that federations are formed in the following three ways: coming together; holding together; and putting together. The United States, Switzerland and Australia are referred to as 'coming together' federations because previously sovereign units pool their sovereignty while retaining their individual identities (Stepan, 1999: 21). Conversely, a 'holding together' federation is formed when an existing unitary state, usually characterised by 'historical and political logic', metamorphoses into a federation (Stepan, 1999: 21). Based on this theoretical construct, Nigeria and India exemplify a holding together federation in the sense that both were unitary states before becoming federations and each lacked bargaining between sovereign states because the constituent units were not sovereign in the same sense as the American states that came together to form the American Federation. Finally, a 'putting together' federation is that which involves the use of coercion to put together previously independent states (Stepan, 1999: 23). An example was the formation of the defunct Soviet Union where the use of force was conspicuously obvious.

Nigeria's complex diversity was a major factor that combined with other centrifugal and centripetal forces to produce a federation. The choice of a federal system of government was facilitated by the social, historical, political and economic differences of the various groups and regions in the country (Babalola, 2013). Given the geo-demographic diversity that characterises the Nigerian state, a unitary form of government seemed not feasible. Nigeria's founding fathers had hoped that the differences among the peoples of the country could only be accommodated in a federal political system. In other words, they were of the belief that federal states have the intrinsic structural capacity to accommodate diversity. As a matter of fact, their desire was to have a framework that would guarantee the protection of every group in the country, particularly the minorities. That is why they all worked tirelessly to reach a compromise during their quest for an appropriate system of government for the country. Similarly for the British, these differences could only be accommodated in a federal setting, where each region would be allowed to maintain its identity and yet remain in a federal Nigeria (Babalola, 2013: 51).

Hence, the most significant step taken by Nigerian leaders, although with an unequivocal support from the British, in response to the country's multifaceted diversity was the adoption of federalism. During the struggle for decolonisation, Nigerian regional leaders actively collaborated with the British colonial authorities to promote the idea of federalism. As Watts (1966: 43) rightly pointed out, the desire to form a federation was one of the main motives behind the establishment of a federal system in Nigeria. It is important to note that Wheare had earlier contended that the main driving force behind the formation of a federation is the willingness or desire to want to come together under a single political umbrella (Wheare, 1963: 36). Therefore, the significance of 'desire' in the formation of Nigeria's federal union cannot be overemphasised.

Besides the desire on the part of Nigerian leaders in the calculation to arrive at a federal option, there was also the presence of certain socio-economic conditions. Although Riker (1964) had earlier argued against the relevance of these conditions but it has been convincingly argued that Riker's excessive reliance on the formation of the American Federation, which represents the oldest and most successful federation in the world, to make a sweeping judgment is unsustainable, to say the least (Babalola, 2013). The hope of economic advantage, or more precisely, regional economic interdependence, was one of the decisive factors in the federalising process that culminated in the birth of the Nigerian Federation (Watts, 1966). Riker's rejection of social and economic conditions in the creation of federations and his exclusive focus on only political conditions renders his theory inadequate to explain the origin of the Nigerian Federation.

Likewise, the multicultural nature of the Nigerian society cannot be ruled out in the motive to federalise the previously unitary state. This point was put more succinctly by Suberu (2001: 19, 21) who posited that the decision to transform the country into a federal state was partly borne out of the country's deep cultural heritage. The presence of these factors evidently captures why the initial three-region federation that emerged in 1954 reflected the cultural, political and economic differences among the three largest ethnic groups in the country – the Hausa-Fulani, Yoruba and Igbo – which dominated the then Northern, Western and Eastern Regions respectively. In fact, the system was equated with regionalism simply because the constituent units were 'broadly coterminous with the ethnic structure of the country' (Awa, 1976: 2). Although none of the three large federating units was homogenous; this tripartite arrangement implicitly put the fate of the country in the hands of the three major ethnic groups, consequently laying the foundation for the ethnic rivalry that eventually characterises the politics of the country.

