

Nigerian Pseudo-Federalism and the Agitations for Restructuring

Dr. Frank O. Amugo

Department of Foundation Studies, School of Foundations and General Studies
Captain Elechi Amadi Polytechnic, Rumuola, P.M.B. 3659, Port Harcourt, Rivers State, Nigeria
frankamugo@yahoo.com

Abstract: Nigerian brand of Federalism has been described as ‘Pseudo Federalism’ as a result of the fact that its structure and workings negate the principles and tenets of true federalism as practiced by well established and successful democracies in other parts of the world, like United States of America, Australia, Canada, among others. In this effort, we shall examine the concept of federalism with particular reference to the instrument of fiscal federalism which is the bedrock of federal practice and principles. The study of Nigerian federalism has shown that the country since after the collapse of the first Republic has rather operated fiscal Centralism, which is the core tenet and bedrock of Unitary System of Government, making the Nigerian Federalism a ‘Pseudo Federalism’. It is alleged that fiscal centralism has been the instrument with which the Nigerian State, both military and civilian have used to appropriate resources of all the federating units especially the oil bearing communities through various dispossessional laws. This situation has led to the ensuing agitations and restiveness for restructuring and resource control. The paper shall be concluded with our well conceived recommendations, for socio-economic and political development of the fledgling democracy in Nigeria.

[Amugo, F. O. **Nigerian Pseudo-Federalism and the Agitations for Restructuring**, *Researcher* 2019;11(4):53-58]. ISSN 1553-9865 (print); ISSN 2163-8950 (online). <http://www.sciencepub.net/researcher>. 9. doi:[10.7537/marsrsj110419.09](https://doi.org/10.7537/marsrsj110419.09).

Keywords: Pseudo-Federalism, Fiscal Federalism, Fiscal Centralism, True Federalism, Restructuring.

1. Introduction

The nature and practice of federalism in Nigeria have been subject of academic discourse and a matter of national concern, especially as it is widely alleged that the country is operating a unitary system in the guise of federalism. This paper shall view federalism and its practice in Nigeria through the prism of the underlying instruments of fiscal federalism and fiscal centralism to determine the merit or otherwise of the description of Nigerian federalism as a Pseudo type. The issues of unending restiveness in the oil bearing communities and current agitations for true federalism and restructuring of the Nigerian polity arising from the alleged dysfunctional and distorted fiscal policies and structure of our federalism shall be examined.

The issues of complaints, agitations, and discontent, arising from the systematic reduction of the derivation formula vis-a-vis a bloated Central Government have been a major issue in the country’s quest for stability and peace in the country. The major thrust of this paper shall therefore be to establish the nexus between the dysfunctions practice of the Nigerian Federalism and the current heightened agitations for restructuring of the polity as to put the country on the right path for sustainable development.

1.1 The Concept of Federation

According to Encyclopedia Americana, federalism is a concept which provides for two strata of government where both the general and regional co-exist in the state, each bestowed with certain

powers and obligations; each level of government is limited to its own domain and within that constituency is autonomous and independent; either may assume the prerogative exclusively preserved for the other; each functions directly upon the people and neither is dependent on the other for its enactments, fiscal policies or art of governance.

Ojo (1979) defines federalism as a form of government usually based on a Western Constitution, uniting component political units (states) within an over-arching political system, so as to allow each to maintain its fundamental integrity or residual powers of Government. Suberu (1994) sees federalism as a political system, which allows a government to function over a nation of diverse peoples and accomplishes this by distributing powers between the national government and other levels of government. In this light, federalism has been offered as an institutional solution to the disruptive tendencies of intra-societal ethnic pluralism.

Thus, Federalism presents a political arrangement that allows ethnic or constituent groups to exercise significant authority within their territorial jurisdiction, while at the same time providing hegemony for national political institutions. In a federation, each government enjoys autonomy, a separate existence and independent of the control of any other government. Each government exists, not as an appendage of another government, but as an autonomous entity in the sense of being able to

exercise its own will on the conduct of affairs, free from direction by any government, especially exploitation and control of their natural resources.

