

# Federalism and Nation Building in Nigeria: The Challenges and the Way Forward

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#### Abstract

Nations are an important part of modern society. As an integral part of the modern world, therefore, Nigerians are rightly concerned about nation-building. Nations do not happen by mere historical accident, rather, they are built by men and women with vision and resolve. Nation-building is, therefore, the product of conscious state-craft, not happenstance. Nigeria's efforts at nation-building started since independence to address issues that have predated 1960. The study observes that the Nigerian nation-building endeavor is hampered by her historical antecedence, poor leadership, corruption, and contentious constitutional provisions. The argument of this study is that the creation of dependable institutions and a patriotic demonstration of politics will address the challenges of nation-building in Nigeria. The research recommended that the component states should come together to negotiate and dialogue freely and willingly on the nature of their coexistence; State and L.Gs should be given autonomy through a constitutional amendment because they are closer to people than the center of government; A new revenue-sharing system should be proposed that would institute a balance between states and the federal government since fiscal federalism is a system which requires periodic reviews to take account of changes that are inevitable in a dynamic world. The method of the research is content analysis, which allows the use of the work of other scholars and documents from the government.

Keywords: Federalism; Nation-Building; Development; Federating Units; Independence

## **INTRODUCTION**

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The British brought together the various people whose religions, languages, and cultures were different and began the long process of amalgamation that brought all the people under one political entity called Nigeria today. By 1900, what came

to be known as Nigeria today comprised three colonial territories which were under the umbrella of British colonialism, but administered separately, receiving orders directly from the metropolitans, London. These were the Colony of Lagos and what came to be known as the protectorates of Southern Nigeria and Northern Nigeria (Elaigwu *et. al*, 1994). The first amalgamation took place in 1906 when the Colony of Lagos was joined with the protectorate of southern Nigeria to become the colony and protectorate of Southern Nigeria under a single administrator. In 1914, the Colony of Lagos and the protectorates of Northern and Southern Nigeria were amalgamated as the Colony and Protectorates of Northern and Southern Nigeria. In 1939, Nigeria was divided into the Colony of Lagos, the Northern, Eastern, and Western groups of provinces, with each



group of the provinces having a Chief Commissioner who was responsible to the Governor in Lagos (Elaigwu, 1994).

The period 1914 – 1946 witnessed the mere co-existence of Nigerian groups who hardly knew of one another nor interacted in any substantial way on the horizontal plane. The British encouraged vertical relations between the individual communities and their administrators. The Richard Constitution of 1946 formalized the division of Nigeria into three regions – the Northern Nigeria with Kaduna as the administrative center, a western region with Lagos as the administrative center and an eastern region with Enugu as the administrative center (Eme & Onyishi, 2014). Lagos was also Nigeria's capital.

In 1947, Nigerians began to interact with one another in the Legislative Council. A wave of nationalism was sweeping across the Southern part of the country. However, the Richard Constitution was criticized and the criticism illustrated the upsurge in the political awareness of the emerging political elites. Among the serious critics were Dr. Nnamdi Azikiwe and Chief Awolowo. Azikiwe who operated under the National Council for Nigerians and Cameroons criticized the imposition of the constitution without due consultation with the Nigerian people. He further opposed the role given to the chiefs and the number of units created. He recommended in 1943, the creation of eight political units in Nigeria within the framework of the federation (Elaigwu, 1994). Chief Awolowo criticized the 1946 constitution and called for a federation to allow various groups to develop at their pace, and opposed the unitary elements in the constitution, which according to him, did not reflect Nigeria's multi-ethnicity. Awolowo suggested the division of Nigeria into ten political units, along ethnic and linguistic lines. Given the competitive setting in which politicians found themselves, they withdraw into their ethnic, ethnic-regions, or geo-ethnic cocoons in order to mobilize their followers effectively for competition.

It is arguable that if the process of decolonization spurred regionalism, regionalism also determine the form of government Nigeria was to have: a federal system grafted with mutual fears and suspicions among Nigerian groups. A sense of distrust among Nigerian leaders and the prevalence of centrifugal forces in the country were amply demonstrated at a constitutional conference between 1951 and 1958.