It should not be forgotten that the main internal threat that informed the formation of the Nigerian Federation was the fear of insecurity felt by mainly the minority ethnic groups (Awa, 1976: 19), as well as the fear of each of the three main Regions that the other two would combine against it (King, 1982: 35). The fear and suspicion of domination among the different ethnic groups reinforced the colonial authority's calculation to promote the idea of federalism. However, decades after the formation of the Federation, each ethnic group continues to live in fear of being marginalised.



This situation was aptly captured by Kirk-Greene (1975: 19), who contended that ‘fear has been constant in every tension and confrontation in political Nigeria. Not the physical fear of violence, not the spiritual fear of retribution, but the psychological fear of discrimination, of domination. It is the fear of not getting one’s fair share, one’s dessert’. The introduction of oil rents into the distributive politics of the Nigerian Federation deepened this fear.

The oil boom of 1973 particularly coincided with the era of military rule which also increased the economic centrality of the federal government, which in turn allowed it to become excessively powerful and dominant over the States. This development also allowed the central government to become a principal actor in the allocation of resources. As expected in a deeply divided society, the centralisation of oil revenue increased the ruthless competition for state control by ethnic groups whose leaders always find it convenient to politicise ethnicity and other social cleavages in their quest for political and economic advancement. The concentration of oil revenue at the federal centre has given rise to perceptions in the oil-producing areas of the country that some constituent units are reaping from the national pot more than their contribution to the same pot. Elites in the Niger Delta, where the bulk of Nigeria’s oil is derived, believed that the region was being short-changed, in that it contributes more to the national purse than it gets back. The Niger Delta region is the goose that lays the golden egg for the entire Federation but given its conspicuous underdevelopment, it nonetheless represents Nigeria’s paradox of plenty (Babalola, 2014).

## **The Utility of Federalism in Nigeria**

One main challenge that has continued to confront Nigerian leaders since the creation of the country is how to genuinely bring together the different peoples that have been held together by British imperialism. Nigeria’s post-independent leaders have made several attempts aimed at achieving this goal by embarking on certain political engineering, such as the adoption of the Federal Character principle, the creation of additional constituent units and the adoption of a revenue allocation system. Clearly, the most significant ethnic arithmetic devised by the founding fathers to try to ensure the protection of all the country’s ethnic groups was the adoption of a federal system. Intrinsic to Nigerian federalism is the Federal Character Principle, which was entrenched in the 1979 Federal Constitution and later reaffirmed in the 1999 Constitution. That tenet seeks to ensure that the composition of federal institutions reflects the diversity of the country and, in a similar vein, the composition of state institutions reflects the diversity of those States. Put simply, the Principle aims to prevent the domination of the federal government or any of its agencies by one or a few ethnic groups.

The Constitution Drafting Committee (CDC) that drafted the 1979 Constitution was particularly of the view that the fear of domination or exclusion was a significant feature of Nigerian politics which needs to be addressed if the country must continue to exist as a single entity. They particularly believed that one of the major causes of the civil war (1967 – 1970) that plagued the country six years after independence was the fear of one ethnic group dominating the others (Dent, 1995: 136).

Accordingly, the Federal Character Principle has been defined as the distinctive desire of the peoples of Nigeria to promote national unity (Report of the CDC, Vol. 1, 1977: ix). It was equally hoped that this constitutional policy would 'foster a feeling of belonging and of involvement among the various peoples of the Federation, to the end that loyalty to the nation shall override sectional loyalties' (Section 15(4) of the 1999 Constitution).

There is no denying that the policy of federal character has generated as many questions as answers, with some commentators extolling it as the 'cornerstone of ethnic justice and fair government in Nigeria', and others denouncing it as 'geographical apartheid' (Suberu, 2001: 111). One significant criticism usually levelled against the policy is that it encourages the politicisation of ethnicity, and this has been viewed as a major contradiction. In sharing this sentiment, Ayoade (1998: 115) also posit that, '[a]s long as states which, by and large, are ethnic capsules remain the basis for appointments and the location of services, ethnicity cannot be erased from the minds of the people'. Another criticism commonly advanced by southern elite is that the policy is antithetical to meritocracy in the sense that, it only promotes bureaucratic and technocratic mediocrity in government positions, as well as 'federal discrimination' or 'tribal character' (Oyovbaire, 1983: 19).

