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Federalism and Resource Control: The Nigerian Experience

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Abstract
Federalism and Resource Control are two contentious issues. The practice of federalism in Nigeria has elicited several reactions and thus generated critical debates by both scholars, politicians, journalists, commentators and more particularly the oil producing communities of the Niger Delta Region. The list is endless. What has occasioned these reactions and thus generated this un-ending debate? At the centre of the argument, the answers to this very contentious and pivotal question. One fundamental requirement which forms the very basis of any federal arrangement or system of government as postulated by K.C Wheare, is "financial autonomy" of the different units of government in a federation. The centrality of the role of financial autonomy and independence in guaranteeing "true federalism" cannot be overemphasized. Against this background, this paper focused on the Federalism-Resource-Control nexus in Nigeria. The paper finds that, every state in the federation of Nigeria should control and manage the natural resources located therein… this does not approximate the seizure of the oil resources of the Niger Delta by the Niger Delta people, but it indicates a sense of participation. A total of eight recommendations were made in order to guarantee a strong and united federation-Central to these is that, until and unless the constituent parts (states) in the country are sufficiently empowered by enabling practices that conforms to the principles of federalism peace in the oil producing that region and by extension the country is elusive. The rest part of the paper is divided into six sections-the first section, provided the introduction and background to the study; the second contextualizes the conceptual underpinnings of Nigeria's Federalism; the third section deals with Resources Control as a fundamental feature of true-federalism; the fourth section explains the root causes of the Niger Delta; the fifth section, enumerated some recommendations; the sixth which is the final section concludes the papers with the view that, the essence of true federalism is to allow each state or region in a federation significant measure of autonomy to manage its affairs and that, the federalist debate in Nigeria is centered essentially on the need to understand the basis of the contract of true federalism and resource control. This debate, the paper suggests is long standing, passionate and inconclusive.

Keywords: federalism, resource control, niger delta, financial autonomy and conceptual clarification.

1. Introduction

Few national issues have provoked profound debate and lengthy discussions than the practice of federalism and resource control within the past four decades. Indeed these twin concepts formed the focal points among other things at the well-attended Constitutional Conference in 1957 at Lancaster House, London and the 1958 Conference which led to the enactment of the 1960 Independence and 1963 Republican Constitutions. The 1960 Independence and the 1963 Republican Constitutions respectively enshrined some fundamental principles of fiscal federalism and elements of resource control in view of the level of derivation percentage that the regions enjoyed. In the course of the nation's political evolution, these constitutions were either suspended modified or repealed by the ruling military leadership and the country tilted to a unitary system with a very strong centre. With the return of democratic governance and the unsolved developmental problems that the Niger Delta region has successively experienced, there has been a spontaneous agitation for the institutionalization of resource control and the practice of true federalism. This is in view of the underlying philosophy of federalism as a system of government where the component units of a political organization participate in sharing powers and functions in a cooperative manner. Control to the federal idea is granting financial autonomy to the different levels of government. Put differently, financial subordination makes mockery of federalism no matter how carefully the legal forms may be preserved.

The states must not permanently remain dependent on the federal government for allocations. In view of the relationship of the subject to Nigeria's continuous existence as an indivisible entity, it has become necessary to undertake a comprehensive study of the subject from an historical perspective. One major character of the Nigerian union which was to remain for many years was that the three regions of the North, West and East retained control of their natural resources. Indeed it was one positive aspect of the practice of federalism in Nigeria. 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 fore the demand for resource control. This phenomenon has generally been misunderstood. This study points out that the advocacy for resource control does not seek the exclusive control and ownership of mineral and other resources by the states. The advocacy is, rather, built upon the philosophy of justice that states should have a deeper stake in the exploration of mineral resources located in their territories.

1.1 Meaning and Nature of Federalism

The concept "federalism" is etymologically derived from the latin word foedus. The latin word foedus means treaty or agreement. Hence federation means a union of state based upon treaty or agreement. Federalism did not begin as a concept that has to do with social or political organization. According to Eme Awa earlier writers on federalism interchangeably used such terms as federal, confederacy, federation and confederation but that these terms are not the same in their modern usages (Awa 1976; Ugwu 1998:1).

Federalism is a system in which two levels of government, federal and regional (state) exist side by side with each possessing certain assigned powers and function (Okolo 2011:2). Federalism has also been seen as a situation whereby geographical distribution of power to govern is desired or has been achieved in a way of giving several governmental units of the system, some degree of security- some guarantee of continue existence as organization and shareholders of power (Sawer 1968). For Karl (1968) Federalism is a situation whereby the federal and regional (state) governments are limited to their spheres and within those spheres should be independent of the other. Dicey on the other hand sees federalism as a political arrangement meant to reconcile national unity and diversity with the maintenance of the rights of the state.

