

# **FEDERAL BALANCING IN NIGERIA: A PARADIGM FOR SUSTAINABLE DEMOCRACY.**

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## **Introduction**

Federal balancing in Nigeria since she became a federation in 1954 till date is an issue worth discussing. Right from the time of amalgamation of Southern and Northern provinces in 1914, there have been cries of marginalization and domination from one section of the country to the other. The colonial masters have been blamed by some school of thought for this unfortunate situation. For this school, if the South had been left alone and vice versa, the current problem would not have arisen. However, the British did what was best for them at that time and not for Nigeria.

Prior to Independence in 1960, the North was complaining of marginalization by the South especially from the time of federalism in 1954. This fear of domination informed the refusal of the North to agree with the South to demand for independence in 1956. Ironically, from independence till today, the South is crying of domination by the North. In this paper, this North/South dichotomy will be discussed to know the extent of this domination and to see what efforts that have been made towards its solution.

It has to be equally stated that the case of domination is not only in the area of cabinet formation and other federal appointments but also in the area of revenue allocation. There has been no reported complaint, at least, as serious in the area of power sharing, that is, between the central government and the regional or state governments and the local governments as in the other two above-cabinet formation and revenue allocation.

## **The history of Federalism in Nigeria**

Prior to 1954, the geographical location called Nigeria existed but not as a nation or a unified state. The amalgamation of the Southern protectorate and the Northern protectorate in 1914 by Lord Lugard did not create a nation out of the two 'nations' that were existing. In an article, 'Federalism: the Nigerian Experience', Jide Osuntokun quoted Obafemi Awolowo as saying; "Nigeria is not a nation; it is a mere geographical expression. There are no 'Nigerians' in the same sense as there are 'English' or 'Welsh' or

'French'; the word Nigeria is merely a distinctive appellation to distinguish those who live within the boundaries of Nigeria from those who do not." <sup>6</sup> In this statement Awolowo was only being frank to the reality at hand, that is, existence of non-federal Nigeria.

Osuntokun equally referred to the feelings of Sir Arthur Richards in 1948 towards the same direction. Sir Richards wrote: "It is only the accident of British suzerainty which has made Nigeria one country. It is still far from being one country or nation socially or even economically. Socially and politically there are deep differences between the major tribal groups. They do not speak the same language and they have highly divergent customs and ways of life and they represent different stages of culture."<sup>7</sup> To still buttress the same point Osuntokun quoted Abubakar Tafawa Balewa as having said that "since the amalgamation of the Southern and Northern provinces in 1914, Nigeria has existed as one country only on paper... it is still far from being united. Nigerian unity is only a British intention for the country."<sup>8</sup> Chukwuemeka Odimegwu-Ojukwu summarized the whole issue thus; 'Nigeria is an amorphous groups of individuals pretending to be a nation.' These were feelings of most people prior to 1954 when Sir Arthur Richards (Lord Milverton) divided Nigeria into three regions without necessarily saying he was creating a federation.

### **Nigeria as a Federation**

Nigeria is a federation simply because she practices federal system of government. A federal system of government is defined as a system of government whereby the powers of the government are divided between the national or central government and the governments of the component states, regions and provinces; and in which each is legally supreme in its own sphere of authority. Both federal and regional governments are co-ordinate and independent of one another as regards the powers and functions expressly or impliedly given to them by the constitution. In other words, each government within a federation has its defined duties and it is confined to these duties alone, and no other government will be empowered to exercise such powers accruing to another government.

In its original sense, a federation means a group of states

who agree to unite together to form one larger country and set up a single central government to rule the new larger state; but since the component states do not want to lose totally their former identities or separateness, they retain some of their governmental powers and hand over only certain parts of their former powers to the newly created federal or central government.

The federation of Nigeria was different from this inauguration format. Nigerians were never consulted before the amalgamation of 1914 or the creation of three regions in 1954, so they never agreed freely to come together. Because of this unwillful coming together there was element of suspicion of domination especially by the north for the south that the north saw as being in a more advantageous position.