This is in line with Sagay (2008, 11) who views “Federalism as an arrangement whereby powers within a multi-national country are shared between a federal government and component units in such a way that each unit, including the central authority exist as a government separately and independently from others, operating directly on persons and properties with its territorial area, and with a will of its own apparatus for the conduct of its own affairs and with an authority in some matters exclusive of others”.

Going by this, the various levels of government in a federating entity should not be dependent upon another, be it the central or any other unit. Each unit should be allowed to run its own affairs, except in matters of common natural interest like, external affairs, currency, and State Security among others. Each unit should most importantly maintain fiscal integrity with natural resources exclusively managed by it. No unit should be an appendage of the other and should be allowed to conduct its own will, free from directive by any other government.

According to Arowolo (2001: 4), Federalism is a political theory that is divergent in concept, varied in ecology and dynamic in practice, and deals with how power is distributed or shared territorially and functionally among the various units in a federation. He however argued that the experience of Nigeria in the practice of Fiscal Federalism which is the major underlying instrument of Federalism has been a dormant contentious issue. Over the years, the Fiscal Federalism in Nigeria has crystallized and remained dynamic as a result of its multiplicity in terms of ethnic composition and pluralism.

This has elicited unhealthy interactions in terms of fiscal relations characterized by hostile competition, unending struggle and survival of fittest disposition. These unfortunate developments were fallouts of the military hierarchical structure and exploitation tendencies of the colonial government which placed the federal government at an advantage in post colonial Nigeria. He furthered that the financial superiority the federal government exercises over the other structures of government. It has been the source of discontentment and disaffection in the polity. This has led to incessant demand for revenue sharing adjustment for a better and more equitable formula.

Fiscal Federalism which underlies Federalism is concerned with understandings which functions and instruments are best centralized and which are best placed in the sphere of decentralization levels of government. Furthermore, it is a study of how

expenditure and revenue side are allocated across difficult (vertical) layers of the administration. An important part of this subject matter is how a Central government deals with transfer of payment or grants from its revenue that it shares with lower levels of government. Qates (1999). The foregoing perspectives present a concept and political structure that would have most suited Nigeria in view of its highly plural content. This is more-so as organizers of federalism provide a necessary administrative tool for many diverse and multi-ethnic differences within a nationality with the fears of the federating units allayed, while forging a political cohesion, in line with the vision of the founding fathers of Nigeria.

1.2 Practice of Federalism in Nigeria

An x-ray of federalism as practiced in Nigeria shows that Nigerian type of federalism can best be described as pseudo-federalism or bastardized federalism, which is at variance with the principles of true federalism. Critical examination of the history of Nigerian federalism, shows that, since independence the country has practiced more of unitary than federal system. This has been found to be the underlying factor in the marginalization of most of the federating states and regions, especially the Niger Delta.

The practice of federalism with fiscal federalism as its major tenet held away from 1946 when derivation principle was in place. (Nwala, 1980) associates the establishment of the Nigerian Federal Structure with adoption of Richard’s Constitution in 1946, which granted internal autonomy to the existing regions of Nigeria, supported and followed by Littleton Constitution of 1954. Both constitutions lent credence to the federal structure of Nigeria. The derivation principle at the time entailed that 50 percent federally collected revenue went to the regions in which revenues on minerals and agricultural products were derived.

The federal government received only about 20 percent on the average. This principle favoured the regions that were productive in agricultural and mineral resources, and so encouraged healthy competition. The derivation revenues provided such regions with adequate funds for execution of developmental projects. As a result of the practice of this principle, the Western Region under late Chief Obafemi Awolowo made giant strides in educational development, provision of social welfare and rural infrastructural development. Other regions favoured by the derivation principle equally made giant strides (Azaike, 2002).

Federalism is informed by interplay of factors, major amongst which is diversity and consequent need to harness the diverse attributes towards a viable state and virile national economy hinged on the utilization of the advantage of the economies of scale.