The Lyttleton Constitution of 1954 showed constitutional reforms in favor of federalism. Regional Legislatures sprung up. Regional governments became effectively established with Nigerian executives and the legislature. Political parties also grafted



themselves into regional governments. In 1957, a central government under the leadership of Balewa as Prime Minister emerged. Regional leaders operated a federal constitution in the context of the Westminster model of government. The 1960 independence constitution only ratified what had started in the 1940s. Nigeria as a federation. Nigeria was standing on this culturally, linguistically and ethnically different regional tripod on the eve of independence on October 1, 1960.

## METHODOLOGY

The method adopted in this research is a content analysis using mainly secondary data. The secondary sources used in this research include existing literature on Federalism, Nation-building, and Intergovernmental Relations culled from textbooks, journals, conference papers and proceedings, and other related documents. The choice of this method of data collection was informed by the focus of this study, that is, Federalism and Nation-Building in Nigeria: The Challenges and the way forward. This is not unconnected with the fact that a series of publications have been made on issues regarding federalism and nation-building in Nigeria. Thus, critical assessment of challenges militating against nation-building of Nigeria's hard-earned peace and the prospect of maintaining integration of various ethnic, culture, and religious hegemony and growth in a democratic setting.

# CONCEPTUAL CLARIFICATIONS

## Federalism

In contemporary political discourse, federalism seems to have started with Kenneth C. Wheare who saw federalism as a constitutional arrangement that divides the lawmaking powers and functions between two levels of government in such a way that each within its respective spheres of jurisdiction and competence, is independent and coordinate (Wheare, 1953). Wheare added that in this form of government, central and regional governments are co-ordinate in the sense that neither level of government is subordinate to the other in legal authority. He concluded that in this system of government, each level of government should be limited to its own sphere and, within that sphere, it should be independent of the other.



The federal principle requires arrangement for mutual convenience and for peace, progress and definite sacrifice by the units through their unification, by giving up their power and authority to the created central government, simultaneously retaining for themselves other power and authority on behalf of their separate and distinct communities (Aderonke, 2015). Federalism is a political concept in which a group of members are bound together by covenant with a governing representative head. The term is also used to describe a system of the government in which sovereignty is constitutionally divided between a central governing authority and constitutional political units (like states or provinces) (Yusuf, 2013). Federalism has virtues and features which includes among others, resources distribution shared rule, balance or shared responsibilities and territorial base, this clearly shows that financial and responsibility autonomy help consolidate the system, by given the units avenue to decide on their own in the sphere of their jurisdiction. This leverage will ultimately culminate in development and growth of the units.

#### **Nation Building**

The concept of national building, just like federalism, is defined by various scholars according to their orientations and fields of study. According to Ogunjenite cited in Ojo (2009), national building implies the building of nation-states out of disparate socio-economic, religious, ethnic and geographical elements. This, according to him, entails the translation of diffuse and unorganized sentiments of nationalism into the spirit of citizenship through the creation of state institutions that can translate into policy and programs in line with the aspirations of the citizenry. Nations do not happen by mere historical accident, rather, they are built by men and women with vision and resolve. Ntui, (2019) opined that Nation-building is the product of conscious statecraft, not happenstance. Nation-building is always a work-in-progress, a dynamic process in constant need of nurturing.

In this sense, national building means conscious efforts to weld together a plural society to enhance development without necessarily jeopardizing ethnic identity (Ojo, 2009). The adoption of the federal system in Nigeria is aimed at welding, intermeshing, and integrating multi-ethnic societies with the hope of attaining a nation-state through the spirit of unity in diversity. According to Ake, (1979), nation-building is synonymous with national integration. To him, National integration is the process of bringing together culturally and socially discrete groups into a single territorial unit and establishing a national identity.



Nation-building has important aspects. These important aspects according to Ntui (2019) include; first, it is about building a political entity that corresponds to a given territory based on some generally accepted rules, norms, principles, and common citizenship. Second, it is also about building institutions that symbolized the political entity. These institutions include bureaucracy, the economy, the judiciary, universities, civil service, and civil organizations. Nation-building is about building a common sense of purpose, a sense of shared destiny, and a collective imagination of belonging. It is, therefore, about building the tangible and intangible threads that hold a political entity together and give it a sense of purpose.