Therefore, the history of federal imbalance in Nigeria may be traced back to the period of the unfortunate amalgamation of the northern and southern provinces in 1914 by Lugard. Prior to this time, the northern protectorate existed with Islamic based type of polity, that is, rule by the emirs, independent of the southern protectorate with its own kind of representative system of polity. The south no doubt was more sophisticated and advanced politically than the north due to the fact of the influence or gains of western type of education and the presence of the Europeans. So at the amalgamation era, the north rightly feared domination by the south and was very suspicious about any dealing with the south. Olawale Albert in his article, "Federalism, Inter-ethnic conflicts and the Northernization Policy of 1950s and 1960s." quoted Mallam Tafawa Balewa in articulating the fears of the north thus: "The South with its many schools and colleges is producing hundreds of academically and technically qualified people for the public services. The common cry now is Nigerianization of public services. It is most important in a federation that the federal service shall be fully representative of all units which make up the federation. Now, what do we find in Nigeria? There are 46000 men and women in the Federal public Services. I have not been able to obtain the figures of the number of Northerners in the service but I very much doubt if they even amount to one percent.... Unless some solution is found it will continue to be a cause of dissatisfaction and friction."<sup>9</sup> This fear of domination in the North led to their refusal to agree with the

South to demand for independence in 1956. They instead introduced the 'Northernization' policy. Its aim was of course to expel Southerners who were at the helm of affairs at the Northern Public Services and replaced them with the Northerners. Olawale writes; "Between January 1954 and August 1958, a total of 2,148 Southerners were dismissed from the Northern Public Service and encouraged to seek employment in the South where they belong."<sup>10</sup> So the federation of Nigeria has from its inception the seed of domination and imbalance, initially the South over the North but later the North over the south. D.A.Ijalaye in his article 'The Civil war and Nigerian Federalism' confirms this position thus; "Of the 312 seats in the then house of Representative, 167 were allocated to the North, 70 to the East, 57 to the West, 14 to the Mid-west and four to Lagos on the basis of population. Simple arithmetic shows that the North had 22 seats more than the whole of the south put together."<sup>11</sup>

The history of federalism in Nigeria started in 1954 after the breakdown of the Macpherson constitution (1951-2). Nigeria actually adopted a federal constitution in October 1955 and thus the beginning of the struggle for separate development (not only of the previous South/North dichotomy but now based on region persuasions) and paradoxically for the control of the centre, since control of the centre was crucial to what form future association would take.

The minority groups immediately after the adoption of the federal constitution in Nigeria started to agitate for their recognition to avoid domination. This agitation of the minorities led to the creation of Mid-western region in 1963; twelve states in 1967; nineteen states in 1976; twenty one states in 1987; thirty states in 1991 and thirty six states in 1996, and the current cry for additional one state to the present day south-east geo-political zone. These creations were attempts to balance the imbalance in the political structure of the Nigerian polity.

One important observation to make is that the more Nigeria is being divided into smaller units the more the component units are weaker and the centre stronger. In the first republic, we had a strong federating units and weak centre and that accounted for the refusal of

Ahmadu Bello to leave the northern region to come down to Lagos to be the Prime Minister. At that time the regions were more attractive than the centre. Today, with the existence of thirty six states, it seems that the centre is everything and that equally accounted for Atiku Abubakar to leave his position as governor of Adamawa state, and Goodluck Jonathan to leave the government house in Yenogoa, Bayelsa state to come to the centre to be the vice president of the nation.

The history of federalism in Nigeria suffered a setback in May 1966, when the military government under Major-General J.T.U. Aguiyi-Ironsi abolished the federal system of government and formed a unitary system of government. Thus, the national military government legislated for the whole of the country.

After the counter coup-d'état of July 1966, General Gowon promulgated a decree abolishing the unification decree of Ironsi and restored Nigeria to federal system of government. Nigeria did not go back to the old four regions but dramatic changes took place. According to D.A. Ijalaye; "by breaking the old Northern and Eastern Regions into six and three states respectively, each with extensive semi-autonomous powers, and by the distribution of assets and liabilities of the former regional governments, major changes had been effected in the potential balance of powers within the federation as well as the position and powers of Native Authorities and of many ethnic groups especially the minorities."<sup>13</sup> Actually, this was done to forestall the secession of the East as republic of Biafra as indicated by colonel Ojukwu. It has to be noted and very seriously too, that federalism can never blossom in a military government, no matter how well the government may be or tries to stabilize itself or the nation at large. Ijalaye articulated this position this way; "Military rule, by its very nature does not favour an ideal federalism since the unified command of the Army has not been trained for such a system of government. What we have found is that by and large, State governments tend to become mere agents of the supreme command because of the strictly hierarchical structure of the Army."<sup>14</sup> This fact shows that Nigeria for the greater part of her history has practiced inadequate federalism because of the military involvement in politics.