Federalism also encourages the harmonization of local and national interest into a stronger socio-political entity. It requires that each component unit should be viable enough to be self-sustaining and to contribute towards the upkeep of the center. This presupposes the primacy of the component units and some degree of dependence of the centre on the component units. The contrary practice whereby the component units depend on the centre tends towards unitary system and practice as is now the case in Nigeria. According to Sharma (2005: 169) the central government ought to turn back significant portions of federal authority to the states for a wide range of major programmes, including welfare, medical, legal services, housing and job training.

The hope is that the states and local governments, being closer to the people, will be more responsive to the particular preferences of their constituencies and will be able to find new and better ways to provide these services. The states of Nigerian federation mostly depend on monthly allocations from the federal government for sustenance and for financing development projects. The principle of fiscal federalism was abolished by the military during the civil war with the promulgation of the Petroleum Decree of 1969 to reinforce the absolute control of oil resources by the federal government. From 1969 to date, Nigeria has adopted fiscal centralism which is the tenet of unitarism. The federal Government from 1969 has taken over absolute control of the mineral resources of the regions and states, thereby drastically reducing their economic autonomy, which is against the principle of federalism.

Decrees 14 and 15 of 1966 by the Gowon's administration which restored federalism and the enthusiastic welcome which their promulgation received across the country eloquently expressed the nation's disapproval of unitarism as a structural option for Government. Unfortunately while Nigerians welcomed Decrees 14 and 15 as instruments of federalism, the military retained the unitary fiscal mechanics of Ironsi's Unification Decree. Consequently, Nigeria today is still operating a unitary system in the guise of a federal system. From Gowon to the current Buhari presidency, the operators of the Nigerian federal system have been found to have conspired to sustain the aberration to the detriment of the nation's economy.

What obtains in Nigeria now is a situation where, in the wake of the perverted federalism and the consequent concept of "national cake", the various Nigerian states feast on the abundance of the national cake baked through the devastation of the oil producing communities, which are mostly located in the Niger Delta region. By this, the Nigerian "federal" state depends on the exploitation of the mineral oil

resources of minority regions, especially the Niger Delta for its sustenance.

1.3 Background to the Quest for Restructuring

The foundation of Nigeria was based on the principle of Fiscal Federalism which was in consonance with the country's initial constitutional provisions that gave the country the emblem of a Federal State. The initial practice of the fiscal formulas stipulated by the early constitution especially Littleton Constitution of 1954 which provided for autonomy to regions and supported by Chick commission which provided for decentralization of the central marketing board to various regions were clear.

Akpan (1998: 134) posited that the Chick Commission of 1959 made reference to these positions based on derivation which favoured the four regions. Nwala cited in Orji (2015) offered that the principle of derivation favoured the Western region as Chief Obafemi Awolowo had raised sufficient funds to enhance his party's fortunes as Action Group (AG) eventually won seventeen seats in the stronghold of the Northern Peoples Congress (NPC) in addition to major investment in the United Kingdom, provided free education and infrastructural facilities. Awolowo was able to build the famous multiple storey Cocoa House and establishment of the first television station in Africa at Ibadan in 1959.

In the South and Eastern Nigeria, where palm produce held sway, big cities like Enugu and Port Harcourt grew and giant strides in infrastructures were recorded. The intervention or rather the intrusion of the Military into the Nigerian politics as earlier observed brought the disruption and outright undermining of the fiscal autonomy and derivation formula in states of the federation. The fiscal policies and revenue sharing formulas of the military clearly showed a shift from fiscal federation to fiscal centralism with derivation formula relegated to the background using various anti-derivation decrees and dispossessional laws.

These decrees and laws include: Revenue Allocation Decree no. 6, Decree 23 of 1992, Decree no. 13, Off-shore Oil Resource Decree of 1971, Revenue (Federal Account) Act of 1981 and Constitution of Federal Republic of Nigeria, 1999. There has been obvious gradual and steady undermining of the derivation formula and *ipso-facto* the erosion of the fiscal autonomy of the federating states in favour and preference of centralization of the resources of the Nigerian State. This situation is at the expense of the regions where the oil wealth that sustains the Nigerian State are located and *ipso-facto* elicited the quest for resource control and restructuring of the country to correct the anomaly and reverse the revenue allocation and return to Fiscal

