Examining the Challenges of Federalism in Nigeria: A Review

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ABSTRACT

Federalism certainly embodies the machinery through which intra societal plural elements can be accommodated and protected. Nigeria’s federalism has no doubt undergone structural changes by which the federation moved from its initial three-region structure at independence to a four-region structure by 1964, and to its current thirty-six states structure including seven hundred and seventy-four local governments. These changes have been necessitated by the need for a balanced federation that would give all nationalities self-actualization and fulfillment. However, these changes have increased imbalances in the Nigerian federation as exemplified in continued centralization and concentration of power at the centre with its attendant consequences. Undeniably, state and local government creation exercises have helped to spread development across the country to some extent; nonetheless, the level of dissatisfaction being expressed by some minority groups as well as the relentless call for secession is an indication that Nigeria has a faulty federal structure. As a matter of fact, federalism in Nigeria is faced with a lot of challenges; unfortunately, these challenges which cut across corruption, federal character, revenue allocation formula, leadership crisis, among others, have resulted in intense minority agitations as well as secession threats from different groups. Accordingly, the core of true federalism is allocating each state in a federation a significant measure of autonomy to manage its affairs. Thus, political leaders must appreciate the need for more openness, negotiation, and tolerance in relating to one another, while deepening fiscal transparency and accountability in their affairs.

Keywords: Federalism, Challenges, Nigeria, Political, Federal Government

INTRODUCTION

Federalism is generally regarded as the appropriate governmental principle for countries with huge ethno-cultural diversities [1]. Nigeria, with over two hundred and fifty ethnic groups inherited a federal system from Britain in 1960 and ever since, successive governments have attempted, with varying degrees of commitment and success, to operate federal institutions that can accommodate the country’s ethnic, cultural, religious and linguistic diversities and nurture a sense of national unity. However, these governments at all levels have failed to fulfill their obligations of good governance anchored on equitable political arrangements, transparent administrative practices and accountability.

As a concept, federalism has had a lengthy and winding 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 as well as its modem-day exponents [2]. The consensus among these scholars is the idea of federalism as a division of political power within a polity such that the central or federal government has its area of authority well defined in the constitution with regard to that of the constituent units, with each level possessing the resources 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. In the opinion of Dicey cited by [3], “a federal state is nothing but a political contrivance intended to reconcile national unity with the
maintenance of state rights”. A popular American writer Hamilton also describes federalism as an association of states that form a new one”; while Montesquieu defines it as a convention by which several similar states agree to become members of a larger one”. To Finer, a federal state is 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 [4]”. Present-day discussions on federalism that recognize mutual interactions between 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. He notes that the federal principle ensures the division of powers such that general and regional governments are each, within a sphere, coordinate and independent”. Accordingly, 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. Wheare conceptualized a federal union as one in which the parts are conscious of retaining a measure of their autonomy; while this is ensured by a written constitution with an independent judiciary to resolve any rancor on matters relating to the nature of the permutations. Moreover [5] added that each level of government must be financially autarky. He explains that “it is fundamental 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 critical examination of Wheare’s position indicates certain propositions, ensuring the gradual evolution of federalism from the consent of the people rather than dictatorial clique [6]. 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 are several forms which such governments may take but the major components are free and fair election and party system with good atmosphere for responsible opposition [7]. According to [8], Wheare’s conceptualization of federalism indicates that issues like free and fair election, revenue generation by states, constitutional adherence to fiscal and vertical relation, among others, have been abused in Nigeria in the course of federalist option. For instance, 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 is meant to deepen. Specifically, issues such as intimidation, hooliganism, threat and assassination, vote buying emanating from the activities of godfatherism have made election in Nigeria to fall below universal standard [9].

Wheare also emphasized financial autarky by federating units (states) and constitutional co-ordination of various levels of government [10]. Considering this aspect in respect to the Nigerian state, from the onset of Nigeria’s federalism in 1954, regions as at 1954 to 1966 were 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 like groundnuts, animal skin, etc, and mineral resources like tin, iron, etc. From the East came agricultural produce like palm oil and kernel. However, the sudden rise of crude oil sales in foreign countries and its exploration in Nigeria squashed the
agricultural sector which eventually turned the Nigerian economy into a monocultural state which mainly exported a single product and which constitute an acute challenge to Nigeria’s federalism. Thus, crude oil has dominated the country’s budget as a source of revenue to the 36 states of the federation for over 50 year of the country’s independence, thereby threatening the concept of financial independence among the federating units [11].