Federalism, despite its inadequacy in Nigeria is a dynamic process just like any other system of government. It remains a viable system for the allocation of power between governments and as an instrument for national integration in spite of our colonial experience and the character of the Nigerian state from 1960 till date. What is needed in the Nigerian experience or practice of federalism is a new form of federalism arising from some political restructuring in which each of the states should have a constitution which must be consistent with the national constitution and legal order. This will resolve the national question which still persists because federalism has been operated essentially as a unitary system where central government dominates.<sup>15</sup> This is a call to go back to the time, that is, in the first republic when true federalism was in place. What we have now is a unitary system of government purporting to be federal. The nostalgia for the good old days of federalism may have inspired many nationalists, especially after the June 12, 1993 annulment of the freest and fairest democratic election in Nigeria, to call for a radically restructured federation in which the power of the federal state will be reduced. This actually was in their minds when they were calling for a sovereign national conference to settle this once and for all. So this clamour for political restructuring seems to be informed by the poor praxis of an admittedly formal federal system. In the Nigerian case, while federalism has brought several nations (ethnic groups) within Nigerian polity together, actual federal practice has hardly been able to keep them together happily.<sup>16</sup>

In Nigeria presently, the crisis of federalism has gone beyond the case of bickering among ethnic groups into the issue of social injustices that are rooted in cross-national class and gender conflicts.

### **Features of Federalism in Nigeria (1954-1999)**

Among other features in the Nigerian practice of federalism, three stand out prominently, namely, power sharing between the governments; cabinet formation and revenue allocation. We take them separately.

### **(a) The Pattern of Power Distribution between the Federal Government and the Regional Governments.**

A very important feature of the federal framework of 1954 was the three regional structures, for which the country was bedeviled by problems arising from fears of domination. This fear of domination necessitated the creation of another region in 1963 to the existing three. Under the 1963 Republican Constitution, Nigeria was made up of four regions. The powers of government were allotted between the federal government and the constituent regions and each had legislative, executive and judicial powers over the matters allotted to it. This format of power sharing in the first republic which was parliamentary is not substantially different from what obtained in the Nigerian second republic which was presidential. This format tallies with the definition of federalism by professor B.O.Nwabueze which runs thus: "Federalism is an arrangement whereby powers of government within a country are shared between a national, country-wide government and a number of regionalized...governments in such a way that each exists as a government separately and independently from the others operating directly on persons and property within its territorial area, with a will of its own and its own apparatus for the conduct of its affairs, and with an authority in some matters exclusive of all the others."<sup>17</sup> The legislative powers in Nigeria in accordance with the first republican constitution were grouped into three headings, namely, Exclusive list, Concurrent list and Residual list.

**1) Exclusive List:** In all subjects or matters contained in the Exclusive list, the Federal government, as the central authority representing the whole country, was the sole authority that could legislate on them for the whole of the country. The regional governments had no say here. The list included such subjects like the Army, Police, Nipost, Nitel, Railways, Airports, Seaports, Mining, Customs and Excise, Immigration, Banks and Banking, Foreign borrowing and External affairs, etc. The federal government controlled all these without the concern of the regional governments.

**2) Concurrent List:** These were the subjects on which both the Federal and the Regional governments were empowered by the constitution to make laws. The list included such subjects like Universities, Drugs and Poisons, Public order, Labour matters and

Prisons, etc. Despite this beautiful alliance between the federal and regional governments, the laws made by the Regional governments would only take effect if such laws were in compliance with that of the laws made on these matters by the Federal government. This was to avoid conflicts between the two governments.

**3) Residual List:** These were the subjects which were neither included in the Exclusive nor Concurrent lists. They were the main concern of the Regional governments. The matters included Hospitals, Local government, Agriculture, Forestry, Schools and Customary courts, etc.

The Federal government, vis-à-vis the regional governments, was more powerful. Some important aspects of the Regional Constitution could not be changed without the Federal government consent. Again, the federal government had the powers to declare state of emergency throughout the whole country or any region as she did in the Western Region in 1962.