Federalism as seen by Okolo (2011:4) is a type of society operating a constitution, which works at two levels of government as a national and as a collection of related but self standing units. Federalism is that form of government where component units of a political organization participate in sharing powers and functions in a cooperative manner though the combined forces of ethnic pluralism and cultural diversity among others tend to pull the people apart. Furthermore, in federalism there are two or more levels of government: one at the centre level and the other at the level of the units. The later are not subordinate to the former, both derive their power from the same source that is the constitution, which is usually written and is the supreme law of the land. Demarcation of power between the centre and the units is enumerated in the constitution. Balance of power between the two levels differs from federation to federation. Thus while the USA, constitution clearly gives more importance to the units. (i.e. the state), the constitution of Canada provide for a stronger federal (i.e. central) government. The Indian constitution on the other hand divides legislative power between the centre and the state enumerated in the three lists (union list, state list and concurrent list).

1.2 Evolution of Nigeria's Federalism

Both Tamuno and Olusanya (1980) have traced actual British administration in Nigeria in the twentieth century to 1898, which marked an epochal attempt by the British government to establish and maintain colonial state. To ensure the central direction of policy and to pull economic resources together, the British government then adopted the policy of gradually amalgamating various administrative units in Nigeria which culminated in the 1914 episode of amalgamation of the Northern and Southern protectorates. From this period they maintained that Nigeria developed constitutionally till 1954 when the Lyttleton Constitution introduced federal principles into her body politics.

Since then, the Nigerian federation has had chequered history. It has been through four phases, namely, colonial, civilian, military and post-military. Between May and July 1966, it briefly ceased to be a federation and became instead, through military fiat, a unitary system of government. Each of these phases has left its mark on both the nature and the operation of the country's federation. Each phase put it through some stress that, in some cases, forced some adjustments to the character of the nation's federalism. Our colonial masters responded to the peculiar problems of the country in various ways, notably through constitutional arrangements. They wrote four constitutions for the country between 1922 and 1954 (Clifford, Richards, McPherson and Lyttleton). Each of these constitutions served its immediate and limited purpose but none produced the formula for an effective management of the great rainbow coalition in the Nigerian federation.

The pre-military federal system that Nigeria operated in the period now known as the First Republic was fundamentally different from the post-military federal structure. In the former, the three and later four regions, 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 was allowed to have its representatives in some foreign countries. They were designated agents, not ambassadors although they functioned practically in that capacity. Each region also had the symbol of its own authority. None of them was totally or near totally dependent on the centre for its fiscal and other needs. Each region was strong enough and rich enough to take care of itself. The main criticism of this arrangement was that the regions were too powerful and the centre was too weak for a meaningful federal system and national unity. The regions, given the degree of their autonomy, tended to treat the federal government with disdain. 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.

From January 15, 1966 to October 1, 1979, Nigeria had a military government. The military administration effected some fundamental changes in the nation's political and administrative system of governments. The first of such fundamental changes was Decree 34 of 1966 promulgated by the first military head of state, the Late Major General Aguiyi-Ironsi. Under that decree, Nigeria operated a unitary system of government. Given the political crisis at the time and what was clearly perceived as serious threats to the federation, General Ironsi felt that what the nation needed was a unitary form of government with an over-bearing centre. By the time the military quit the stage on October 1, 1979, in the first instance, they had succeeded in changing the character of the federation in response to the nation's historical problems of fear and domination. The centre became, and remains, powerful and the constituent units became, and remain, weak.

2. Conceptual Clarification and The Nature of Nigeria's Federalism

It has been discussed and agreed at many fora that the discussion of contemporary federalism seems to have started with Kenneth C. Wheare who saw federalism as a constitutional arrangement which 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). According to Wheare, this constitutional form is brought about by circumstances where people are prepared to give up only certain limited powers and wish to retain other limited powers to be exercised by coordinated authorities. He adds that coordinate supremacy of all the levels of government with regard to their respective functions remains a cardinal principle of federalism. This means that federalism has emerged as a particular kind of functional arrangement between states for living and working together nationally while presenting a measure of separate identity. Corroborating Wheare‟s definition and description of federalism, Kapur (1986) defined federalism as "a dual government where powers are divided and distributed by the constitution between a central government and regional or state governments". Such powers are original and derived. The component units i.e. the regional or state governments are "coordinate independent authorities within their allotted sphere of jurisdiction".