Federalism in line with the foundation laid by the founding fathers of the country. The agitations have become so intense because of the criminal neglect and degradation of the environment and people of the region where the oil wealth that sustains the nation is exploited. Oil accounts for about 95% of our export and 85% of national revenue (Obi, 1997: 12). Civilized calls and agitations of the affected people have fallen on deaf ears, leading to the restiveness and volatility of the Niger delta which almost crumbled the Nigerian State from the late Nineties. Nwala (2003: 94) has observed that the discordance voices in respect of revenue allocation and deprivation arises every passing year. The inability or refusal of the various civilian democratic administrations to respond positively to suffering of the oil bearing region has heightened crisis and the disruption of oil exploitation activities imparting negatively in the revenue earnings of the Nigerian State, and the suffocation being experienced by the federating units.

1.4 Current Agitation for Restructuring

It is a paradox that a country that is hugely endowed with abundant natural and human resources is dependent on one resource (petroleum oil) which has become a resource curse and its economy referred to as a mono-product economy. The one product economy has seen the country engaged in constant struggle, and clamour for change and very recently, violence in the form of agitations and militancy in the Niger Delta, that can never engender speedy and sustainable development.

Today, it is the clamour for restructuring or return to true federalism in which all federating units or states be allowed the autonomy and power to exploit its resources and pay tax to the central government in a true federal manner and in consonance with Fiscal Federalism. A survey of mineral deposits in Nigeria in Table 1 show that every state in Nigeria is endowed with abundant and different minerals resources, which have either been left untapped or left to fallow while feasting on the oil resources of the Niger Delta.

Table 1: Mineral Deposits in Nigeria's States

S/No.	State	Mineral deposit	Quantity
1.	Abuja	Marble and Tantalite	2
2.	Abia	Gold, Salt, limestone, lead/zinc, oil and gas,	6
3.	Adamawa	Kaolin, bentonite, gypsum magnesite, barites, bauxite	6
4.	Akwa Ibom	Clay, limestone, lead/zinc uranium (traces) salt, lignite (traces), oil and gas	7
5.	Anambra	Lead/zinc, clay, limestone, iron-ore, lignite (partially investigated), salt glass-sand, phosphate, gypsum	9
6.	Bauchi	Amethyst (violet), gypsum, lead/zinc, uranium (partially investigated)	5
7.	Bayelsa	Clay, gypsum, lignite and manganese (partially investigated), lead/zinc (traces), oil and gas	6
8.	Benue	Lead/zinc, limestone, iron-ore, coal, clay, marble, bauxite, salt, barites (traces), gemstone, gypsum, oil and gas	12
9.	Borno	Diatomite, clay. Limestone, oil and gas (partially investigated) gypsum Kaolin, bentonite,	7
10.	Cross Rivers	Limestone, uranium, manganese, lignite, lead/zinc, salt, oil and gas	7
11.	Delta	Marble, glass-sand, clay, gypsum, lignite, iron-ore kaolin, oil and gas	7
12.	Ebonyi	Lead/zinc, gold, salt	3
13.	Edo	Marble, clay, limestone, iron-ore, gypsum, glass-sand, gold, doiomite, phosphate, bitamen, oil and gas	11
14.	Ekiti	Kaoline, feldspar, taticum, granite, syenites	5
15.	Enugu	Coal, limestone, lead/zinc	3
16.	Gombe	Gemstone, gypsum	2
17.	Imo	Lead/zinc, limestone, lignite, phosphate, marcasite, gypsum, salt, oil and gas	8
18.	Jigawa	Barities	1
19.	Kaduna	Sapphire, kaolin, gold, clay, serpentinite, asbestos, amethyst, kyanite, graphite and sillimanite (partially investigated), mica (traces), aqua marine, ruby rock crystal, topaz, flouspar, tourmaline, gem stone, tantalite	
20.	Kano	Pyrochlore, cassiterites, copper, glass-sand, gemstone, lead/zinc, tantalite	
21.	Katsina	Kaolin, marble, salt.	3
22.	Kebbi	Tantalite, limestone, bitumen	3
23.	Kwara	Gold, marble, iron-ore, cassiterite, columbite feldspar and mica (traces)	6
24.	Lagos	Glass-sand, clay, bitumen, sand tar, oil and gas.	5