In the second and the brief third republics, power sharing between the federal government and the state governments was not as that of the first republic. In these two republics federalism was a mere shadow of itself. The states had no constitutions of their own except that prepared by the federal government for them which was uniform in nature not minding the cultural and ideological differences in Nigeria. The current fourth republic is not different from the second and third republics in this regard.

### **(b) Cabinet Formation**

This section of the paper will draw much from the experiences and views of Eghosa E. Osaghae, who wrote, 'The Federal Cabinet, 1951-1984' in "Federal Character and Federalism in Nigeria". Basically, cabinet is defined as that machinery of the executive branch of government which is charged with the execution and implementation of government policies and decisions, and with the day to day governance of the polity. Hence, one will be right to maintain that the veritable instrument of government is the cabinet or what some scholars called council of ministers or heads of government departments. In the recent time ministers or cabinet members are for the most part selected and appointed by the



president or head of government depending on either presidential or parliamentary system of government. Again, as time moves on, one discovers that the number of ministers in a government is always on the increase. This may be attributed to the fact that modern governments are growing in responsibilities, especially in the area of the welfare of the citizens.

Now, because membership of a cabinet is through selection and appointment and not by election, the issue of having a balanced cabinet which is defined as 'one in which a diversity of interests and talents are represented' is paramount. The purpose of such representative cabinet, particularly in geographical terms is to give a form of representation to all of the important sections of the country. The reason for maintaining 'important' sections is for the simple reason that it is not desirable to have a full scale representation. One can only imagine a situation where in a country like Nigeria there are as much as 250 ministers representing each of the ethnic groups in Nigeria. To avoid such a funny cabinet, most of the time what obtains in a federal system of government as far as cabinet balancing is concerned is to take the constituent states or regions as units of representation.

Though the constituent units in a federation should ideally be represented in a cabinet, it has been difficult to have cabinets in which every state is represented, sometimes because the ministerial portfolios are less than the constituent units. In a situation like this, certain factors determine the likelihood of a state being represented. The first is the more sensitive or important a state is considered politically, the more likely it is to have a cabinet representation. The second factor is the socio-economic status of a state. For instance, a state which produces oil in an oil dependent nation will likely have a cabinet representation. Thirdly is the factor of the nature of election victory of the ruling political party. The areas that gave support to the ruling party will likely be rewarded with cabinet membership. The fourth factor is the theory of speciality. By this, I mean that some states enjoy the privilege of being special either because they are minorities or they are separated from the rest of the country by natural obstacles like rivers or mountains.

Another point to be considered in the area of cabinet balancing is the quality of portfolios. It is very evident that some

portfolios are juicier than the others. However, it has to be noted that a portfolio is as juicy as the ruling government defines it. Again, the factors of time and the nature of polity determine the importance of a portfolio. In war times, surely the Defense portfolio is the most important, likewise that of External affairs, and during peace times, Internal affairs, Finance and Health are considered very important. So these juicy portfolios need to be fairly distributed and not be monopolized by sections of the polity. If distribution is not fair, what obtains is purely a negation of the representative principle of cabinets. Fair distribution is very essential for both government and political stability.

### **The History of Cabinet in Nigeria**

Cabinet formation has its roots in Nigeria during the colonial administration but it reached maturity with the introduction of ministerial responsibility in the Macpherson Constitution of 1951. The introduction of ministerial responsibility was, however, a matter of bitter disagreements between the nationalists of an advanced South and backward North who met at the Ibadan General Conference in 1950 to consider the provisions of the Macpherson constitution. At the end of the conference, there was an agreement that there should be a council of ministers at the centre, to be headed by the Governor and to include amongst others, four ministers from each region. Only six of these ministers were to be responsible, that is, to be given portfolios. However, it was not until 1954, the year that Nigeria formally became a federation of three regions that individual ministerial responsibility was introduced. The ministers at this time were equal because there was no Nigerian head of government. This arrangement rendered the cabinet very weak.

The office of the prime minister was formally created in 1954 and this firmly established the Nigerian cabinet. Tafawa Balewa was appointed the first Prime Minister and he established a national government in which all the political parties and regions were represented. This was the situation till independence in 1960.