## The Foundation of Nigeria's Federalism

By 1900, what came to be known as Nigeria comprised three colonial territories under the umbrella of British colonialism, but administered separately, receiving orders direct from the metropolis, of London. These were the colony of Lagos and the Protectorate of Southern Nigeria were unified under a single administrator (Elaiguru, 1993). In 1914, the colony of Lagos and the Protectorates of Northern and Southern Nigeria were amalgamated as the Colony and Protectorates of Northern and Southern Nigeria. In 1939, Nigeria was divided into the colony of Lagos, the Northern, Eastern, and Western groups of provinces, with each group of provinces having a chief commissioner who was responsible to the governor in Lagos. This was adopted and legitimized by Richard's constitution and provided a central legislature for the whole country and a House of Assembly for the regions. The adoption of this arrangement by Richard's constitution caused a rigid regionalism in the country which created a problem with the operation of the federal system by giving more power to the region than the central government.

The choice of federalism as the preferred system of government for Nigeria was not accidental. The eventual transformation of Nigeria's federal state started in 1954 as a result of the 1954 Lyttleton constitution conference. The Lyttleton constitution provided for three sets of legislative lists, namely: the exclusive list (power belonging exclusively to the federal government), the concurrent list (power shared by both the federal and regional governments), and the residual list (power that could be exercised by regions) (Alkali 2004). It is on records that from the independence period to date, the territorial boundaries of the federation were restructured six times.



Table 1: Re-organization of Territorial	Boundaries	in Nigeria	Rom	Independence to
Date (Region and State Creation)-				

S/No	Year	State/Region	Administration/Regime	
1	1963	4 Regions	Sir Abubakar Tafawa Balewa	
2	1967	12 States	General Yakabu Gowon	
3	1976	19 States	General Murtala Ramat Mohammed	
4	1987	21 States	General Ibrahim Badamasi Babangida	
5	1991	31 States	General Ibrahim Badamasi Babangida	
6	1996	36 States	General Sani Abacha	

In its structural and political context, Nigeria's federalism has metamorphosed into many states and Local Governments since its creation in 1914. This is because it has continued to witness the 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 as indicated in the above table. Implicit in the above description is that Nigeria's federal structure is predicated on a three-tier administrative structure – the federal, state, and local governments.

Nigeria's federalism since its adoption in 1954 has been operating in both fiscal and political contexts. The fiscal context consists of the mode of expropriation and distribution of resources while the political context relates to putting in place appropriate structures that would facilitate the self-realization of component units. Furthermore, in the fiscal context, there is no doubt that profound conflict exists among the component units of the Nigerian federation. At the inception of the system, there was a large devolution of powers to the regions. Each region enjoys considerable autonomy over its internal affairs in addition to having a regional police force and civil service. In terms of resource distribution, the principle of derivation occupied a significant place in the distribution formula. Derivation remained a major emphasis in federal revenue allocation between 1954 and 1966 when the military took over the headship of the country.



The 1960 and 1963 constitutions devolved tremendous powers to the regions that were fully autonomous federating units. Each region, with a premier as head of government, operated its own laws and constitution. Each of them had native authority police while the federal government maintained the Nigeria police. Each region also was allowed to have its representatives in some foreign countries. They were designated agents, not as ambassadors although they functioned practically in that capacity. Each region also had the symbol of its own authority. None of them was totally dependent on the center for its fiscal and other needs. Each region was strong enough and rich enough to take care of itself.

However, the major challenge of this arrangement was that the regions were too powerful and the central government was too weak for a meaningful federal system and national unity. Under this arrangement, the federal government could not impose its will on the federating units. It was generally felt that if this continued, things would eventually fall apart (Ebegbulem, 2011). With the advent of the military incursion into Nigeria's political scene in 1966, Nigerian federalism has suffered. The independence of the regions has been compromised as a hierarchical command structure emerged. A very powerful central government came into being and the states succeeded the regions and these states became mere appendages is the central government.

Due to the arrival of the military government, there was a coincidence that oil gained prominence over various cash crops such as cocoa, groundnut, and palm oil that were found in the regions. The oil deposits were found in states controlled by minority ethnic groups with very little say in the administration of the nation. Indeed, this led to the cancellation of the principle of derivation and the rights and control of the natural endowment of the Niger Delta were transferred to the federal government.

Federalism offers an ideal model of government for a vial society. A country like Nigeria which has at least about 374 ethnic groups certainly qualifies for federation if we find the political will to embrace the philosophy. However, some scholars argued that federalism was an imposition by the British government is plant discord and disunity after independence in other to succeed in its policy of 'divide and rule (Aderonke, 2015).

