

A CRITICAL REVIEW OF KEY VEXED ISSUES IN NIGERIA MODEL OF FEDERALISM

Uzoho Ikechukwu Princewill Ph.D

Department of History and International Studies,
Nnamdi Azikiwe University, Awka, Nigeria
ip.uzoho@unizik.edu.ng

Abstract

The Nigeria Federal Structure has provision for sharing formula in three key areas: territory, economics and politics, but are strongly linked through the struggles between the country's various ethnic groups and over the enormous oil resources in the Niger Delta. The federal system, which was inherited from colonial times, has in the last almost 50 years increased from 3 states to 36 states. This has been crucial for the development of sharing formula in Nigeria. Federal Character principle was introduced to ensure that there shall be no predominance of persons from a few states or few ethnic or other sectional groups in government elective or appointment positions. The third type of power-sharing is related to distribution of revenues, mainly linked to oil revenues. There has been much debate about how the resources are distributed. The oil producing states argue that they should get a larger share of the resources extracted in their region, while the more populous states, especially in the North, argue that the resources should be distributed based on the principle of need. Despite the fact that Nigeria has developed its sharing formula over decades, one discovers the increasing conflict amongst the components, content and context of the process. There are several factors that play a role here. First, even



though the states in the Niger Delta receive more revenues per capita from the Federal Account than any of the other regions in Nigeria, much of these revenues do not reach the people who suffer from the oil extraction through environmental damages, poverty and unemployment. Second, the Federal Character, and the state creation processes, have increased power among some ethnic groups at the expense of others, who feel marginalized. The third, are the problems related with high levels of corruption. These issues have created large trust and legitimacy problems for the Federal Structure among the marginalized groups. This paper suggests fair considerations in the content and context of the sharing formula. Qualitative Research Method served as a tool of this review analysis. Primary, secondary and relevant tertiary documents were reviewed. The paper highlighted some near future dangers of the present operating system.

Key words: Federal, Revenue, Corruption, System, Sharing.

Introduction

This paper analyses the nature and impact of the principles of the sharing formula that have subsisted in Nigeria over the past 60 years. Since the end of the Nigeria- Biafra War, Nigeria has been in a state of neither peace nor war, characterized by low intensity crises, inter-communal conflicts and political violence. Many recent post-conflict societies, such as those included in this paper, find themselves in a similar situation. It is therefore useful to analyze the development of the Nigerian sharing formula and draw lessons from it since it has been running in different forms for over six decades.

To better understand the development and consequences of Federal allocation in Nigeria, this paper starts with an overview of the economy, history, social, and political context of Nigeria. It then moves on to look at the three key areas of the sharing formula arrangements in Nigeria: federalism, office distribution and revenue-sharing. The last section looks at the current situation, the potential for future escalation of conflict and lessons learned.

With its over 200 million inhabitants, Nigeria is the most populous country in Africa. It is situated north of the Gulf of Guinea, and borders Benin, Niger, Chad and Cameroon. The country is extremely diverse. There is no precise number of ethnic groups, but the most accepted figure is over 250 ethno-linguistic groups. Among these, Hausa-Fulani are concentrated in the northwest. Yoruba are situated in the southwest, while the Igbo are situated in the southeast. Beside these groups are some of the smaller ethnic communities that have some political administrative power including the Tiv, Edo, Ijaw, Ibibio-Efik, Kanuri and Nupe¹. Ethnic differences have escalated from being less important to being one of the major social cleavages in the Nigerian society.

A social divide can also be found between the north and the south. This is a result of the failure of the British to consolidate Nigeria into one country during the colonial period. The Northern parts were isolated due to their traditional emirate rule, and therefore lost the opportunity to develop at the same speed as the South. The South was therefore ahead in all aspects of modernization such as education, per capita income, urbanization, commerce and industrialization. This uneven development has been present in Nigeria since independence, and has been expressed, for example,



in quota systems where students from the North would be admitted into government owned educational institution at the expense of a better qualified student from the South.²

A fourth social divide, closely linked to the North-South cleavage, can be identified between the Christians and Muslims. The latter group are predominantly in the North, and account for about 50% of the population, while about 45% of the population is Christian, and the last 5% regarded as practicing 'traditional' religions³.