From the time of independence onwards, regionalism or constituent units still played a part in cabinet formation but the most decisive factor is party affiliation in terms of civilian regimes

whether parliamentary or presidential systems of government and in the case of military regimes, firstly the loyalty of the serving officers in the case of military ministers, and secondly, in the case of civilian ministers, the socio-economic status of the potential minister. These civilian ministers in military regimes were most often drawn from the class of ex-politicians, university academics and administrators, etc. In some cases, these ministers may have been classmates or close associates of the leaders of the ruling junta. In a situation like this, the issue of cabinet balancing is still to be considered as very important.

So in considering how balanced cabinets are, there is often a tendency to highlight the powerful portfolios and to say that the representation of a cabinet notwithstanding, if there is no 'federalization', that is, federal spread of the important portfolios, then the cabinet is not balanced in pure power terms. This is especially the case where a section of the country monopolizes these sensitive portfolios. In such a case, there is a sectional domination of the government. This has been the case in Nigeria from 1967 till 29th May 1999. From May 29th 1999 till date, attempts were made to normalize this abnormality and because the structure of sectional domination was being dismantled, there was a cry from the dominating section of marginalization. For them, non-marginalization means their dominating system all along the history of independent Nigeria and not federal balancing.

An analysis of sectional domination in the Nigerian polity goes back to 1959 when the North began to have the preponderant majority in the cabinet. Really in the first republic (1960-1966) the region had half of the total number of ministers. It is equally on record that in the first republic, the minorities were relegated in the cabinet as they had a very minimal representation. However, under the military regimes of 1967 to 1979, the situation changed in favour of the minorities. What necessitated the changes was, first the forceful emergence of the minority factor which came as result of the creation of the twelve states in Nigeria in 1967 which gave the minority states the right of representation. Again, it has to be noted that between 1967 and 1975, General Yakubu Gowon, the head of state at that time was from the minority tribe. What this brought about was very obvious. At that time the absence of any Igbo

minister could be understood—the fact of the civil war which found the Igbo leading secession attempt.

In the Nigeria's second republic (1979-1983), the North dominated as in the first republic. Now the major reason for this was constitutional requirement that every state shall produce at least a minister. This is the federal character theory which was formulated as a way of balancing the government appointments. In the nineteen state structure in place at that time, the North had more states than the South. Another factor was still the issue of party affiliation. The then ruling National Party of Nigeria (NPN), had the greatest support from the northern states. So after fulfilling the constitutional requirement of at least one minister from each state, the excess ministerial positions went to the NPN controlled states.

With the return of the military in 1984 till their exit on May 29th 1999, the North continued to dominate. This time around, the military saw the whole country as a unit in their cabinet appointment. Despite this view the North after all dominated. Another point worth mentioning as I come to the end of this section is the qualitative composition of the cabinets according to the constituent units of the federation. By this I mean, how far has the issue of important portfolios been federally distributed? Important or juicy portfolios as said earlier on are determined by how the ruling government sees it and high budgetary allocation. Generally, a face value analysis reveals that the North has been dominating. This is true but not totally. What has been happening is that one section dominates in certain areas while the others in other areas. For instance, the North has been dominating in the areas of Defense and Internal affairs; the South in the areas of Health, Justice and Transport and Aviation; the East in the areas of Education and Information. That of Finance ministry has been an exclusive reserve of the minorities especially the Mid-west and Eastern minorities. Therefore, in a situation like this, there is both domination and non domination.

To bring this section to an end, the following conclusions can be drawn. First, there has been a conscious effort to ensure that every cabinet in Nigeria is balanced in terms of the constituent units

of the federation. This is strengthened by the constitutional provision of Federal Character in the 1979 constitution which required in selecting ministers, that there must be at least one minister from every state who must be an indigene of that state. Secondly, despite this conscious attempt to balance the cabinet, there is a discernable majority bias in these balancing processes. And lastly, though the federal character principle came about only in 1979, it has formed the cabinet composition since then.