Kapur went further to assert that it is also imperative that the component units must also be left with adequate economic resources to run their administrations and perform the functions assigned to them satisfactorily without being dependent of the doles of the national government. According to Babalawe, a federal state is one in which there is an:

> *Explicit and constitutional demarcation of powers and functions among national and sub-national units. Moreover, the powers and responsibilities are distributed in such a manner as to protect the existence of authority of both levels of polity each of which is independent within its own sphere… Federalism refers to the doctrine which advocates and promotes the form of organization of a state in which power is dispersed or decentralized by contract as a means of safeguarding local identities and individual liberties (Babalawe, 1998: 92).*

Babalawe went further to posit that federalism describes not only the structure of a state, it also designates its political process and political culture. An important characteristics which distinguishes federal system from non-federal systems, is non-centralization of power. In a federal polity, there is an irrevocable division of power between the central and component units. It is pertinent to note that in Nigeria's federal experience, the above noted principle of Wheare's and Babalawe's federalism and Kapur‟s definition and description can no longer hold. This is because the central government has usurped the powers, which were formally exercised by the regional governments. While Rodee *et al* (1983: 52) defined federalism as "a constitutional definition of governmental power between the national and constituent units", to Friedrich (1963: 585) federalism is "a union of group united by one or more common objectives but retaining their distinctive group being for other purposes… it unites without destroying themselves that are uniting and it is meant to strengthen them in their group relations" Along this same analytical plane, Akindele (1995: 138) defines a federal state as "a political

entity or country where powers and indispensable decisions are exercised and made at two or multilateral levels of government in accordance with the strict mutually agreed constitutional provisions of the country concerned." It could be argued that these positions formed the basis of Kolawole‟s (1986: 1) claim that "federalism is anchored on consentient relationship" and that of Eleazar (1968: 360) that "federalism can exist only where there is considerably tolerance of diversity and willingness to take political action through conciliation even when the power to act unilaterally is available". From the foregoing therefore, it is then understood that federalism must combine both structure and process. Indeed, only where the process of governance as well as the political culture reflects federal principles is the structure meaningful. There is the freedom of people in each basic component of the federal polity to determine how they are governed. In a federal system, it is imperative that the constituent states/regions have considerable coverage in organizing the forms of government and procedures of governance. The constituent governments have come to rely on financial support from the central government, thus negating the principle of financial independence of the state governments as identified by Wheare. In this respect, Wheare stated thus:

> … *finally, if government authorities in a federation are to be really coordinate with each other in actual practice as well as in law it is essential that there should be available to each of them under its own unfettered control financial resources sufficient for the performance of the functions assigned to it under the constitution… it follows therefore that both state and federal authorities in a federation must be given the power in the constitution to have access and control its sufficient resources* (Wheare 1953: 106).

According to Wheare, the modern idea of what federal government is has been determined by the United States of America, which he has picked as a model. He has so much been captured with the United States‟ federalism which has led him to describe some constitutions as being quasi-federal because such constitutions do not provide the non-subordination of one unit of government to the central government. For example, Wheare‟s concept of federalism regards the pre-1966 Nigerian Constitution as quasi-federal because Section 66 permitted the Federal Government to declare a state of emergency on any region and to take over the running of the government of that region for a specific period of time. Wheare‟s, Kapur‟s and Babalawe‟s definitions and assertions draw us closer to the nature of Nigeria‟s federalism which seems not to tally with such definitions and analysis of true federalism. From Wheare‟s (1953), Kapur‟s (1986) and Babalawe‟s (1988) definitions and analysis, it could be concluded that in any true federalism, the regions or states have the constitutional right to control their resources without much interference from the central government.

3. Resource Control: A Fundamental Feature of True Federalism

Odje Mudiaga, in his book „The Challenges of True Federalism and Resource Control in Nigeria‟ succinctly considers the twin concepts of true federalism and resource control. As far as he is concerned, the two concepts mutually complement each other. A true federal state practices resource control while resource control functions vibrantly in a true federal state (Odje, 2000). Put together, resource control is an indication of the practice of true federalism. According to Azaiki, one major character of the Nigerian union which was to remain for many years was that the three regions of the North, West and East retained control of their natural resources.

This was one positive aspect to the practice of federalism in Nigeria. Azaiki went further to say that "while resource control is a basic economic theory grounded in the fact that land, labour, capital and entrepreneurship are factors of production within the context of federation, it implies that the federating units within a federation have a right to primarily control the natural resources within their borders, and to make an agreed contribution towards the maintenance of common services at the centre" (Azaiki 2003: 163). This was the case with Nigeria until the military struck in 1966. With the advent of the military in 1966, federalism suffered in Nigeria. The independence of the regions was compromised as a hierarchical command structure emerged. A very powerful central government came into being and the states which succeeded the regions became mere appendages to the central government. Interestingly, the military arrived, the scene when oil was gaining prominence over cocoa, groundnut and palm oil. Even more interesting was the fact that the oil deposits were found in states controlled by minority ethnic groups with very little say in the administration of the nation. It is therefore beyond coincidence that the principle of derivation was cancelled, and the rights and control of the natural endowments of the Niger Delta were transferred to the federal government. Were Nigeria to uphold the principles of true federalism, the present call for resource control would be non-existent.