Since 1960 Nigeria has been using a national system of law in both criminal and civil domains, but permitting Islamic (Sharia) law and customary law to serve in the civil domain. In 2000, Ahmed Sani, one of the candidates for governorship election in Zamfara State, won and returned Sharia laws in the criminal domain, but only applicable for Muslims⁴. Since the 1980s, and especially after the return to civil rule in 1999, there has been increased use of violence between Christians and Muslims. For example in 2004 a fundamentalist Islamic group called *Ahlul Sunnah Jamaa*, launched attacks on a number of police stations, stating that they would "kill all 'unbelievers in uniform' and called on all Muslims in the country to rise up for Jihad to defend Islam and establish justice". However, the Nigerian army was able to quell the uprising⁵.

Nigeria is an extremely diverse country, with five main ethnic-regional elites that dominate the political picture and represent specific ethnic groups or regions. The Northern elite are composed of the aristocracy and the ruling elite among the Hausa, Fulani, Kanuri and Nupe ethnic groups. They are closely linked to Islam

and the Hausa language. Historically the leading states in the North are Sokoto and Borno. They were especially concerned with issues related to Sharia and the debate on rotating the presidency between the north and the south. Politically, the Northern People's Congress (NPC) represented the Northern elite in the first republic. They held power together with the National Council of the Nigerian Citizens (NCNC), an all Nigerian party, but were accused of being overly interested in Igbo issues. The coalition however, failed and the NPC became the ruling party⁶.

The Yoruba elite are situated in Western Nigeria, along with such groups as the Oyo, Ife, Ijesha, Ekiti, Ijebu, Ketu and Ondo. The Yoruba elite tried to establish a common identity among the different sub-ethnic groups in the region so as to be able to compete with the other ethnic groups for power in Nigeria. In 1961 the Yoruba elite established their own political party – Action Group (AG), which was important during the First Republic. In 1993 a Yoruba, Chief Abiola was purported to have won the annulled presidential election for the Third Republic. This created extreme frustration among the Yoruba, and as a result the militant group the Oodua People's Congress (OPC) increased their violent activity. The tensions eased, however, in 1999 when Olusegun Obasanjo, a Yoruba, was elected President.

The Igbo elite are concentrated in the eastern parts of Nigeria. Due to scarce land resources in the pre-independence period, the Igbo people were introduced early to western education and administrative positions. Mass killing and the resulting exodus of the Igbo from the north in 1966, created a feeling of marginalization and discrimination, leading to the declaration of



Biafra as an independent state, and the war from 1967-70. After the war the Igbo elites have been trying to re-integrate back into the Nigerian society, but this has proven difficult, especially in national politics. In 1990 the umbrella organization, *Ohaneze Ndi Igbo* was established, and have been working on issues related to Igbo marginalization after the war. However, they have not been very efficient or successful. As a consequence the militant group Movement for the Actualization for the Sovereign State of Biafra (MASSOB) emerged. However, they have gotten little support among the Igbos due to their violent tactics. Politically the Igbo were represented mainly by the NCNC.⁷ Presently, the Igbo struggle for self-actualization is being championed under the umbrella of Indigenous People of Biafra led by Mazi Nnamdi Kanu who is being detained by the Federal Government.

The Niger Delta elite are centered in the Niger Delta. In political terms they represent the States Akwa-Ibom, Bayelsa, Cross-Rivers, Delta, Edo and Rivers. In contrast to the three former, the elites the Niger Delta are not dominated by one ethnic group, but are very heterogeneous. The ethnic groups in these regions have been able to overcome their ethnic and cultural differences, and focus on their shared history. The Niger Delta elite emerged as a response to the British dominance during pre-independence, and later to the Igbo and Yoruba domination in the South after independence. In recent years, the struggles have concentrated around the fight against the oil companies who are extracting oil in the region, as well as the revenue allocation scheme designed by the central government. Recently, there have been growing tensions in the Niger Delta with several militant groups emerging,

the main one being the Movement for the Emancipation of the Niger Delta (MEND).⁸

The Middle Belt consists of minority groups in the North-central parts of Nigeria. These groups are ethnically and linguistically very different, but share an historical resistance towards the domination of the Muslim Hausa-Fulani ethnic group. In the colonial years, Christianity was seen as the alternative to Islam and through Christianity the Middle Belt gained access to the western education system. The Middle Belt elite enjoyed their golden years during the rule of Lt. Col. Gowon, when a “Middle Belt state” was created (Benue-Plateau State). However, during the second republic this faded as the Middle Belt elite split into three political parties: National Party of Nigeria, Nigerian People’s Party and Greater Nigerian People’s Party. Later the elite appeared to have tried to restore their identity by focusing on marginalization of the Igbo