### **(c) Revenue Allocation**

“The nature and conditions of the financial relations in any federal system of government is crucial to the survival of such a system. Thus, in most, if not all federal countries, one of the most constant sources of inter governmental wrangles centers on the problem of securing adequate financial resources on the part of the lower levels of government to discharge essential and political constitutional responsibilities”<sup>18</sup> One cannot safely ignore the importance of revenue in the day to day running of any government. This being the case, the mode of acquiring this revenue especially the regional or state governments created a lot of problems in many federated nations. In this section of the paper, how revenue has been shared between the central government in Nigeria and the regional or state governments from the colonial to the present date will be discussed.

The issue of revenue allocation and economics of federalism necessitated the federal government to set up Commissions and Committees with experts as members to articulate on the issue of proper revenue allocation formula and make recommendations. Such commissions and committees included the Chick’s (1954), Raisman (1958), Binn (1964), Dina (1969), Aboyade (1977), Okigbo (1980). The information in this section of the work is mainly from the articles of F.A. Olalokun, “Nigerian Federal Finances: Issues and Choices, and Gini F. Mbanefoh and Festus O. Agwaikhide, “Revenue Allocation in Nigeria: Derivation Principle Revisted”.

**(i) Chick Commission:** In 1954, when Nigeria became a federation, the need to find a format of sharing revenue between the central government and the regional governments arose. Prior to this time,

because Nigeria was not a federation, the problem of sharing or allocation of revenue was not as sensitive and tasking as in a federated nation. To find a way out of this, a revenue allocation commission headed by Sir Louis Chick was set up. The commission was asked to take proper account of the need to provide the regions and the centre an adequate measure of fiscal autonomy within their own sphere of government. The commission came out with the recommendation that the total revenue available to Nigeria was to be allocated in such a way that the principle of derivation be followed to the fullest degree for the purpose of meeting the reasonable needs of the centre and each of the regions, amongst others. The 1954 federal constitution embodied most of the recommendations of this commission especially the derivation formula.

(ii) **Raisman Commission:** Chick's formula of revenue allocation was in operation from 1954 to 1958 when another commission was set up to replace it. This new commission was headed by Jeremy Raisman with a view to correct the defects that appeared in the then fiscal system. The commission's terms of reference included (a) the limited range of independent revenue at the disposal of the regions, (b) the weakness in the application of the principle of derivation on which so much stress has been laid in the past, (c) the absence so far of any provision whereby a region could be treated for revenue allocation purposes from the point of view of needs rather than on the basis of amount of revenues generated within its boundaries. In accordance with these terms of reference, the Raisman Report played down considerably the principle of derivation and instead placed great emphasis on population, which is regarded as an approximate index of fiscal need. It also emphasized on the basic responsibilities of the regional governments as well as the need for an even development of the country as a whole. This recommendation was taken and thus the whole revenue allocation formula was reversed. This was the situation until independence.

(iii) **Binn Commission:** The next fiscal review commission was appointed in 1964 and was headed by Binn. The report of the

commission was not published until 1965. When it came out it still emphasized on the use of the principle of fiscal need. This was the state of affairs until the 27th of May 1967 when the military Decree no. 15, empowered the government to carve out twelve states out of the existing four regions. Because of the prevailing situation in 1967 during the creation of twelve states, what obtained was to subdivide federal transfers to each former four regions among the states in a particular region. This arrangement because of its arbitrariness met with stiff opposition and criticisms.

(iv) **Dina Commission:** In a positive response to the criticisms and opposition of the military arrangement, the Federal Military Government appointed in July 1968 an interim allocation committee headed by Chief I.O.Dina, who submitted its report in February 1969. The report stressed that the most urgent problem facing the nation was the great imbalance in economic development among the various states. Its recommendations were, therefore, directed towards the possible solutions to the problem of uneven economic development. The committee realized the uneven distribution of resources and if this is to be put right resources must be distributed. The committee, therefore, recommended that in distributing resources that the fiscal needs of the states should be the determining factor. This is mainly on the side of distributing oil revenues. It recommended that only ten percent as against fifty percent should go to the mining states while the remaining ninety percent should go to the other states through the federal government. This recommendation of the commission was never implemented by the government; rather, during the period between 1969 and 1974, the government relied on an interim allocation arrangement which was largely based on the principle of derivation and that of need to a lesser extent. In 1975, the Federal Military Government promulgated the Revenue Allocation Decree to reverse the situation. This is a departure from the principle of derivation. The non-oil producing states benefited more from this arrangement.