Nigerian federalism despite the argument for its formation by the British, there are four factors that are incontrovertible. These factors one, Nigerian federalism is very



sick, unbalanced, and lopsided, especially in terms of the over-centralization of power. Two, there are highly pronounced injustices among its citizenries within the federation. Three, Nigerian federalism was not arrived at through a social contract. It was a system agreed to by a handful of political leaders at the pre-independence constitutional conferences in London. And fourthly, national integration has remained an illustration at best, even after sixty-one years of independence. There is no doubt that the increasing instability and tension in the Nigerian federation has cast doubt over its adaptability to solving Nigeria's plurality problems.

It is argued that Nigeria's federal system is highly centralized in all its ramifications. To buttress this line of argument, Coleman (Peil, 1976), observed that "excessive centralization and statism of most developing countries not only means greater vulnerability as a result of the fulfillment of populist expectation, it also means heightened inefficiency". It needs to be emphasized that the persistent military rule for about thirty years has no doubt affected the structure of Nigerian 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 (Elaigwu, 1998). 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.

A federal arrangement was expected to be instrumental in forging national unity out of the plural society and at the same time in preserving the separate social identities cherished by its component parts. Adoption of federalism notwithstanding, Nigeria's political system has continued to operate with minimum cohesion (Ola, 1995). There is no doubt that the increasing instability and tension in the Nigerian federation has cast doubt over its adaptability to solving Nigeria's plurality problems.

In a federal arrangement, each level of government or unit derives its powers from the constitution which is the supreme law of that country and these rights, power, and authority are justifiable whereby any level of government can seek redress against an infringement of these constitutionally stated rights and authority. In Nigeria, the powers and functions of each level of government are clearly spelled out in the Second Schedule of the 1999 amended Constitution of the Federal Republic of Nigeria. There are three legislative lists, namely: The Exclusive Legislative List, the Concurrent Legislative List, and the Residual Legislative List. The Exclusive is made of subjects on which the Federal Government alone can make and administer laws, the Concurrent list

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deals with matters over which the Federal and State Governments have legislative powers while the Residual deals with matters over which Local Government can legislate.

It is worth mentioning that ethnic tension in Nigeria is the resultant effect of the improper distribution of functions and resources. This is because the people who feel that they are left out in the scheme of things see it as a necessity to rely on 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 confrontations 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 easy access to resources (Uhunmwuangho and Epelle, 2007).

Adeleke & Charles (2015) argued that ethnic groups were played against one another for economic gain from the British imperialists. According to them, the initial politics of separation by the British imperialists is the bedrock of continued conflict among the major ethnic groups in Nigeria even after independence. From independence also, the dominant ethnic groups in Nigeria (Hausa, Yoruba, and Igbo) had been engaged in the activities of controlling the political power of the nation, with the primary aim of controlling the resources of the state. The sole ambition of controlling the economic activities of the nation has led to a 'keen hunt', for political power, especially at the center by the various ethnic groups in Nigeria. The political calculation and permutation of who gets what, when, and how of the political cum economic potentialities of the nation are the main sources of hostility and conflicts (Salami &Hassan, 2011). They further stated that this has continued to threaten the political stability and advancement of Nigeria as a nation.

Observers of Nigeria's federalism have always said that, while the underlying principles of federalism have often been ignored by successive Nigerian governments, efforts were made earlier to implement the policy of fiscal federalism based on the principles of derivation. The 1960 and 1963 constitutions not only granted greater fiscal autonomy to the regions but also empowered them to compete with one another. The current movement for better treatment of the people of the Niger Delta region has brought to the fore the demand for resource control. This phenomenon has generally been misunderstood.



### **Federalism and Nation-Building**

Federalism has provided for a relative compromise among competing for ethnic claims as well as a delicate balance between demands for national self-determination of sub-national units in Nigeria State. This pragmatic approach to inter-ethnic relations in our plural society is best captured in the description, by our Founding Fathers, of that federal process as 'unity in diversity. Through the concrete expression of this principle of unity in diversity, we have been able to expand the access of our various ethnic groups to the centers of political power in the country.