Conceptual Issues of Nigeria’s Federalism

In Nigeria, power-sharing is evident in three key areas: territory (state creation), economy (revenue-sharing) allocation and politics (office-distribution and the Federal Character). To analyse the nature of power-sharing in Nigeria it is useful to look at Roeder and Rothschild’s distinction between power-sharing and power dividing. While power-sharing aims at including all parties in the power decision process, they define power dividing as a process “(to)” allocate state powers between government and the civil society with strong, enforceable civil liberties that take many responsibilities out of the hands of the government”.⁹ According



to this definition federalism can be included as a power dividing arrangement. The goal of federalism is often to give local communities or ethnic groups the decision-making power over their territory, and not a share of power on the central governmental level. This fits very well with how the Nigerian federal state has evolved since independence. On the other hand, the office-distribution and revenue-sharing can mainly be characterized as inclusive power-sharing where all states take part in the decision making process.

The three types of power-sharing have developed fairly independently from one another and all have the same motive for being established: a mutual suspicion and fear that a particular ethnic group, state or region would gain power over the others. The different types of power-sharing arrangements in Nigeria can be seen as attempts to accommodate the fear among different groups. Ideally, Federalism should hinder the center from becoming too strong. Revenue-sharing has been implemented so that the Niger Delta region would not become much wealthier than the rest of the country and possibly secede and take the oil resource out of the country. The Federal Character has been accommodating the less developed or disadvantaged in the North as well as other minority groups. This paper reviews all these forms of arrangements, as well as analyzes the historical development and consequences.

Federalism is a territorial power dividing arrangement, where the political power is divided between local and central government. A federal state has a governmental structure with two or more layers, where the chief policy maker is elected by the people on the level they are serving. The main aim is to divide the power between



regional and central governments to guarantee the regional communities' power¹⁰. Further, the power should be devolved equally between each region, and they should all have the same type of relationship with the central government.

Federalism in Nigeria

Nigeria has, since colonial times, been a federation. There are two specific features that are unique to Nigeria. First, the form of federalism that has been practiced most of the time from 1966 to 1999 has been military federalism. Second, the large number of states created over this period is also interesting in the light of power-sharing in Nigeria. The term military federalism is unique to Nigeria, it implies that during the military regime, the central military government kept the federal structure, but with a military twist, such as military governors¹¹.

Key Issues of Nigeria's Federal Structure

State Creation (Territory)

Another striking feature of the Nigerian federation is the process that Nigeria went through in creating numerous new states between 1967 and 1996. In 30 years the number of states increased twelve fold. This process is important in understanding the other power-sharing strategies that Nigeria has established. The increasing number of states posed challenges for both wealth sharing and office distribution arrangements. In general, there are two main driving forces behind the state creation process. First, and mostly related to the early state creation process, is the fear by ethnic minorities of being dominated by the majorities. Second is



the fear held by ethnic majorities that one of the other large ethnic groups may become more powerful than others.

1967: Twelve States

The demand for the creation of new states was first raised in the 1940s. The three-state system (and later in 1963 the four-state system), created an imbalance in the federal republic. When the first military regime replaced the first republic in 1967, General Gowon recognized the need to divide Nigeria into smaller units. This was to prevent any one state becoming so strong that it would either control the central government or opt for secession. He therefore enunciated five principles for the creation of new states:

- No state should be in the position to dominate or control the central government.
- Each state should form one compact geographical unit.
- Administrative convenience, the facts of history, and the wishes of the people concerned must be taken into account.
- Each state should be in a position to discharge effectively the functions of the existing regional government.
- It is essential that new states are created simultaneously.

On May 12th 1967, General Gowon announced the new 12 state structure of the country. This came at the same time as the Eastern-region declared itself as the Independent Republic of Biafra¹². This marked the start of a 3 year long war, which ended with the military regime forcing the Eastern-region back into the federation.

The new structure led to two main changes in the federal system. First of all, the reorganization eased the ethnic problems in the short run by addressing a long standing demand for new states in the Northern and Eastern regions. Second, the federal system became more centralized and the central government gained more power.