However, the argument that the policy encourages nepotism has been interpreted to mean that the Southern elite have found it to be disadvantageous to their interests, because given their relative educational headway; they want to continue their hegemonic hold on the country's bureaucracies (Mustapha, 1986: 90). In our opinion, juxtaposing the Principle with its main objective certainly points to the direction that it has achieved its fundamental objective, which is to have a balanced federation, in the sense that it assumes equality of Nigeria's constituent units and also emphasises equal state representation in government at the federal level. Therefore, in theory and in practice, the policy has ensured that every state of the Federation has a share of federal resources in one form or another. Allowing every constituent unit equal access to national resources is arguably a superlative vehicle to national unity, as equal accessibility promotes inclusivity.

Another political-cum-social engineering that has taken place in Nigeria is the constant changing of the geographical structure of the Federation. As mentioned earlier, the British colonial authorities bequeathed on Nigerians a three-region federation, but further transformation of the Federation's structure has been witnessed. In 1963, three years after Nigeria gained independence, the federal system was altered when an additional Region, the Midwestern, was created under the administration of Abubakar Tafawa Balewa. Then, in 1967, the prospect of a war for secession in the East gave rise to a further transformation. Just before the Biafran War broke out, the then military government replaced the four Regions with twelve States. Similar exercises were also carried out by the military regime of Ibrahim Babangida in 1987 and 1991, and the last state creation exercise, which eventually transformed the country into a 36-state federation, was undertaken in 1996 by the late Abacha-led junta.

State creation in Nigeria was about appeasing certain minorities, or an attempt to provide them with the opportunity to access the Nigerian state's distributive system. As a matter of fact, history shows that the effort has helped to free the minorities from the bondage of the majorities as some ethnic minority groups in the country have been able to have political units (states) of their own. The creation of Bayelsa State from the old Rivers State, for example, has allowed the Ijaw ethnic group greater autonomy, as the State is predominantly inhabited by Ijaw people.

The division and re-division of the country into smaller manageable units evidently has certain merits. It could be argued that the creation of additional States from the three large ones inherited at the dawn of independence reduced the ability of any one federating unit or ethnic group to hold the entire Federation to ransom, as witnessed in 1967 when the defunct Eastern Region insisted on having absolute control over the oil resources found in the Region, a situation that combined with others to precipitate a civil war. Likewise, creating more states has helped in the rectification of the structural flaw in the Federation where the defunct Northern Region was larger in size and in population than the two Southern Regions put together (see Suberu, 1998). The implication of the preponderant size of the defunct Northern Region in the immediate post-independence period cannot be overemphasised, as the constituent unit was politically more powerful than any of the other units. It also had numerical advantage in the central government, and this resulted in a situation in which the other two Regions perceived themselves as being at a disadvantage in the competition for national resources. Having one unit of a federation bigger than others is a negation of the principle of federalism, and Wheare captured this more equivocally, arguing that, '[t]he capacity of states to work as a federal union is also greatly influenced by their size; it is undesirable that one or two units should be so powerful that they can overrule the others and bend the will of the federal government to themselves' (Wheare, 1963: 50). Another significant benefit of the constant division of the country into several constituent units, in consonant with the federal principle, is the minimisation of the cry of marginalisation, which was the sing-song in the country in the immediate post-independence period. Also, the 36-state structure has gone a long way in sparing Nigerians a return of the electoral controversy that surrounded the 1979 presidential election over what constituted the two-thirds of the then 19 States of the Federation (Suberu, 1998: 284).