This is because true federalism guarantees resource control. True federalism protects the fundamental rights of both the individual and the federating states. It affords states the benefit of deploying their resources for their own development. Davidson (1992), notes that Nigeria is currently operating a defective and fallible federalism because the Nigerian federal system has consistently undermined one of the most cardinal philosophical principles of federalism. He says "the relative autonomy, independence and self-determination of these units must be appreciated and guaranteed in clear terms." Advocates for resource control have argued that in any true federalism, powers are shared between the federating units and the central government in such a way that each government has its own apparatus for the conduct of its own affairs. They stress that in any true federalism, the oil, gas or any other mineral found in any state belongs to that state. They maintained that the fact that the areas that provide the national wealth are the poorest in the country is provocative. The condition of these areas (the Niger Delta States) and their people is aptly captured by Duru. "Foremost is that although the bulk of crude oil, the country's main source of revenue is derived from their land, they belong to the ranks of the most marginalized groups in the country. Another is that several years of exploration and hazards of spillage and gas flaring which accompany it have degraded their environment and left the communities desolate. Not only have farming and fishing, the major occupations of these mostly riverine minorities been decimated, their territories have continuously lacked basic infrastructure and amenities like electricity, roads, schools, hospitals, portable water and so on." (Duru, 1999: 54) Duru‟s observation was corroborated by O‟Neill (2007) who posits that "the cruelest twist is that half a century of oil extraction in the Delta has failed to make the lives of the people better. Instead, they are poorer still, and hopeless." Ibanga (2002) sees resource control within the contest between the states of the Niger Delta region and the federal government as signifying the political-legal authority by states to manage natural resources within their territories, in terms of defining the manner and mode of exploitation as well as the utilization of proceeds accruing thereto. Albert Okumagba, an environmentalist and a strong advocate for resource control views resource control as:

> *The desire of every state in the federation of Nigeria to control and manage the natural resources located therein… we do not want to seize the oil, but to participate. By no stretch of imagination thereof can the concept of resource control be equated with crude oil only. It surpasses same in a million fold*. (Okumagba, 2002: 162).

For him, resource control transcends the narrow confines of crude oil to include coal, hides and skin, tin, limestone, groundnut, rubber, cotton, palm oil and solid minerals on earth. Consequently any state that is endowed with any of these resources will be empowered to control and manage same upon payment of taxes to the federal government. Above all, he says that resource control will stimulate the healthy competition among the states and eventually lead to even development of the country. New barriers will be broken, more resources will be discovered and managed for the benefit of the Nigerian federation. The fact is that resource control will lead to diversification and revamping of solid minerals sector which has been neglected. To this end, the belief is that the practice of resource control will improve the pace of economic development of the whole country in general and particularly make the respective states to identify their comparative advantages which best serves the country.

The overdependence on oil has resulted in the abandonment of the solid mineral sector, thus illegal miners, in collaboration with some unscrupulous businessmen, are now having unhindered access to these minerals and exploiting same illegally. However, as succinct as the points raised by the advocates for resources control, mostly the elites from the South-South geopolitical zone of the country, their northern counterparts have consistently kicked against the agitation, seeing any attempt to allow states to control their own resources as a "recipe for disintegration". Presenting the Northern elites‟ position in an article caption "States Cannot Control Resources" and published in The Punch Newspaper of April 6, 2001, Alhaji Umar Tukur Dangaladima, a one-time Commissioner in Zamfara State dismissed the demand as unrealistic, adding that "the people of oil bearing states only migrated to settle in their present abode" and that they "met the land and everything there and therefore, cannot claim the resources to be their own." Similarly, a prominent Northern political leader, Alhaji Tanko Yakassi, has expressed the unfortunate posture of the North to the resource control issue. In an article published in The Guardian Newspaper of May 20, 2001, he noted that all the constitutions that had been operational in Nigeria from the colonial dispensation to date have placed the control of natural resources in the hand and control of the federal government. He also argued that all over the world, things like oil mineral deposits and so on are naturally controlled by the central government and wonders why Nigeria should deviate from such acceptable standard. He reminded the Niger Delta states that when the defunct Biafran Republic was declared over the area in 1967 by Colonel Odumegwu Ojukwu, the entire people of Nigeria sacrificed to liberate them. To this end, he creates a justification that other Nigerians deserve to share from the resources derivable from the Niger Delta area. ThisDay Newspaper of Sunday, April 15, 2001 presented the position of the 19

Northern state governors on the issue of resource control. The paper quoted a communiqué issued at the end of one of the Northern governor‟s meeting in Kaduna as rejecting the “true federalism” stance of the Southern governors, insisting that the actualization of such demand would have accompanying grave implications for the country.