Nigeria Federalism has sought to achieve unity in diversity by the constitutional division of legislative lists among the three levels of government, each coordinating with but independent of the others in its areas of specified functions. It is in the nature of federal compromise that there should be coordinated and independent jurisdictions, yet the latter does not create sovereign sub-entities. Their limited autonomy must be pursued in the context of the overall sovereignty of the Federal Government. Each level of government under a Federal State should not see itself as a sovereign authority, there can be only one sovereign authority in a federating country and that is the Federal Government.

In Nigeria, the efforts of nation-building have not been easy, but we cannot and we must not give up. The end of the civil war has demonstrated the clear preference to remain one, indivisible federal state, despite the various ethnic groups in the country. Our experience in a fratricidal conflict and the speed of our reconciliation both provide incomparable lessons in ethnic accommodation. Nigeria has gone through many experiences (Matatsene crisis, annulment of the 12<sup>th</sup> June general election of 1993, Boko Haram, banditry and kidnapping, etc) and proved beyond all doubts that we were not only able to manage our conflicts ourselves, but we are also capable of keeping our country together, no matter the differences among us.

However, the researcher is aware of the dissatisfaction of many ethnic groups in the country with the inequitable distribution of our natural resources among the component ethnic groups. It is believed that in the process, the federal system, despite its paradoxical nature, is the most viable option available to us in the twenty-first century. We must not only retain it, we must also strengthen and adapt it to the requirements and realities of the twenty-first century. The federal option provides opportunities at different levels for component units to effect compromise; to protect their identities and pursue their priority programs while traversing the same tracts with

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others. In all federal systems, the ability to adjust and balance the federal pendulum as it swings between centrifugal and centripetal forces is the key indication of a working Federation.

The greatest challenge for Nigeria is how to use compromises of the federal system to build our organic union into a strong and virile political community – the Nigeria Nation. Though, given our national experience and the current global setting, we have no option but to make Nigeria's Federalism work. The key to the success of our nation-building experience is therefore the extent to which we are prepared to accommodate others and the extent to which we develop a spirit of give-and-take.

## Challenges of Federalism and Nation-building in Nigeria

In Nigeria, opinions have been expressed by some scholars and concerned citizens on the suitability or otherwise of federalism for the country. Indeed, some have concluded that the maintenance of federalism as a system of government in Nigeria has become problematic and therefore should be discarded. Some of these challenges are as follows:

# Historical Evolution

Regionalism remains one of the major challenges to nation-building in Nigeria. Our founding fathers tried to deal with this challenge by adopting federalism and advocating a policy of unity-in-diversity. Unfortunately, the lack of consolidation of Nigerian federalism commonly shared values and positions means that this challenge of divisive historical legacy continues to undermine our efforts at nation-building. One current manifestation of this historical legacy is the division between 'indigenes and settlers.' This division has been a source of domestic tension and it has undermined our efforts at creating common nationhood. While we should learn from history so as not to repeat its mistakes, we must never see ourselves simply as victims of our history; it is our responsibility to overcome the challenges posed by our history.

# Political Challenges

Nigeria's federalism is presently faced with a number of critical political challenges. Some of these political challenges are traced to the defects of the



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constitution being the supreme documents that mediates the political activities and processes of governance. Nigeria is still yearning for a truly acceptable constitution that can mediate the social contract between the Federal government and the constituents (states and Local Governments). Also one of the greatest challenges of nation building is the challenge of institution building. Whether nations are able to manage their political and social disputes peacefully, without lapsing into conflict, or sustain economic growth without creating huge inequalities, critically depends on the quality of the relevant national institutions. Nigeria needs to create or strengthen institutions that would help achieve the national goals of democratic governance and sustainable development. It is generally believed that Nigeria do not need a strong leader to make a change but a strong political institution where systems and processes are strengthened.

#### Corruption

Corruption remains one of the debilitating problems confronting Nigerian Federalism and National Development efforts. Nigerians are corrupt because the system under which they live today makes corruption easy and profitable; they will cease to be corrupt when corruption is made difficult and inconvenient. The impact of corruption continues to undermine governance, stability, and progress. It however, distorts and undermine efficient allocation of resources, and by extension the country's capacity of competitiveness. It reduces the net value of public spending as well as quality of services, public infrastructures and the volume of tax revenues, and it encourages misappropriation and misallocation of resources.