1976: Nineteen States

After the reorganization in 1967, the demand for new states quickly arose, and only a week after getting into power, the new head of the military government, Brigadier Murtala Mohammed, appointed the Irikefe Panel to discuss the possibility of new states. The panel argued that the new states should not be created on the basis of ethnicity, despite the ethnic tensions the country was experiencing. They argued that:

“The creation of new states should seek to establish institutional frameworks which would ensure rapid economic development for among all the ethnic groups, increasing participatory democracy as an insurance against political instability, promote and institutionalize a balanced and stable federation, and finally remove fears of domination of the minorities which had tended to slow down economic and political development in the country¹³.

These arguments differ from the first state creation process in 1967. The focus in 1967 was to create states for the ethnic minorities, and to share the power amongst the ethnic groups more equally. The Irikefe panel focused more on economic and



democratic development and stability. Here the demand for power among the ethnic minorities was not taken into account in the same manner as in 1967.

The panel recommended the creation of seven new states, arguing that the stability of Nigeria could not be secured if new states were not created. The new 19 state structure did not satisfy popular demands, however, especially among the ethnic groups that did not gain much, such as the Igbo who only controlled two states. The discontent was great. The number of states that each ethnic group controlled was important, because it granted the ethnic group more political power on the national level, as well as a higher level of resource allocation. Despite the recommendations, no new changes were made until 1987.

Further, as a symbol of the centralization process by the military regime, the Federal Capital was moved from Lagos to Abuja in the newly established Federal Capital Territory (FCT).

1987 and 1991: Twenty-one and Thirty States

In 1985 the military government led by Babangida started the return to civil rule, and one of the issues debated was again the reshaping of Nigeria's state structure. In 1987 two more states were created, Katsina and Akwa Ibom. In August 1991 Babangida announced the creation of an additional 9 new states. The main arguments for this were the principles of **social justice, development and inter-ethnic balance**, so that the Third Republic would have an easier start than its predecessor. Even after the return to civil rule, however, it is reasonable to think that this was a part of Babangida's strategy to stay in power longer, by



winning legitimacy for his government and hoping it would help him in the upcoming election¹⁴.

1996: Thirty-six States

Only five years after the last reorganization, General Abacha announced the creation of 6 new states. He justified the new structure by arguing that state creation had become a periodic and accepted feature in Nigerian politics, popular demands, the support from the National Constitution Conference, which was convened to endorse a preliminary draft for a new constitution, and that it could decrease factors that in the future could “impede the stability of a democratic elected government”.¹⁵

Distribution of Elective and Appointive Offices (Federal Character)

The distribution of offices has been a struggle between the different ethnic groups as well as in the larger picture, between the North and the South. The 1979 Constitution established the Federal Character as a solution to this problem. Before 1979, the distribution was conducted through a set of quota systems that had been developed before independence.

Office Distribution Before 1979

Even before independence, there was a growing fear in the North that the South would dominate the civil service as a consequence of the higher level of education the southern regions enjoyed due to having the head start of the western education system. In 1958, the North-South parity in allocation of seats in the parliament was



implemented. In this division, the North gained 52% of the seats. The North also demanded that the Federal Civil Service should be based on the quota system, this also applied to the cabinet, recruitment to the army ranks and other federal institutions. In the 1979 Constitution, these different quota systems were replaced by the principle of the Federal Character.

The Federal Character

The drafting committee of the 1979 Constitution was faced with the problem of how to deal with the strong ethno-regionalism that existed in Nigeria, and how to ensure that one ethnic group or state would not dominate the central powers. The solution was to include what has become known as the Federal Character principle into the Constitution; this should ensure interethnic integration and representation in Nigeria. To wit;

The composition of the government of the federation or any of its agencies and the conduct of its affairs shall be carried out 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 (Section 14(3) 1979 and 1999 Constitution.¹⁶

The Constitution further defines ‘federal character’ as “the distinctive desire of the peoples of Nigeria to promote national unity, foster national loyalty, and give every citizen of Nigeria a sense of belonging to the nation” (Section 272(1) 1979

Constitution). Beside the definitions, the Constitution also offers a set of guidelines to enforce the Federal Character (FC).