**Overview of the State of Nigerian Federalism**

Federalism was adopted in Nigeria as a compromise device to help the country avoid the prospects of piecemeal independence from the British while some say that it was a clever imposition by the British to appease the reactionary North. Notwithstanding, [12], states that there are four indisputable factors regarding Nigeria’s federalism. One, the nation’s federalism was not arrived at through social contract or plebiscite. It was a model agreed to by a handful of political leaders at the pre-independence London constitutional conferences. Secondly, Nigeria’s federalism is very sick, unbalanced and lopsided especially in terms of the over-centralization of power. Again, national integration has remained a delusion despite over fifty years of independence, with few prospects for change; and this is because ethnicity has been elevated by some people to the level of religion. Lastly, pronounced injustices exist in the Nigerian federation. Nigeria’s federal system is highly centralized. In reaction to this, Coleman [13], stated that “excessive centralization and statistism of most developing countries... not only means greater vulnerability as a result of unfulfilment of populist expectation, it also means heightened inefficiency”. Moreover, the persistent military rule over the years no doubt affected the structure of Nigeria’s federalism. In line with the military’s command structure, Nigeria’s federal system has been over-centralized to the extent that it reflects more of a unitary arrangement than a federal one [14]. Though, before the military intervention in 1966, Nigeria began with a formal federal constitution in 1954, which was decentralized to accommodate the diverse ethnic groups, each of the constituent federating units, known then as regions, operated its own regional constitution, police, civil service and judiciary. Hence, [15] note that the federal structure of Nigeria can be regarded as “a bad marriage that all dislike but dare not leave, and that there are possibilities that could disrupt the precarious equilibrium in Abuja”

Having adopted federalism as its dominant conceptual and legal foundation, it was expected that a federal structure will be an instrument for forging national unity out of a plural society and at the same time in preserving the separate social identities cherished by its component parts. This, notwithstanding, Nigeria’s political system has continued to operate with minimum cohesion [16]. There is also reason to believe that the increasing instability and tension in the Nigerian federation has cast doubt over its adaptability to solving Nigeria’s plurality problems. In its structural and political context, Nigeria’s federalism may be likened to a biological cell capable of dividing and reproducing itself [17]. This is because, it has continued to witness continuous splitting of units. In 1954, it began as a federation of three regions but by 1964, it became four with the creation of the mid western region from the then western region.

By 1967, the federal structure became subdivided into 12 states while by 1976 it was further split into 19 states. By 1989, it became a federation of 21 states, increasing to 30 by 1991 and by 1996 it had subdivided to become a federation of 36 states. In addition, the creation of more states has always been accompanied by the creation of additional Local Governments areas. Thus, from 301 in 1976, the country currently boasts of about 774 Local Government Area Councils. Inherent in the above description is that Nigeria’s federal structure is predicated on a three-tier administrative structure – the federal, state and local governments [18]. While it is not a misnomer to have more than two...
tiers of government, in order to cope with the extent of diversities, the continued structural division have not produced a satisfactory outcome for the component units. This is because every attempt at states and local government creation is usually followed by increase agitations for more [19]. Thus, it is pertinent to note that in Nigeria’s federal experience, the principle of Wheare can no longer hold because the central government has usurped the powers, which were formally exercised by the regional governments. Power distribution is a volatile issue which if not properly handled could lead to various forms of crises which are bound to crop up. Nigeria has not been forthright applying this principle to the letter and the result of this has been the heightening of ethnic tension, mutual mistrust among ethnic groups, minority problem, clamour for an answer to the National question etc. [20]. The problem with the nation’s federalism is achieving solidarity in action and purpose in the midst of hundreds of ethnic nationalities with each exerting both centrifugal and centripetal forces on the central issue of the nation, bound in freedom, peace and unity where justice reigns” [6]. It is not surprising therefore that these ethnic groups are always in conflict and competition for scarce resources. This is the case in Nigeria and the reason is because ethnic groups are socio-cultural entities, which consider themselves culturally, linguistically or socially distinct from each other, and most often view their relations in actual or potentially antagonistic terms [2]. Ethnic tension in Nigeria is the resultant effect of improper distribution of functions and resources. This is because the people who now feel left out in the scheme of things see it as a necessity to rely with their ethnic groups which will provide them a good ground for competing with others for resources and against domination by the dominant ethnic groups. This can escalate further and lead to open confrontation among the groups. Also, ethnic politics has become the order of the day as it is believed that an alignment with one’s ethnic group enables an easy access to resources [7].