## Ethnic Groups

Nigeria have over 350 ethnic groups. A minority ethnic group is one which is numerically lesser than the major ethnic of a given state. This ethnic group may possess ethnic, religious, or linguistic characteristics which differ from those groups. It usually shows a sense of solidarity directed towards preserving its culture, tradition, religion, or language. The issue of rights and freedoms of minorities and ethnic nationalities concerning marginalization and exclusion have constituted a serious challenge to Nigeria's Federalism. The three most dominant ethnic groups in the country are the Hausa/Fulani, Ibo, and Yoruba. The major challenge here is on how to mitigate the issue of discrimination and marginalization as well as those petty rivalries existing in inter-ethnic relationships which tend to impact negatively on the living conditions of most members of minority and other ethnic nationalities in the country.



The structural composition of Nigeria's Federal System has come under critical scrutiny in recent years. There is strong agitation for a review of the legislative lists of the federal government with a view to reducing the legislative powers at the federal level and devolving to other tiers of government (state and local governments). As conceived, the problem is that there is an over-concentration of power at the center to the detriment of the federating units of the country. A skewed power arrangement in favor of the federal government has greatly resulted in bloated administrative machinery at the center; with disconnect between the center and its developmental policies and the intended recipients at the grassroots.

# Leadership Challenge

It is a critical factor in nation-building. Nigeria is suffering from bad leadership, which is a major challenge for nation-building. We do not need leaders who see themselves as champions of only some sections of our population. We do not need leaders who do not understand the economic and political problems of the country, not to talk of finding durable solutions for them. We do not need leaders who are more interested in silencing their opponents, than in pursuing justice. We do not need leaders who place themselves above the constitution and the laws of the country, but leaders who lead by upholding and respecting the law. We do not need leaders who have no sense of tomorrow, other than that of their private bank accounts. Unless we have leaders with ability, integrity, commitment, and vision, we cannot succeed at nation-building. Therefore, we must not relent in this struggle for quality leadership, as it is the key to building our nation.

# Socio-Economic Inequalities

The denial of equal opportunities for Nigerians is a major challenge to nationbuilding in Nigeria. The building of common citizenship is an important aspect of nation-building. In Nigeria, not only are many citizens denied basic rights like freedom of speech, life, movement, and association just as access to basic infrastructures education, roads, water, health, employment, and electricity. This has caused the rate of



impunity to soar, increase in the illiteracy, unemployment and insecurity rate, and above all, economic depression. The failure of the Nigerian government to address the contentious resource control conundrum has caused violence protest in the Creeks of the Niger Delta leading to the militarization of the oil-rich region and loss of oil revenue to the country. It is also worthy of note that the environmental degradation in the Niger Delta as a result of oil exploration with no commensurate compensation from the Federal Government and the various multinational Corporation and the socio-economic prosperity in the North at the expense of the oil-producing region briefly explains the grievances of the region. Due to socio-economic inequalities, there is serious variation in the enjoyment of these rights across the country. Consequently, the citizen is not motivated to support the state and society, because he or she does not feel that the society is adequately concerned about their welfare. Socio-economic inequalities across the country fuels fear and suspicions which keep our people divided.

From the above, Agbu (2004) believes that the contestation over federalism in Nigeria has manifested itself not only in the quest for access and control over political but also as access to federally generated revenue. This assertion best describes the situation in the South-South where the people are clamoring for a considerable upward review in the current 13 per cent derivation. Nigeria's is not a healthy federalism as it has long been plagued by "infection" from the 'viruses" of anti–federalism. As such, it must be tended carefully and tenderly if it is to survive contemporary strains and the stresses (Aderonke, 2015).

#### Fiscal Federalism

There is the issue of fiscal federalism which has become contentious in the Nigerian federalism that hampers nation-building. The economy of the country is majorly dependent on oil sourced from the Niger Delta. The 13% accruable revenue from oil to oil-producing States in Nigeria has been contested by the Niger Delta region given the environmental degradation and sustained neglect by the leaders whose developmental interest are other regions especially the North at the expense of the polluted Niger Delta.