Also inherent in federal systems is the contentious nature of the distribution of national wealth. The adoption of a federal system of government is usually trailed by the fundamental problem of how to share revenue between the central government and those of the constituent units on the one hand, and among the constituent units on the other. Just like in any federal state, political leaders in Nigeria also have to contend with the problem of how to distribute national resources. Nigeria's history of revenue distribution is about each ethnic group or state seeking to maximise its share of the scarce national economic resources, and this has often led to rancour between the central government and the federating units. The main reason for the acrimonious revenue allocation system is not far-fetched: Nigeria's constituent units lack viable sources of revenue of their own. Also, the economic disparity that has given rise to unequal development among them is another source of contention. Not only that, but the political sensitivity of revenue sharing has, also been compounded by the 'perceptions of regional ethnic dominance' among the ethnic minorities (Baker, 1984: v).

Central to the issue of wealth distribution in the post-1999 period is the continual debate on the application of the principle of derivation. In the Nigerian context, derivation is the method of distributing centrally generated revenues to the constituent units of the Federation in relation to the contribution made by each to the country's revenue pot. It simply means that, in addition to the regular federal statutory transfer, some proportion of the revenues collected from a federating unit is returned to the government of that unit (Babalola, 2014: 121). The derivation principle has particularly generated the most controversy in the history of revenue allocation in Nigeria, thereby reinforcing the view that politics plays a significant part in shaping the distribution of the country's revenue. The near abandonment of the principle became the most debatable topic in the country immediately after the advent of democratic rule in 1999. So, in addition to the typical controversies that surround the vertical and the horizontal revenue sharing was the controversy over the percentage of national oil revenue that should be allocated to States in the oil-producing region. As posited by Babalola (2014: 121), derivation witnessed a progressive decline, beginning from 1970 when it was 25 per cent, to 3 per cent towards the end of military rule, and then raised to 13 per cent at the start of democratic rule in 1999.

Sharing Nigeria's wealth among the contending parties is a daunting task, but the central government has, at different phases of the country's history, adopted different revenue-sharing formulas aimed at ensuring national unity. Nigeria's revenue distribution system has predominantly been tailored towards the Federation's political and economic circumstances, and has also witnessed significant changes over the decades. Revenue allocation in Nigeria, just like in any other federal state, is a difficult assignment and may result in the dissolution of a federal union if not properly handled by the country's political leaders. Although not controversy-free, Nigeria's federal system has been able to ensure a relatively fair distribution of the country's wealth. For instance, the current revenue allocation formula as entrenched in the 1999 Constitution has, to some extent, provided succour for the contending parties in the country. It is important to remember that a federal system needs to possess the capacity to achieve relative economic equilibrium among constituent units if the union must endure, so Nigeria's federal system deserves some credit in this respect.

A degree of unanimity exists among scholars of federalism that a series of features such as the existence of a written constitution is also necessary to the successful functioning of a federal state. It is important to point out that we are not unaware of the warning issued by Wheare that it is not sufficient to look at only the constitutions if looking for examples of federal government as what matters most is the practice of government. According to Wheare (1963: 20),

A country may have a federal constitution, but in practice it may work that constitution in such a way that its government is not federal. Or a country with a non-federal constitution may work it in such a way that it provides an example of federal government.

Nonetheless, the supremacy of the federal constitution – which has to be written – must be guaranteed if the system is to function effectively (Wheare, 1963: 55). What a written federal constitution does is to stipulate the responsibilities of each tier of government. A federal constitution is indeed a ‘political compact that explicitly admits of the existence of conflicting interests among the component territorial communities and commits them all to seek accommodation without outvoting the minority and without the use of force’ (Duchacek, 1970: 192). We must be reminded that for a constitution to be truly federal, and for it to be fit for purpose, the federal principle must be *predominant* in that constitution. So, if we may ask: is the federal principle predominant in the Nigerian federal constitution? The answer to this question is simply that the Nigerian constitution is an embodiment of the federal principle. Nigeria has had several written constitutions since becoming a federation, and these include the 1954, 1960, 1963, 1979, 1989 and 1999 Constitutions. These constitutions have been consistent in spelling out matters on exclusive, concurrent and residual legislative lists. As a result, they have more often than not played some role in resolving intergovernmental differences, especially in the area of distribution of federally collected revenue.