Challenges of Federalism

The Federal Character Dilemma

Federal character and its application is typically a controversial issue in the Nigerian Federation. Federal Character, which was a key provision in the 1979 Republic Constitution, has been a major source of tension in Nigeria’s Federalism. Specifically, the enacting law states that the composition of the federation or any of its agencies and the conduct of its affairs shall be carried in such manner as to reflect the federal character of Nigeria and the need to promote national unity, and also to command national loyalty thereby ensuring that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in that government or in any of its agencies. This implies that Federal Character is a euphemism for ethnic balancing [5]. It is an instrumentality for ensuring unity in diversity by balancing official appointments across different sectors as well as the nation’s armed forces. It must be emphasized that the idea of Federal Character, which has become an integral part of Nigeria’s federal system, is not peculiar to Nigeria. For example, the United States of America equally applies it in the form of “Affirmative Action” and India does same as “Quota System” in several areas. Nonetheless, the trouble associated with the practice in Nigeria since 1979 is that the conflicting interpretation and faulty implementation of the Federal Character principle has brought forth results that are almost completely opposed to the aims of promoting national unity and loyalty. Clearly, these problems contributed immensely to the contradictions and disharmonies that have since marred inter – governmental and inter – group relations in the country [10].

State Creation and the Minority Question

It is a fact that federalism all over the world possesses different mechanism of federating but the question of financial potency or state viability is a sine qua non to any state that exists within the union [1]. In this regard, federalism in Nigeria has faced numerous challenges
due to the non-viability of most states that depend wholly on national allocation before they can function and carry their duties [2]. This problem has been attributed to how the Nigerian federalism was created and handed over to the country by foreigners. Currently, most states in Nigeria are indebted to commercial banks and international financial institutions. This ugly situation has weakened intergovernmental relations in Nigeria such that states are unable to carry out their constitutional duties towards their citizens [8]. The issues around state creation worldwide revolve around general socio-economic development, particularly in developing countries where the quest for rapid development is often anchored upon ethnic affiliations. Although, states creation in Nigeria has been linked to the quest for equitable revenue allocation by minority groups [14]; this, among other reasons, trivializes the issue of federalism according to international observers [7].

The twin issue of state creation and minority question has been a recurrent factor Nigeria. Several Nigerian nationalities have always hinged their developmental aspirations on ethnic identities, with the major ethnic groups (Hausa, Yoruba and Igbo) having recorded much greater success in development in relation to their minority counterparts. Accordingly, as early as 1957, the minority groups in the three regions (North, West and East) demanded the creation of more states for an effective federal structure, and these agitations led to the establishment of various political parties such as the Benin and Delta Peoples Party formed in 1953, Midwest State Movement (1956), Calabar-Ogoja River States Movement (1954), United Middle Belt Congress and the Borno Youth Movement [5]. However, the 1957 Constitutional Conference was unable to resolve the problem of the minorities and passed it on to the Willinks Minorities Commission which accepted that there were bases for minority fears, but nevertheless opposed the idea of the creation of new states at the time. On March 27, 1967, in the face of imminent secession by the East, the Federal Military Government disbanded the old regions and in their place created twelve states, six each in the North and South [17]. The states were ostensibly created to promote political stability and to establish a convenient administrative system. The new Federal system, with its smaller and more sub-national units, was designed to correct the structural and administrative imbalance of the country and minimize future political friction. [10] observes that the state creation exercise was flawed in many respects. According to him, the exercise was decided and implemented in haste, involving many compromises. A number of principles were enunciated, such that no state should be able to dominate the federation, each should form a compact geographical area, and boundaries should reflect administrative convenience. Yet, some strange-bedfellows were grouped into the same state, and the Boundary Adjustment Committee that was set up could not find any enduring solution to the problem. As one study noted, some states, such as the North Eastern states, were administratively unwieldy and ethnically incompatible. Not surprising therefore, the creation of states created new minority groups and this strained inter-ethnic relationship. Above all, the North-South polarization remained. Consequently, the primary objective (political stability) of state creation is yet to be realized judging by recent developments in the country with several calls for secession as a result of dissatisfaction and discrimination. There were subsequent state creation exercises in 1976, 1987, 1981 and 1995 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-centralized 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 [13]. Hence, agitations by minority elements of all
kinds for the creation of additional states have continued unabated.