(v) **Aboyade Commission:** This commission was called a technical committee and interestingly its recommendations which had a bent towards the derivation formula was rejected for technical reasons.

The rejection was informed by the fact that it was too technical relative to the stage of Nigeria's development. This rejection was influenced by the radical fiscal federalists.

(vi) **Okigbo Commission:** This commission was appointed by President Shehu Shagari in 1980 but it submitted its report in 1981. It was headed by Dr. Pius Okigbo, a renowned economist. What was special about this commission was that it was the first in a presidential system of government in Nigeria. The commission was saddled with the responsibility of finding how to allocate revenue to the different tiers of government in relation to their constitutionally assigned functions. Following the submission of minority report to the commission that the derivation principle should not feature again in the revenue allocation scheme, the principle was dropped by the commission. Those who supported the idea of doing away with the principle argued that it significantly raised the revenue of some states at the expense of others and therefore, it negated the idea of balanced development in the country. The Okigbo commission's recommendations were invalidated by the supreme court of Nigeria. However, the revenue Act that was passed by the National Assembly in 1981 was based on the commission's report. According to the Act, the Federal Government was to receive 55% of the federation account; State Governments, 30.5% and local Governments, 10%. The remaining 4.5% was for special funds. A close look at this reveals that the derivation principle was discarded in revenue allocation scheme as requested by the minorities and non-revenue generating sections of the country. The 1984 Military Decree and that of 1992 on revenue allocation increased the State Governments' revenue. Between the period of 1980 and 1995, the amount allocated to the States increased from about N2.4 billion in 1980 to N10.9 billion in 1989 and N38.4 billion in 1995. As for allocation to the states, what counted most was the population and fairly no state got an embarrassing amount above the others which was contrary to what obtained in the derivative principle era. The addition that is to be made here is that for some time now, the oil producing states, as a result of agitations from them, have been receiving 13.5% extra because of the adverse effects of oil drilling which they suffer. But



in the 2005 Constituent Assembly set up by President Olusegun Obasanjo, the oil producing states demanded for 50% increase. The Assembly resolved to give to them 25% by instalment. As at the time of writing this paper the resolutions of the Assembly have not been implemented either in part or in whole.

From what has been discussed above, it is very clear that since the era of formal federalism in Nigeria from 1954, the fiscal relationship between the centre and the periphery resembled the roles of a house holder and house keeper or that of the pay master dictating the tune. Indeed, despite constant variations in the percentages allocated from the federation account to the states and local governments, the centre always had the largest share.

### **Conclusion**

The issue of federal balancing in Nigeria simply confirms the existence of imbalance. All the attempts made so far to change the status quo have not yielded satisfactory results since there are still allegations of marginalization from one section or the other. The idea of sharing power and revenue without cries of marginalization and neglect may not be possible because of the type federalism being practiced in Nigeria. The type of federal balancing that will lead to sustainable democracy has to be put in place. This type is the one that will give the states autonomy in everything, the centre will only be guiding and overlooking the states. Thus, every state will be in charge of the revenue generated from there and only pays tax to the centre or any other way it can sustain the centre. The states will have their constitutions different from the centre but not contrary to it. The states should have supreme courts but pays allegiance to the central Supreme Court. Hence, some states must be richer than others. Again, citizenships of the states should be liberalized. That is to say, not only state of birth of one or ones parents should determine ones state of origin but the practice of changing one's citizenship from one state to the other should not be strict. What should obtain mainly is state of residence. In any state one resides for at least one year, he or she automatically becomes a bona fide citizen of that state. This idea automatically means that there will be nothing like tribe or religion in all documents of the states. What obtains in Nigeria today as a way of maintaining balance known as

the zoning system is purely anti democratic. In an ideal democracy which we are advocating for Nigeria, what counts most is performance or merit and not from which region or state or zone. Only the best should count even if they are from the same house. We should not forget the President Bush (Snr.) and President Bush (Jnr.) in the United States of America or a President handing over to his wife as has applied in countries like Argentina. However, despite all these 'statisms' patriotism should go to the Nation always. In this arrangement, the centre is not weak as it may seem. There are certain responsibilities reserved for it, such as Defense, International relationship and allied departments. These have huge amount of monetary allocations. So all in all, with this type of democracy in place in Nigeria, then she will be recognized as one of the best democracies in the world.

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