Likewise, the existence of a bicameral legislature in which the constituent units have equal representation in the Upper House of the central legislature is also essential to the operation of a federal system (Wheare, 1963: 87). It is often argued that bicameralism facilitates the representation of the interests of citizens in the constituent units at the national level as the second chamber ‘provides for second opinion’ (Wheare, 1968: 140). Again, Nigeria has been consistent in this regard except for those periods of military rule (1966–79 and 1984–99). Nigeria’s National Assembly, as the country’s central legislature is usually known, is the highest law-making body of the country, and the country’s constitution vests in this body the power to make laws for ‘the peace, order and good governance of the Federation’. As currently constituted, the National Assembly comprises the House of Representatives (Lower House) consisting of 360 members, and the Senate (Upper House) with 109 Senators. The importance of a bicameral legislature to the unity of Nigeria cannot be overemphasised, as the Upper House guarantees equal representation of the federating units irrespective of size, while the Lower House ensures proportional representation.

## **Concluding Remarks**

Nigeria remains a federation with a federal government in charge, but contrary to the assumption of the architects of the system in the country, federalism has not been able to solve all the problems the system was designed to solve, reinforcing the view that federalism is not a panacea to all diversity-related problems. However, as well as showing how adaptations to the federal system can rebalance inequalities, Nigeria’s political history also shows that the alternative of a unitary system is not feasible.

The country's brief experiment with a unitary system of government following the military coup in January 1966 proved disastrous, leading to the counter-coup of July 1966 and a three-year civil war. The war inflicted a monumental wound upon the country and most Nigerians would readily agree that this wound is yet to heal. Transforming Nigeria into a unitary state, then, was arguably aimed at resolving the ethno-regional conflicts that characterised the politics of that era, but the Nigerian military, which had itself become politicised, lacked the capacity to handle such a political transformation.

In federal studies, success and failure are usually measured 'in relation to the declared goals and purposes of each federal state, that is, what each federation was created for' (Burgess, 2011: 194). As pointed out earlier, the primary goal of the Nigerian Federation was to 'hold together' the disparate ethnic groups within the Federation. Federalism was adopted in Nigeria to 'cure' the country's 'ills', especially those associated with the contradictions intrinsic to ethno-cultural multiplicity, and that is why the system recognises the cultural, ethnic, religious and other forms of diversity that characterise the Federation. During the decolonisation period, the political elites favoured a federal state on the ground that federalism would guarantee the accommodation of diversity in the country, and their successors have kept the hope alive through certain measures, including the Federal Character principle, which is the hallmark of Nigerian federalism. To be fair, these affirmative actions have become antidotes to ethnic disgruntlement.

It may be conceded that Nigeria's federal system has not been controversy-free. As noted earlier, constituent units of a federation, as well as the federal centre, should have the capacity to finance themselves in order to be able to discharge their respective governmental responsibilities and also to ensure some measure of fiscal autonomy, but this is not the case in Nigeria, where the 36 States, including the Federal Capital Territory (FCT), depend heavily on the central government for sustenance. This is surely a negation of the federal principle, which ideally enjoins every constituent unit to be self-financing. Moreover, Nigeria's federal system has not been able to hold together the federal society without some animosities, but it is fair to posit that the survival of the Federation, despite such complexities as intense ethnic rivalry, religious difference and abundant oil resources, which could combine to act as a catalyst for disintegration, is an overall success. Nigeria's political history shows that federalism is the basis for Nigeria's stability and survival, as the system has been able to manage the country's complex multiplicity. Given the disintegration of such Federations as the West Indies (1958–62), Rhodesia and Nyasaland (1953–63), as well as the East African federalising project which died at conception, it is fair to conclude that the Nigerian Federation is a success story.

The Nigerian state may be described as a dysfunctional federation in need of unflinching political restructuring, but it is erroneous to suggest that federalism has utterly failed in the country and should be jettisoned. Wheare has done the adherents of the system across the world a favour by conceding that, 'while I have maintained that it is necessary to define the federal principle dogmatically, I do not maintain that it is necessary to apply it religiously' (Wheare, 1963: 34).