Despite this and the creation of Niger-Delta Ministry with it 3% set aside (federal government of Nigeria report 2002) there is still agitations which cast doubt weather this amount of money is translated through actual development programs. The onshore-offshore dichotomy has also been called to question by aggrieved group; all these posed serious crises to Nigerian federalism and have direct consequences to our sustainable development. Thus, there have been agitations for up to 50% if not 100%

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revenue from oil going to the oil-producing States. The present situation in which the constitution empowers the federal government to keep the custody and determines the terms and manners of the allocation of the funds that accrue to the Federation Account is generally regarded as a negation of the principles of fiscal federalism. This imbalance has been seriously criticized as fostering dysfunctional ties which have been adversely affecting the concept of Nation-building. Indeed, this situation has in fact pitched the states against the federal government in some instances.

## The Challenge of an Inclusive and Participatory Democracy

Nigerians from all walks of life recognize the link between an inclusive participatory democratic political system and development. However, the country's nascent democracy continues to be threatened by various forms of authoritarian rule, the systematic narrowing up of the political space, extreme personalization of power, corruption, gross human rights abuses and the political exclusion of women, ethnic minorities, and the youth. The stultifying effects of these are the root causes and the intensifiers of the crisis of national identity, conflicts, politically-motivated violence including assassinations, kidnapping, arson, etc. They are also the causes of political apathy, the weakening of our federalism, and the decaying of political institutions

## The Way Forward

Despite all the highlighted challenges facing Nigerian federalism and Nation building, the country is still often regarded as a pioneer and an exemplar in Africa in the use of power-sharing mechanisms and practices to promote inter-ethnic inclusiveness, or discourage sectional imbalance and bias, in decision making processes (Suberu, 1996).

Since Nigeria gained its independence in 1960 with three - regions structure, efforts were made by various administrations to balance the federal structure of the country with creation of states and Local Government Councils. Presently, Nigeria had 36 states and 774 LGCs since the last creation by Gen, Sani Abacha administration in 1996. In this way, not only minority groups but also minority communities had the opportunity for equal and direct representations by sending their representatives to LGCs, SHA and National Assembly. Successive regimes in Nigeria perceive creation of states as a means of satisfying pressures for local autonomy and counteracting



tendencies to over centralize federal authority. The most consistent official justification for creation of states is that it eliminates the physical and mental distance separating local communities and the government. In other words, it brings government nearer to the people while, at the same time, ensuring even development within a federal structure of government. Creation of states is embedded with both decentralist and centralist elements. The decentralist element includes the efforts to grant local autonomy to various ethnic and sub-ethnic groups. On the other hand, the centralist element in creation of states includes the integration of the policy making and implementation process in different sectors due to the existence of many spheres of interstate policy co-ordination.

The survival of Nigeria's federal system rests on the extent to which the leadership of the country has been able to maintain a balance between centralist and decentralist pressures in the federation. Successive regimes in Nigeria have tried to achieve this balance by adopting some institutional measures – fiscal, territorial and political measures. Fiscal measures the absence of a generally accepted revenue allocation formula poses a threat to the practice of federalism in Nigeria. In the early years of Nigeria's independence, there were visible moves towards excessive decentralization and control of the nation's sources of revenue. In early 1960s, there were increasing attempts by ethnic and regional groups to hijack the federation's main sources of revenue – profits from sale of natural resources.

The problem of corruption has been duly acknowledged by successive governments with efforts made to stem such corruption. These efforts include the creation of several Anti-Corruption Agencies (ACA). These include the Independent Corrupt Practices and other Related Offences Commission; the Code of Conduct Bureau and the Code of Conduct Tribunal; the Economic and Financial Crimes Commission; the Nigerian Extractive Industries Transparency Initiative and the Technical Unit on Governance and Anti-Corruption Reform. Others are the Bureau for Public Procurement and the Public Complaints Commission. In the National Assembly, there are the Committees on Anti-Corruption, National Ethics, Values and Ethics, Code of Conduct and Public Petitions.

It was necessary to decentralize tax administration in the country. The decentralization of tax administration was done to enhance the fiscal capacity of the federating units to enable them to carry out their constitutional responsibilities. Tax decentralization have restore private sector confidence in lending to local governments, thus sharing the risks and rewards of such lending. The successful government have



ensure that Nigeria's revenue allocation formula was based on the principle of derivation. The derivation principle requires that "all revenue which can be identified as having come from, or can be attributed to, a particular region should be allocated to it". The implementation of the derivation principle heightened the tension among the various ethnic and regional groups.