3.1 Fiscal Federalism and Revenue Allocation in Nigeria

Currently, Nigeria operates a federal system of government with a federal government, 36 states and FCT and 774 local governments. In such a multilevel arrangement, fiscal responsibilities are vested in the central, state and local governments. This gives rise to decentralized fiscal system or fiscal federation. Federalism is seen as a series of legal and administrative relationships established among units of government possessing varying degrees of real authority and jurisdictional autonomy. To Okigbo, fiscal federalism refers to the existence in one country of more than one level of government, each with different expenditure responsibilities and taxing powers. Thus under fiscal federalism, one is subject to the influence of the fiscal operations of different tiers of government. It is a division of fiscal powers between or among sovereign levels of government in a federation (Herber quoted in Ekpo, 2003). Fiscal federalism, according to Nyong (1999) “is concerned with the relationship among the various levels of government with respect to the allocation of national revenue and the assignment of functions and tax powers to the constituent units in a federation.” He went further to assert that “perhaps the most important issue in fiscal federalism is revenue allocation formula, the sharing of national revenue among the various tiers of government (vertical revenue sharing) as well as the distribution of revenue among states (horizontal revenue allocation). Ekpo, on the other hand views fiscal federalism as the principle by which relations arising from the political decentralization of public sector functions and responsibilities are resolved. It refers to the allocation of resources among the tiers and units of government, and institutions for the discharge of responsibilities and functions assigned to each jurisdictional authority. The nature and conditions of the financial relations in any federal system is crucial to the continual existence of such systems (Ekpo, 2003). A cardinal principle and essential ingredient of federalism is that no level of government is subordinate one to another, though there must be a central government for this exercise. Some important features of federalism as noted earlier are:

(i) Division of powers among levels of government;
(ii) Coordinate supremacy of each level of government;
(iii) Financial autonomy of each level of government.

The fact that all tiers of government are coordinate implies that if state authorities, for example, find that the services allotted by them are too expensive for them to perform and they have to call upon the federal authority for grants and subsidy to assist them, then they are no longer coordinate with the federal government but subordinate to it. Consequently, the expert opinion of Wheare in this connection is that financial subordination makes mockery of federalism no matter how carefully the legal forms may be preserved. Although the question of how to acquire, increase, allocate and expand revenue has constituted an issue in the Nigerian society since its coming into existence in 1914, it was from 1946 that the issue of revenue sharing began to raise serious national concern since there was real fusion of fiscal operation in the country with the coming into effect of the Richards Constitution which provided for Legislative Council for the whole country and regional councils with large measures of devolution, the issue of revenue sharing came into sharp focus. Consequently, various Revenue Allocation Commissions were set up at different times to examine the issue of revenue sharing between the centre (federal government) and the regions and among regions and local governments (Onwioduokit, 2002). According to Vincent (2000), the concept of fiscal federalism was first introduced in Nigeria in 1946, following the adoption of Richards Constitution. The period 1947 to 1952 marked the beginning of the recognition of sub-national governments during which financial responsibilities were devolved to the three regions, North, West and East. In 1966, the era of military rule began in Nigeria while twelve states were created in 1967.

As observed by some scholars, the creation of more states and local governments was a deliberate tactics by the military to create dependency on the federal government. As at present, there are 36 states, the Federal Capital Territory with a near status of a state and 774 local governments. As said earlier, the issue of fiscal federalism in Nigeria has engaged various commissions and committees since the colonial days. Yet, even today, this issue continues to be in the front burner of national discourse. The calls or demands for resource control clearly demonstrate that this is still an unsettled issue. Between 1946 and today, nine commissions, six military decrees, one Act of the Legislature and two Supreme Court judgments have been resorted to in defining and modifying fiscal interrelationships among the component parts of the federation (Egwaikhide and Isumonah, 2001). Among these commissions were the Philipson Commission (1946), the Hicks-Philipson Commission (1951), Louis Chick Commission (1953), Jeremy Raisman Commission (1958), the Binns Commission (1964), the Dina

Commission (1968), the Aboyade Commission (1977), the Okigbo Commission (1980), and the Danjuma Fiscal Commission (1988).

3.2 Challenges of Nigeria's Federalism

The emergence of Nigerian federalism is not without challenges. B. O. Nwabueze in his book, „A Constitutional History of Nigeria" has identified the greatest problem of federalism in Nigeria today as the lack of proper understanding among the leaders and the general public of the nature of federal relationship as manifested between the federal and state governments. He has noted that in the Nigerian experience, the autonomy of each tier of government is misconstrued to mean competition and confrontation with each trying to frustrate the other whereas the conception underlying the system is that the federal and state governments are mutually complementary parts of a governance mechanism. To him, federalism demands cooperation between each level of government in order to promote the welfare of the people through their combined powers (Nwavueze, 1982). Nwabueze goes further to examine what he calls the six different principles involved in his definition of federalism namely: separateness and independence of each government, mutual non-interference of inter-government immunities, the question of equality between the regional/state governments, the number of regional/state governments whom a federal government can meaningfully exist, techniques for division of powers and a supreme constitution. He proffers some answers as to why revenue allocation has evoked intense controversy in Nigeria. According to him, the main reason is that federally collected revenue is the mainstay of the finances of the state governments accounting for over 90 percent of the total revenue and their entire developmental initiative is embodied in this. The Nigerian federalism originated from an existing unitary state devolving some of its power to the newly created governmental units based on the three regions of the country. Had the federation been formed by the coming together of existing independent states with already developed sources of revenue of their own, the question would have been how much of such sources of revenue should be surrendered to the new federal government. Another problem associated with Nigeria's federalism lies in what Professor Kimse Okoko calls "internal colonialism in Nigeria."