Thus, if the federal government is to deliver the dividends of federalism, the federal principle must allow some degree of flexibility. Political leaders are at liberty to carry out any reform deemed congruent with their own political environment. So, as Nigeria has done throughout its post-independence history, it should work out ways to improve upon the current federal system.

As a suggestion, Nigeria's federal system should be reformed to ensure the relative hegemony of the centre vis-à-vis the State governments. Absolute supremacy of the federal centre, no doubt, negates a federal principle, but it should not be forgotten that regional federalism in which the defunct Regions were economically stronger than the centre also had its attendant consequences, as was demonstrated during the First Republic. Besides, the size of the Federation, its diversity and its economic disparity require a relatively strong federal government capable of regulating the competition for national resources. This is in line with the view expressed by Maddox (1941: 1124), that 'there is no true federation ... unless the central authority possesses a power of decision and action independent of the wills of the separate governments'. However, this should not be construed as a suggestion for the continuation of the over-centralisation of the federal system.

If the problem of over-centralisation is to be addressed, then the country's fiscal federalism should be designed to emphasise revenue generation rather than revenue distribution. Any future reform should be tailored towards encouraging the States to develop fiscal capacity that would enable them to generate and control their own revenue. This will definitely enhance their fiscal viability and also reduce their dependency on oil, as States not endowed with oil would devise strategies to generate revenue from within. A State's share of federally collected revenue should only complement its internally generated revenue. More significantly, the centre would cease to be the locus of struggle for national resources, and it would assume the role of a referee rather than be an active participant in the distribution of national wealth. The capacity of constituent units to be self-financing is vital to the formation, operation and survival of a federation.

Minimising the country's excessive reliance on oil should be of paramount importance, and this may be achieved by putting certain measures in place. Developing the agricultural sector, the hitherto economic mainstay of the country, is significant to any process of diversification. Likewise, the use of oil revenue to generate backward and forward linkages in the economy should be a matter of priority for policymakers if the anomalies in the country's disarticulated economy are to be corrected. Above all, the country must maintain disciplined fiscal policies, and its leaders must eschew corruption.

In addition, any reform must take cognisance of the country's regional economic disparities and guarantee an equitable distribution of national wealth. We need to be reminded at this juncture that a major reason for the amalgamation of Northern and Southern Nigeria in 1914 was the need to use part of the latter's resources to supplement the revenues of the former. Nigeria's fiscal federalism should be reformed in such a way that the derivation principle in the revenue-sharing system is maintained. The application of this principle, in conjunction with others, is vital to the country's revenue-sharing practice, and, by extension, to the continuous existence of the Federation.

Nigeria's current federal system is not working the way it should, but history suggests that federalism is the country's best available option. The Federation has endured despite its in-built complexities, but the demands for restructuring will not go away until the political elites reform the institutions and structures of the system to give a semblance of unpretentious federalism. Restructuring the system is important; otherwise, a system adopted to cure the country's ills will become part of the illness itself.

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## Notes

<sup>1</sup> The exact number of ethno-linguistic groups in Nigeria is still shrouded in mystery. For example, Kirk-Greene (1967: 5) has identified over 400 while Otite (1990), Bermeo (2004), and Burgess (2012) have identified 374, 253, and 250 groups respectively.

<sup>2</sup> In the Nigerian context, the term “resource control” means the right of a region or community to control the oil resources found in its domain.

<sup>3</sup> By “true federalism” Nigerians mean a transformation of the highly centralised federation into a system that would allow each federating unit to control the resource wealth ostensibly derived from their jurisdiction.

<sup>4</sup> In Nigeria, “self-determination” means the right of an ethnic group to manage its affairs.

<sup>5</sup> Geographically, the Niger Delta is in the central part of Southern Nigeria or the south–south geopolitical zone. The States in this region are the main oil-producing States in Nigeria.

<sup>6</sup> By post-military, we mean the period after 1999 when military rule was terminated. This should not be misconstrued to mean a suggestion that Nigerians have seen the end of military juntas on their country’s political landscape.

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