Dilemmas facing the Federal Character and the Constitution

First, the rule that all states should be represented made the cabinet (National Assembly) extremely large, especially since the number of states kept increasing. When the Constitution was written in 1979, Nigeria had 19 states, and when the new Constitution was instituted in 1999 the number had increased to 36. Further, while the Federal Character ensured that all states were represented, there were no guarantees that the allocation of important ministerial positions was ethnically balanced. The southern states have been especially concerned about this. Second, using states as the foundation for creating ethnic balance is not very suitable, because the states do not reflect the ethnic borders.¹⁷Third, the rules for election of president and establishment of political parties seem unnecessarily strict. In the 1979 election, the complicated rules led to disagreement over what constituted ‘two-thirds’ and whether the leading candidate actually fulfilled the FC requirement. Further, the rule saying that all political parties should have national character made it almost impossible to create parties, and the solution was to make large multiethnic parties with very little structure or ideological cohesion.

The second large change in the 1999 Constitution was the inclusion of the ‘Indigeneity Clause’. Even though the 1979 Constitution did not make this as explicit, it clearly differentiates

between indigene and non-indigene/settlers. The 1979 Constitution defines an indigene as ‘a person whose parents or grandparents historically originated from a community within that state’¹⁸. In the 1999 Constitution it states clearly that it is the indigenes of a state that should fulfill the positions, and not only a representative from the state. In most cases the Federal Character and the Indigeneity Clause have become an important factor in the competition for limited education and scarce employment opportunities. In a country that has suffered from large displacements of people throughout history, such as the exodus of the Igbo from the Northern-regions. Despite good intentions, the FC may have created more trouble than good. “Celebrated by some as the cornerstone of ethnic justice and fair government in Nigeria, the federal character has also been denounced by others as euphemism for federal discrimination at best or geographical apartheid at worst”.

Rotating Offices: Zoning

While the Federal Character has its historical roots in a Northern fear that the South would dominate the civil service, there was also a growing fear that the North would gain more control over central powers. For example, with every state creation excluding the 12 state structures in 1967, the North has always had one state more than the South. Also, for almost 40 years, only one of the military regime leaders was not from the North. This has been a policy lacuna.

As a solution to this imbalance, the Southern-regions have, demanded for several decades that the principle of zoning should

be included in the Constitution alongside the Federal Character. So far, this has not been judiciously implemented; the eastern region has suffered the brunt of this injustice. The principle of zoning in the Nigerian context refers to an aggregation of the states into 6 geographical zones on the basis of which positions are allocated. The main purpose of zoning is to make sure that the different offices are rotated amongst the regions. The second function was to make sure that power would shift from one region to another (often referred to as “power shift”), and hinder one region from dominating in terms of power.

As mentioned, the constitutionalization of the principle has been discussed on several occasions. The principle of zoning has still been practiced, for example, in the nomination process of presidential candidates for the first democratic election in the fourth republic in 1999. One of the arguments as to the failure to include zoning in the Constitution is that Nigerian parties and politicians have proven to be creative and flexible when it comes to ethnic power-sharing.

Revenue-Sharing/Allocation (Economy)

Revenue-sharing in Nigeria was an important and heated issue even before independence in 1960. Revenue-sharing is organized along two structures. The first is a vertical revenue-sharing structure for allocation of resources between the central government, the states and the localities. The second is a horizontal revenue-sharing, dealing with the distribution of resources between the states. One of the most important issues within revenue-sharing in Nigeria is the sharing of the oil wealth.

Both strategies have dealt with this issue; however the horizontal revenue-sharing strategy has caused more tension than the vertical strategy. In the following section the two structures will be described along with an historical overview over development.

Vertical Revenue-Sharing

Vertical revenue-sharing primarily deals with what revenues should be collected by the central government, and what could be collected by the federating states. Secondly, it deals with how much of the centrally collected revenues should stay at the central level and how much should be transferred to the sub-national governments. The principle of centralization and de-centralization are important in this regard. One could see through history that the trend shifts between centralization and de-centralization.

Table 1: Vertical Allocation of the Federal Account (1980- to date).¹⁹

		1980	1981	1872	1984	1990	1992	1994	Since 2004
1	Federal Government	53.0	55.0	55.0	55.0	50.0	50.0	48.5	52.68
2	Regional/State Governments	30.0	30.5	34.5	32.5	30.0	25.0	24.0	26.72
3	Local Governments	10.0	10.0	1.0	10.0	15.0	20.0	20.0	20.60
4	Special funds	7.0	4.5	0.5	2.5	5.0	5.0	7.5	-
i	Federal Capital Territory	N.A	-	N.A	-	1.0	1.0	1.0	-

ii	Derivation	N.A	2.0	N.A	2.0	1.0	1.0	1.0	-
iii	Development of oil producing areas	N.A	1.5	N.A	1.5	1.5	1.5	3.0	-
iv	General Ecology	N.A	1.0	N.A	1.0	1.0	1.0	2.0	-
v	Statutory Stabilization	N.A	-	0.5	-	0.5	1.5	0.5	-
	TOTAL	100	100	100	100	100	100	100	100