Corruption
Corruption in Nigeria has continued unabated despite the government’s effort through anti corruption agencies to curtail the menace. Corruption is a global phenomenon but it is more prevalent and destructive in the Third World countries [16]. Also, the fact that corruption in Nigeria has become an endemic problem threatening the country’s socio-economic and political development is generally known. While recognizing the threat of corruption to the Nigerian State, a Central Bank of Nigeria Director in 2003 stated that “the avalanche of frauds and unprofessional / unethical practices in the industry in recent years is eroding public confidence in the system” [2]. Corruption is a by-product of underdevelopment. In 2020, according to Transparency International (TI), Nigeria ranked 146th out of 180 countries scoring a miserly 26% despite the 17 year run of the anti-graft agency [18]. Furthermore, the United Nations Development Programme (UNDP) declared that Nigeria has maintained a seventy percent rise in poverty in spite of an income of over two hundred billion dollars in oil revenues since 1970, and her per capital income has hardly improved ever since [8]. [20], states that 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. Hence, 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.

In the same vein, electoral fraud is another dimension of the corruption syndrome in Nigeria [11]. The massively rigged General Elections of 2003 and 2007 are undoubtedly the most fraudulent in the country’s political history.

Revenue Allocation Formula
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 [6]. The summary of these commissions’ reports and decrees on revenue allocation as captured by [9], 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.


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, 24% to the West and 8% to the Mid-West.


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%).


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% [4]. 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 loyalties 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) [17]. This has not only threatened the peace of the region but also caused disruption in oil supply. According to [10], 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 [1]. The above drama among others
have impaired and caused a setback to federalist option in Nigeria [19]. 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 sociopolitical and economic effects on the country’s nation-building process.

**Leadership Crisis**

Though, the leadership challenge, like the Sword of Damocles, hangs above all nations, the issue has however assumed a crisis dimension of monumental consequences particularly in Less Developed Countries (LDCs) [18]. Nigeria is a nation born in hope and optimism but has lived in anxiety for most of its fifty year - history due to the country’s failure to produce a nationally acceptable leadership that transcends ethnic profiling, religious bigotry and regional boundaries, and that can unite its diverse peoples for mobilization towards national development. In the light of this, it is valid to support the argument that the basic problem with the Nigerian federation is the failure of leadership. All other factors of disunity, instability and under -development have been nurtured and given momentum by leadership failure. Criticisms against Nigerian leaders across Local, State and Federal government levels are many and justified. These include corruption, unpatriotism, selfishness, despotism, tribalism, and religious bigotry [12]. Nigeria’s political history since independence has shown clearly through her various conflicts, coups and counter - coups, as well as a civil war, that the Nigerian ruling elite (both civilian and military) are divided along many lines, particularly along tribal, ethnic, religious and regional lines. This has led to inter - elite rivalries, mutual suspicion and status conflicts among the ruling elite. Thus, government and politics in Nigeria has been characterized by deadly competitions and conflicts of hostile subcultures giving rise to various danger signals that occasionally threatens the continued existence of the country. Under successive Nigerian leaderships, almost every issue has been politicized and interpreted to serve as a weapon of political domination or intimidation. As a consequence, various issues like elections, census, state creation, religion, political appointments, revenue sharing and lately, resource control have ignited serious socio - political crises. This tragic situation has compelled some observers to conclude that for Nigeria to resolve her leadership debacle she needs heroes in the form of men with extra - ordinary talents[9].

**CONCLUSION/RECOMMENDATION**

From the above discourse, it is obvious that Nigeria’s federalism has not yielded the much expected result. As a matter of fact, federalism in Nigeria is faced with a lot of challenges; unfortunately, these challenges ranging from the over - centralization of fiscal and political power, creation of un-viable and federally dependent State and Local Governments, increased corruption, federal character, among others, have resulted in intense minority agitations as well as secession threats from different groups. It must be stated that the core of true federalism is to allow each state in a federation a significant measure of autonomy to manage its affairs. The federalist debate in Nigeria therefore revolves on the need to understand the basis of the contract of true federalism and resource control. Thus, in order to preserve the federal unity, promote co-existence in all ramifications, encourage peace, tranquility and security, all stakeholders in the system must thread softly, be objective, rational, altruistic, magnanimous and demonstrate the spirit of give and take [4]. Similarly, there is much promise in the future of the Nigerian federal system. Thus, political leaders must appreciate the need for more openness, discussion, negotiation, and tolerance in relating to one another; they must deepen fiscal transparency and accountability while incentives should be put in place to stimulate regional and state economic competitiveness and complementarily.
REFERENCES