He notes that in Nigeria, groups that are politically dominant use their political linkage to appropriate more resources to themselves to the detriment of the politically disadvantaged groups. In the case of revenue allocation, their obnoxious practice has been most apparent. He recalls that the 1960 independence and the 1963 republican constitutions clearly favoured equitable use of resources by the regions. He quotes a section of the 1960 Constitution which maintains thus:

> *There shall be paid by the Federation to each region a sum equal to 50% (a) the proceeds of any royalty received by the federation in respect of any minerals extracted in that region (b) any mining rents derived by the Federation from the region* (Okoko, 2002: 12).

He adds that the central or federal government has subsequently become increasingly dominant at the expense of the oil producing states. Looking at the aspect of ethnic balancing in terms of state creation, Okoko observes that out of the 36 states and the Federal Capital Territory which now assumes the status of a state, only 6 states are created in the oil producing minority areas and when the fact that these states are not viable, and that they all depend on the Federation Account built around oil revenue for survival and the fact that the prevailing revenue allocation formula lay emphasis on population, landmass, need, equality of states over and above derivation, one begins to appreciate the fears and concern of oil producing communities in the Niger Delta. Ibaba S. Ibaba in his work, "Understanding the Niger Delta Crisis", renders account of the contradictions which have caught up with the crisis of development and general state of instability in the Niger Delta region. He describes the Niger Delta as an "old paradox" in many respects because, in spite of its evident and abundant resources both human and materials, including oil wealth of the country alongside its potentials for economic growth and sustainable development, the area represents one of the extreme situations of poverty and underdevelopment. He blames the situation largely on the nature of Nigerian federalism as defined by ethnic based political domination. He posits that "it is ethnic based political domination that is used to expropriate the resources of the oil communities for the dominant groups and the alliance between the dominant groups, the oil companies and the state enterprises, restricts the minorities access to the modern and more rewarding sectors of the economy" (Ibaba, 2001: 28). The author blames the government and the oil companies operating in the region for the long neglects. He cites what he calls the poor state of infrastructure and high unemployment of the indigenes as major indices to substantiate his proposition.

He also links the myriads of problems faced by the region to what he describes as "internal factors" such as weak socio-economic foundation of the region, compradorial leaders (elites, chiefs, opinion leaders), social

disintegration, educational backwardness and lack of entrepreneurship coupled with the difficult geographical terrain of the area. In concluding this section of literature review, one can say that the problem of Nigeria's federalism is associated with the creation of economically unviable states especially from the North. This has become a burden to the federal government which spends huge revenue to sustain the unviable states. Related to this is the question of overbearing powerful centre, politicization of population census, neglect of minority fears and agitations, bitter ethnic rivalry, corruption and poor leadership, lopsided revenue allocation and demand for fiscal federalism, federal character and military intervention in politics. The advent of military intervention in the political process of Nigeria was a major problem to Nigeria's federalism. The military sacrificed Nigeria's federalism on the altar of centralization. (Ebegbulem, 2010).

4. The Niger Delta Crisis and Its Root Causes

The Niger Delta region of Nigeria had for many years been a centre of major confrontation between host communities, on the one hand, and the government security forces and oil companies on the other hand. This has made the region to become an enclave of intense social strife. The discovery of oil in the Niger Delta region in commercial quantity triggered a chain of events that has led to the political and economic marginalization of the inhabitants. It has been argued by some scholars that oil has been more of a curse than a blessing to the people who have been at the receiving end of government and oil companies‟ oppression and brutality; often resulting in fatalities. Despite many decades of oil production and hundreds of billions of dollars of oil revenue, the people of the region remain in abject poverty without even the most basic amenities such as water and electricity.

Although the region has a long history of violence, the situation has gone from bad to worse with the emergence of armed militant groups willing to kill as part of their campaign for a greater share of the region‟s oil wealth. According to Azaiki (2003: 147) "The fact of the matter is that the political, economic and social dynamics of the region can be better understood in the context of the age -long neglect and underdevelopment of the area, occasioned by the exploitation and exploration of its rich oil and gas reserves.

The recurrent crises in the region are not recent developments or occurrence confined to few communities. They are flashpoints of the region‟s expression of long-term frustration at what the people of the region understand to be inequitable distribution of income accrued from the oil produced from the region. Various militant groups have sprung up of recent to undermine the activities of the oil companies, using different methods and tactics, thereby daring the Nigerian government. Prominent among such groups are the Movement for the Emancipation of the Niger Delta (MEND), the Niger Delta Peoples Volunteer Force (NDPVF), the Joint Revolutionary Council (JRC), and the Movement for the Survival of the Ijaw Ethnic Nationality (MOSEIN).