Horizontal Revenue-Sharing

Horizontal revenue-sharing became especially important after the creation of the Federal Account. It deals with the distribution of resources that are allocated to the federating units through the vertical revenue-sharing formula. While the debate about vertical revenue-sharing focuses on the size of the share that was to be allocated, the discourse and conflict related to horizontal revenue-sharing was centered around which principles should determine the allocation.

Horizontal revenue-sharing has two main issues to take into account. First, to make sure that the revenues are used in the most efficient way; second, to equalize the fiscal capacities between the states through redistribution. Historically, the various principles of distribution have varied in content and in strength. A discussion of the major principles follows.

First is the principle of derivation, which focuses on how much of the revenues extracted in a region should be returned to the region

of origin. The principle of derivation has been especially important regarding oil revenues from the South²⁰.

Second is the principle of need, which focuses on the capacity for each state to carry out the desirable services that it is required to perform. The principle of need is often based on population data, however Nigeria has had a history of fraudulent censuses and hence using population as a basis has been debated²¹.

Third, the principle of equality makes sure that all the states are treated equally and that no state receives more than the others. This means that all the states should also get an equal share of the revenues and have the possibility to raise their own revenues through taxes. This principle, however, ignores the difference in population size of each state, and has been blamed for creating inequality rather than equality between states²².

A fourth principle is that of national interest, which emphasizes the need to raise the standard of living of the poor sub-national regions to a minimum level fixed by the central government.

The horizontal distribution of resources has often been the source of conflict. One important reason for this is how the term equality is perceived. It could, as a principle of equality mean, that everyone should have the same amount of resources. It could be interpreted in the light of the principle of need, which means all states should have equal level of development. It could also be related to the principle of derivation, that equality should reflect what each state has to put into the federation account. Secondly, several of these principles are in direct conflict with one another. For example if the oil producing states are getting some of the resource rent back,



this might be done at the expense of the need of some other region. It could also harm the national interest by creating larger gaps between states, rather than trying to raise the standard of living among the poorest.

Another problem related to the horizontal distribution is the creation of new states. As new states have been created, new units are included in revenue-sharing. Due to the principle of equality, some of the revenues from the FA are granted equally to all states despite size. As the new states developed, the three large ethnic groups became the majority in several states. This meant that those ethnic groups would get more than the others, not only because they had a larger population, but also because they were concentrated in several states. This has been one of the motives for the larger ethnic groups to support the state creation process.

The largest and most heated issue regarding revenue-sharing in Nigeria is the ownership and sharing of oil revenues.

Table 2: Share of Derivation 1960-1999²³.

Year	Share of Derivation
1966	50%
1975	45% of onshore, all off shore should be allocated to the central government
1979	20% of onshore
Early 1980s	5% onshore
1993	3% onshore
1999	13% onshore



Potential for Future Conflicts and Current Situation

In the last decades, the violence in the Niger Delta has increased, especially attacks on the international oil companies by Niger Delta militias such as the MEND, but also other militant groups (MOSOP and NDPVF). The main form of action is kidnapping and blowing up oil pipelines, however, there are also occasional killings. The main motivation for MEND is the neglect of the people in the Niger Delta region through environmental degradation and corruption. MEND sees this as the result of the oil companies' behavior and their support by the federal government.

Another aspect to the violence in the Niger Delta is political violence. It is mostly conducted by what are called "cults", which are gangs comprised mostly of unemployed young men. The sponsors of these gangs are influential politicians or godfathers taking the role of patrons. Their purposes are mainly political violence such as election rigging and hindering the opposition. These cults however have also been known to be involved in drug trafficking, armed robbery, extortion, oil bunkering and street crimes.

Two important dilemmas that Nigeria faces in the future are highlighted here. The first dilemma is representation or perception of representation. The 1999 Constitution starts with the words: "We the people of Nigeria", yet the Constitution has not been written or approved by the people of Nigeria but by the military leaders and the elites. There are several other reasons for the feeling of lack of representation, such as corruption and



patron-client relationships, including the fact that elections are very often rigged. The power-sharing strategy through the Federal Character does not seem to create the representation that the central government is aiming for. First, because the Federal Character ensures representation of states and not ethnicity, and second, it is often the elites that benefit from the Federal Character through office distribution. The consequences of this, is the emergence of groups such as the IPOB with their Eastern Security Network that serve as a local non state security group. This group and other splitter groups have continued to unleash terror within the south-east territories.