To address the issue of Nation-building in Nigerian federalism, a unique form of office distribution was adopted in the country. Since 1979, office distribution in Nigeria is based on the doctrine of 'federal character'. A Federal character principle implies a system of equitable distribution of political and top bureaucratic offices for each unit, both for each state at the federal level and for each local government area at the state level. This aim of this process is 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 a given Local Government, State or Federal establishment. The use of federal character principle in office distribution became prominent following a stipulation in the 1979 Constitution that there must be a representative from every state in the federal cabinet, senior civil service posts and in the top army ranks. This doctrine which was reaffirmed in the 1999 Constitution provided for the establishment of a special commission (the federal character commission) to enforce the principle.

Regular fiscal restructuring was the strategy adopted to deal with the growing pressures for fiscal decentralization. This strategy involves efforts to moderate the tensions between supporters of fiscal centralization and decentralization. The initial target of the fiscal reforms was to reverse fiscal decentralization. Moves to reverse fiscal decentralization manifested visibly soon after the military intervention of 1966. The first major step in this direction came with the enactment of Decree 13 of 1970, which provided for the equal division of taxes on tobacco and motor fuel between the federal and state governments. This provision overturned the prior regime where these taxes were returned to their states of origin. In 1971, the federal government took over all rents and royalties that accrue from offshore oil operations from the oil producing states. In 1975, a further revision to the revenue sharing regime led to drastic reduction of the revenue accruable to the states. However, since 1999, the vertical revenue allocation formula apportions an overwhelming 48.5 percent of the revenue in the Federation Account to the federal government, while the state and local governments get 24 percent and 20 percent respectively, 7.5 percent is allocated to special funds.



Federalism, no matter how much we complain about its operation, have been with us for a very long time as a form of government. In our journey of nation-building, the federal system have been able to stand the test of time. In the course of the journey, there are many waves to be encountered by the Nigeria ship. At times, the ship may get badly rocked, but not completely destroyed. From such catastrophic experiences, Nigeria may find new arenas for compromises and reconciliation. Federalism despite its self-contradictions is likely to serve useful functions of compromise for a long time. Finally, some of the problems we have in running our federal system are human problems. Federalism cannot teach us the values of justice, equity, fairness and tolerance. These are human values needed to run any society be it unitary or federal. Unless our leaders and their followers imbibe the values and practice them. Therefore, let us face the human question and resolve to let the Nigeria federation grow.

Nigeria is a country in transition desirous of nation-building. Unfortunately, an interplay of her historical antecedence, corruption, leadership, and her contentious constitutional provisions have hampered this effort at nation-building. For this well-intentioned desire of nation-building to be realized, the building of dependable institutions rather than strong-men is necessary just as the mobilization of a well-conscientized citizenry that would boldly demand accountability from the leadership class. The neo-colonial strings need to be severed with the development of indigenous economies and socio-cultural and political environment.

# RECOMMENDATIONS

Based on the findings of this study and the conclusions reached the following recommendations were made.

1. The Component states should come together to negotiate and dialogue freely and willingly on the nature of their coexistence. This would provide genuine political arrangement for harmonious relationship between people of different background; peaceful co-existence enhances development as dispute may be minimized, one cannot see Nigeria engaging in pragmatic nation-building until the component units wittingly agree to live together in a federation where the relation is built on fairness, equity and justice.

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- 2. The federating units should be empowered both in functions, responsibilities and financially. This would foster development at the lower level.
- 3. State and L.Gs should be given autonomy through constitutional amendment, because they are closer to people than the central of government, autonomy here refers to the capability of the units to take a concrete decisions using its own discretion without undue intervention from other units of government.
- 4. A new revenue sharing system should be propose that would institute a balance between states and the federal government since fiscal federalism is system which requires periodic reviews to take account of changes that are inevitable in a dynamic world. Proper fiscal policy can alleviate poverty.
- 5. Let the States control their resources by given them a reasonable percentage and the non- oil producing states should embark on agriculture or otherwise to complement their shares, this would reduce tension and pressure and simultaneously increase government business involvement at concomitant improvement of individual lives.
- 6. The issue of rotational presidency should not be put into consideration; it is better to go for best candidate from any zone, the six geo-political zones of the federation could be use as basis for other positions. Nigeria requires good leadership to tailor our development.
- 7. Finally, we wish to recommend that a quarter system and federal character principle should not be manipulated but serve as a better option for admission and appointment into important positions in the country.

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