S/No.	State	Mineral deposit	Quantity
25.	Nasarawa	Beryl (omerald), acquamatrine and bellodor, dolomite/marble, sapphire tourmaline, quartz, amethyst (garnet), zircon, tantalite, cassiterite, columbite, limonite, galena, iron-ore, baryles, feldspar, limestone, mica cooking coal, tale, clay, salt, chalcopryrite,	22
26.	Niger	Gold, talc, Lead/Zinc, iron-ore	4
27.	Ogun	Phosphate, Clay feldspar (traces)	3
28.	Ondo	Bitumen kaolin, gemstone, gypsum, feldspar, granite, clay, glass-sand, dimension stone, coal, bauxite, oil and gas	7
29.	Osun	Gold, tale, tourmaline, columbite, granite	
30.	Oyo	Kaolin, marble, clay, silimanite, tale, gold, cassiterite, aquamarine, dolomite, gemstone, tantalite	11
31.	Plateau	Emeald, tin, marble, granite, tantalite/columbite, lead/zinc, barites, iron-ore, kaoline, cassiterite, phrochloro, clay, coal, wolram, salt, bismuth, fluoride, molybdenite, gem stone, bauxite	20
32.	Rivers	Glass-sand, clay, marble, lignite (trances) oil and gas	5
33.	Sokoto	Kaoline, gold, limestone, phosphate, gypsum, silica-sand, clay, laterite, potash, flaks, granite, salt	12
34.	Taraba	Kaoline, lead/zinc	2
35.	Yobe	Diatomite, soda ash (partially investigated)	2
36.	Zamfara	Gold	1

Source: Tell, July 11, 2005.

The practice of sharing oil revenue of the Niger Delta inhibits the capacity of federating states to tap their resources or engage in other revenue generating options. The states rather rely on monthly allocation from the federal government instead of states contributing to the sustenance of the centre. The federal government in this arrangement appropriates and concentrates too much money at the centre leading to waste and corruption that is currently the order of the Day.

Arising from the dysfunctional federalism practiced in Nigeria, there have been futile attempt to achieving a harmonious or equitable revenue sharing formula basically because of the critical issue of fiscal centralism resulting from over-dependence on oil revenue. From the table, it is clear that every state in Nigeria has one viable mineral resource or the other, which when tapped and added to other ventures like agriculture and manufacturing, can stand on its own.

Over-dependence on oil revenue (by both the central and state governments) has led to the evolving of a leech syndrome among the component units of the federation, making them an economic appendage of the central government and which has eroded the autonomy of the federating units. This has engendered a master-servant relationship between the federal government and the component units (Arowolo 2016: 14). From the inception, the Nigerian revenue sharing among the component units has been replete with agitations, controversies and outright rejections due to the politics inherent in it. For instance, before 1977 Aboyade Technical Committee on revenue allocation

formula, principles (clauses) of population, even development and national interest were clumsy, illogical and rather tendentious as viewed by different regions.

According to Olalokun (1979: 109) 'in most, if not all fiscal countries, one of the most constant sources of inter-governmental wrangles centres on the problem of securing adequate resources on the part of the lower levels of government to discharge essential, political and constitutional responsibilities'. Equally crucial is the issue of the bloated and unlimited powers and responsibilities held by the federal government in various schedules in the exclusive list, which frustrate effective governance in the federation.

Holding tight to responsibilities like, the police force, Power and mining among others have elicited hot debates and agitations for restructuring. Since the distortion of Nigerian federalism by the military, there has been sustained cry of marginalization, injustice and quest for self determination or secession in the South-South, South-East and Middle belt, culminating in the recent demand for restructuring. An important aspect of the quest for restructuring is the issue of power devolution which will grant the sub-units more powers and responsibilities for effectiveness in overall governance in the country. The summary of the country's fiscal history as revealed in the mono-product economy, over centralization of fiscal and administrative political functional powers, aggravated by the neglect, and marginalization of oil producing areas have made restructuring inevitable. Different sections of the country such as the Middle Belt,

South-West, South-East and South-South are all clamouring for restructuring the country as to wear the true toga of a federal state. Restructuring was a major campaign item during the 2019 general elections. Most Nigerians have seen the counter-productive reality of the dysfunctional federalism, described as Pseudo Federalism currently practiced by the Nigerian State.