A second dilemma hindering the development of the Nigerian state is the lack of capacity or will from the central government to make changes. Since the return of Nigeria to civil rule, there have not been sincere and concerted attempts in several areas to make changes in the Constitution, for example regarding the consolidation of other sources of revenue generation and sharing. Nigerian history has a very strong influence on today's system and therefore makes it harder to implement democratic values. The federal structure strategies in use have created more problems with the emergence of insurgency that erupted as a result of illegal mining in the North East, many groups have emerged in their forms, outfits and nomenclature example, terrorists, bandits, unknown gunmen and kidnappers. The IPOB in the Eastern parts of the country has unleashed terror and other civil disobedience to express their dissatisfaction over marginalization in the current lopsided federalism with unequal number of state, marginalization in the share of federal allocation and other fiscal policies. The Eastern part of Nigeria suffers inequities in appointment and



elevation to key positions in the Nigeria political system and civil service.

Recommendations

There are several lessons that one could learn from the power-sharing situation in Nigeria. Firstly, it is important that all the power-sharing arrangements are in line with one another. The state creation processes have evolved from being a tool for creating ethnic balance to become a “power-tool: for the Northern ethnic majority. As a consequence of this, and the fact that the Federal Character principle recognizes the federating states as political units, some major and supposed minority ethnic groups have become almost as powerful as in the First Republic. It is also true for the revenue-sharing scheme. As a consequence of this, the crisis in the south east is escalating due to demands for a better revenue and power-sharing formula to accommodate the marginalized region. In the present arrangement, the South-Eastern region is marginalized by state creation inequity.

The second point of this analysis is that a power-sharing system must take all considerations into account simultaneously. The FC only deals with the inclusion of all states, not with how the power should be distributed between the states to ensure that not all powerful positions fall into the hands of any region in power. A solution to this is zoning amongst the six geo political zones, but this has not been included into the Constitution, yet even though it is sporadically being practiced.

The third point of this analysis is that even though a power-sharing system is in place, the country is highly corrupt. The foundation



for the power-sharing system is thus crumbling. Corruption related to government and political institutions is particularly damaging for both the power-sharing and the wealth-sharing system. Problems related to this is the lack of trust between the federal government and the component states. A power-sharing system must be backed by a state that is able to follow through in a way that is just and impartially acceptable to the entire country. In Nigeria, one could see a leakage of oil revenue and illegal mining business due to, thus hindering the anticipated inflow of revenue that could be shared with equity; this has made some parts of the country volatile.

Conclusion

The federal structure in Nigeria was inherited from colonial times, but has been through several changes to arrive at the state it is in today. At the time of independence in 1960, Nigeria consisted of three federal regions. Today one finds 36 states and the Federal Capital Territory. To achieve this thirty six states structure, Nigeria has been through six state creation processes. The motivation behind each of these processes has been different. The second branch of the power-sharing system in Nigeria is the distribution of offices. In the time before the second republic, this was dealt with through quotas; however in the 1979 Constitution, the principle of Federal Character was introduced. The main purpose was to ensure “that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in the government or in any of its agencies” (Section 14(3) 1979 Constitution). The final part of the power-sharing arrangement is the revenue distribution system. This has also been a much



debated issue since the pre-independence period. It became more structural and cohesive in the late 1970s when the Federal Account was established. All the federations' revenues and income would be centrally collected in the FA and redistributed to the regions. This was dealt with through two different revenue distribution strategies. First, the revenues were distributed through a vertical revenue-sharing formula, deciding how much the central government, the federating states and the local governments should receive. Further, the revenues allocated to the federating states were distributed through a horizontal revenue-sharing formula. The latter of the two strategies has been the source of much dispute and conflict. The states in the Niger Delta are arguing that they should be awarded more than the current 13% of the revenues (basing their argument on the derivation principle), while the non oil-producing States (especially the North) argue that the oil resources should benefit the entire country and the principle of need should be the most important even when they have engaged illegal mining in many parts of the North East states and the Federal government have maintained closed eyes syndrome over it.



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