4.1 Causes of the Crisis

Different reasons have been given as the raison d‟etre of the Niger Delta crisis. It is germane to examine the historical and societal underpinnings of the crisis. The factors responsible for the crisis are: Poverty and lack have been advanced as major factors responsible for the crisis in the Niger Delta region. The government of Nigeria has made hundreds of billions of dollars of oil revenue in the last 40 years of oil production in the Niger Delta. Despite this huge amount of money, the people in the region remain in abject poverty and deprivation as they lack basic things of life like water and electricity. Life in the creeks of Niger Delta is anything but rich and prosperous. The Niger Delta, according to Mukagbo, Cable Network News (CNN) anchorman for „Inside Africa‟, "is a region where time seems to have stood still and where people live the most meager of existence, leaving them bitter and angry from not having benefitted from the black gold that makes Nigeria Africa‟s largest producer" (Mukagbo, 2007). Some leaders of the Niger Delta region have alluded to the fact that poverty and deprivation is one of the major reasons behind the agitation of the people of the region. The reason for the crisis in the region is deprivation and poverty amidst its plenty oil and gas resources.

All these statements seem to be in agreement with the World Bank view that poverty is one of the few causes of conflict in oil producing countries. The Bank, in an outcome of a research conducted, asserts that "the key root cause of conflict is the failure of economic development such that many of the world's poorest countries are locked in a tragic vicious cycle where poverty causes conflict and conflict causes poverty (Shankleman, 2006: 38). The Niger Delta region is underdeveloped in all its ramifications, despite the fact that it is the bread basket of Nigeria. Whittington aptly described the economic dilemma of the region when he stated that "the oil region in Nigeria seems to be stuck in a time warp, with little real change since oil was discovered 45 years ago. Away from the main towns, there is no real development, no roads, no electricity, no running water and no telephone" (Whittington, 2001). The underdevelopment is so severe the youths of the region are the hardest hit by lack of development. This is why many of them have resorted to militancy in an effort to focus national and

international attention to their plight. Despite all the claims by the oil companies to be involved in the development of the region it is to the contrary. The pervasive underdevelopment made Whittington to note that, "the government and oil companies have profited by hundreds of billions of dollars since oil was discovered. Yet most Nigerians living in the oil producing region are living in dire poverty." Unemployment is very high among the people of the Niger Delta region as the oil companies do not hire their employees from the region that produce the oil, but from non-oil producing regions of Nigeria. Speaking on the unemployment level of the youths, Birisibe said "majority of the youths from the region are unemployed. They do not benefit from the presence of the multinational corporations operating in their communities. Less than five percent of the people from the Niger delta work in these companies, women from the region in oil companies are less than one percent. A majority of the beneficiaries are from other parts of Nigeria". (Birisibe, 2001: 5)

Violation of the human rights of the local populace can be cited as one of the factors responsible for the militancy in the Niger Delta region. Oil companies like Chevron, Shell, Agip, Mobil and the other western oil companies have been very unkind to the people of the region. The human rights of the people are constantly violated by security forces at the behest of the companies. There has been excessive use of weapons by security agencies in the course of peace keeping often resulting in avoidable deaths. The Federal Government, exercising the instruments of coercion, forcefully descends on the communities of the region through the use of regular and mobile policemen, complemented by trigger-happy soldiers and plain-cloths security agents who are ready to kill at the slightest provocation. Instances abound where the government deployed soldiers and other security agents to decimate entire communities. These include the Ogoni crisis of 1994 which resulted in the murder of the environmental rights leader, Ken Saro-Wiwa and eight of his kinsmen, the Umuechan Saga of 1990, the Choba crisis of 1999, as well as the annihilation of Odi community in 1999.

The Niger Delta region is riddled with bad governance and corruption on the parts of government officials, both at the state and local government levels. It has been argued that if government officials in the region have utilized judiciously their monthly allocations to better the lots of the ordinary people, through the creation of jobs, and embark on infrastructural development of the region, the situation would have been better than this current sorry state. Rather the jumbo monthly allocations are spent on frivolous things that have no corresponding bearings on the life of the people.