1.5 Summary and Conclusion

From the foregoing, the critical examination of practice of federalism in Nigeria over the years has shown diametrical deviation from true federalism, especially in fiscal and power structure configurations. These obvious anomalies have frustrated sustainable development and rather engendered poverty in the midst of 'plenty' for the country giving it the inglorious appellation as the 'Headquarters of Poverty'. The heightened clamour for restructuring has therefore gained popularity among wide sections of the country and seen to be a veritable and pragmatic approach to finding solution to the elusive unity and lack of sustainable development in the country.

A true federal structure must stimulate the federating units or states to exercise some autonomy in exploiting their resources and exercising jurisdiction in areas like police, power, industry, mining among others, while paying tax to the centre who will take charge of matters like Defense, Immigration, Customs, External Affairs and more. Nigeria is fortunate that every state has abundant human and mineral resources to sustain itself. States or sections of the country fighting against restructuring are only suffering from parasitic syndrome and 'Babi-Alla' (Begarly) diseases, which enjoy going to Abuja every month to receive allocation to run their states.

The main business of Nigeria government, both central and states is to collect Niger Delta oil revenue every month to finance their capital and current expenditures without engaging in meaningful production in industry and agriculture. This current situation and shameful practice is diametrically antithetical to true federalism and cannot engender sustainable development or economic advancement of the country. It is therefore our considered opinion that the country should go back to true federation (by way of restructuring) which our founding fathers abnatio established to enable the country move forward.

References

1. Arowolo D. (2011): "Fiscal Federalism in Nigeria: Theory and Dimensions", in Afro Asian Journal of Social Sciences, Vol. 2. No. 2.2 P. 14.
2. Azaiki S. (2002). Inequities in Nigeria Politics, the Niger Delta underdevelopment and Youth restiveness Yenegoa Treasure Communications Resources Ltd.
3. Encyclopedia Americana Vol 11: 1977, p. 17 (2002).
4. Nwala U.C (2003). Deppa-Biriye's Principles of Development of the Niger Delta Region in, Harold Dappa Biriye: His contributions to politics in Nigeria, Edekepe, A, Ayotamiuno Y, Nwala W, E, Karibo J, and Jumbo NIC (eds) Port Harcourt, Oyoma Research Publications.
5. Ojo, J. (1979). Cited in Orji KE "Weighed on the balances and found wanting; the practice of true federalism in Nigeria" paper presented at the 52nd congress of the Historical society Nigeria, at the University of Calabar, November 2007 p. 4.
6. Oyorbaire S, E (1985) Federalism in Nigeria, Loudon Macmillan Publishers Ltd.
7. Obi C. I. (1997): The crisis of environmental convenience in the Niger Delta 1986-1996 in African Journal of Political Science, Harare, Zimbabwe P. 12.
8. Olalokun, A. (1979). "Nigerian Federal Finances: Issues and choices" in Readings of Federalism. Akinyemi, A. B. ed. Institute of International affairs.
9. Suberu, R, T. (1994). "The travails of Federalism in Nigeria in Nationalism, Ethnic conflict, and democracy L. Diamond and M. F. Platter (eds) Baltimore: John Hopkins University Press.
10. Sharma, C. K. (2005). "The Federal Approach to Fiscal Decentralization: conceptual contours for Poly Makers." Loyola Journal of Social Sciences, (2): 169-88.
11. Sagay I. (2008). "How a true Federal System should Run". The Nation, Lagos, Vintage Press Limited May 19th.
12. Qates W.E, (1999). Cited in a Keynote Address delivered by Moghalu, Presidential candidate of the Young Progrssive Party (YPP) of the 6th Annual Conference of the Nigerian Political Science Association (South-East at the University of Nigeria, Nsukka on October 20, 2018.