Another factor that has been attributed to be responsible for the crisis in the Niger Delta is the alleged insincerity of the Federal Government to fully develop the region in partnership with the state governments. Commissions like the Oil Minerals Producing Area Development Commission (OMPADEC), created by the regime of General Ibrahim Babangida, for the development of the area did not achieve its aim due to poor funding on the part of the Federal Government, inspite of the huge amounts of dollars made from the area from crude oil. This gradually led some leaders in the region to begin agitation for resource control, and subsequent militant activities by the youths in the region. The government of Obasanjo set up another agency, the Niger Delta Development Commission, to bring development to the doorsteps of the people, but the operation of the commission is being hampered by lack of money to carry out its mandate and it became a serious obstacle in pursuing the goal of developing the region. The insincerity of the Federal Government made the people, especially the youths to confront the issue in a militant way. The situation forced many indigenes of the area to feel frustrated that another hope and promise has gone down the drain. It marked the hydra-headed issue of kidnapping of oil workers. The people, in their own judgement felt that the best way to react was by disturbing the flow of oil. They were of the view that since the government would not fulfill its pledges, they too would cripple the source through which oil flows.

5. Recommendation

Nigeria cannot be a strong and united federation unless and until the constituent parts (states) are sufficiently empowered by enabling practices that conform to the principles of federalism. It is the recommendations of this study that:

1. All traces of unitary system of government should be removed from Nigeria's form of federalism and allow the states the degree of freedom and autonomy consistent with federalism.

2. A major constitutional reform should be in place to make the states autonomous and independent to a reasonable extent.

3. An agreed percentage of tax or royalty should be paid by the states to the central government, and the oil producing states of the Niger Delta region must be allowed to participate in the exploration and exploitation of oil and gas in the states.

4. The derivation formula should be increased substantially from 13% to about 50% for the oil producing states, and the derivation principle should be extended to other resources including solid minerals and agricultural resources.

5. The Federal Government should tie the derivation fund that accrue to the oil producing states from the federation account to specific development projects in the oil producing communities to prevent the local ruling elites from diverting or misappropriating the funds as they are currently doing. This will enable the oil producing communities to benefit directly from revenue allocation.

6. The Federal Government should identify and repeal all legislations facilitating the economic oppression and political repression of the Niger Delta region.

7. There is need for review of the revenue allocation formula in order to increase the share of the federating units (States) to facilitate the discharge of the additional responsibilities devolved to them.

8. However, cogent as the demand for resource control may be, those agitating for it should continue to use dialogue, diplomacy and superior argument instead of violence to ask for their rights. The agreement and the understanding reached by the founding fathers of the Nigerian nation should not be undermined. The foregoing recommendations are the leverages Nigeria needs for effective federalism that can forestall crisis in the Niger Delta region.

6.0 Conclusion

The essence of true federalism is to allow each state or region in a federation a significant measure of autonomy to manage its affairs. The federalist debate in Nigeria centres essentially on the need to understand the basis of the contract of true federalism and resource control. This debate is longstanding, passionate and inconclusive. Despite the contrived arrangement as articulated by the ruling class, the systematic dysfunction has resulted in a series of violent, dramatic and traumatic inter-ethno regional confrontation, ventilating the essence of the debate (Ihejiamaizu, 2001). Indeed, the most spectacular and deliberate expression of the centrality of the contention is the current unprecedented demand of the Niger Delta states for resource control. Political observers, especially those of them from the Niger Delta region have argued that the agitation for resource control is a litmus test for the enthronement of true federalism. What made the regions strong in the first republic was their financial independence. Each region took care of itself and its needs within the limits of its internal revenue resources. What the regions received from the federal government through the principles of fiscal federalism which obliged the state to provide such assistance, was minimal. Contrary to the opinion from certain quarters, especially in the Northern part of the country that resource control would benefit only the oil producing states, it will clearly benefit all states of the federation. After-all, the six geo-political zones in the country are endowed with abundant natural resources waiting to be explored and exploited. We must recognize the position of the Niger Delta on this issue as a vital contribution to the resurrection of true federalism in Nigeria. All the 36 states will benefit from this, as they will also exercise exclusive jurisdiction over the natural resources in their respective territories. That crude oil production has been by far the most important activity in the Nigerian economy since the early 1970‟s is not subject to debate. Its impact is not limited to its contributing approximately 90 percent of Nigeria’s total foreign exchange earnings but also to the fact the budgets are predicated on the expected annual production and price of crude oil. That being the case, it would be quite reasonable to expect that the areas producing the nation’s oil would be very highly developed as compensation for what is taken away as well as for the devastation on the land engendered by the exploration process. Despite the existing federal legislations which make resource control to appear as an illusion, Senator David Dafinone sees resource control as a basic political theory grounded on the fact that land, labour and entrepreneurship are factors of production owned by individuals and should therefore be controlled by them. Akpan says that resource control and fiscal federalism are natural features of democracy, and the moment they are subtracted from the system, what may be achieved is internal colonialism.

He adds that democrats are supposed to be champions of liberty, egalitarianism and equity while despots are supposed to toe the line of oppression and forcible expropriation of the natural resources of people without

commensurate compensation. Like Okumagba (2002), he believes strongly that when resource control becomes operational, it will spark off competition and development endeavours. This study has been able to review critically and constructively the contributions of these scholars on the twin concept of true federalism and resource control as they affect the Niger Delta of Nigeria.

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