

**NIGERIA AFTER MILITARY RULE:  
FEDERALISM, RESOURCE ALLOCATION,  
AND ETHNIC POLITICS**

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## PREFACE

It came as little surprise that Nigeria's April 2003 election resulted in the confirmation of President Obasanjo's tenure in office. Critics lost no time in pointing to elements of continuity with past elections: the escalating financial war between aspiring candidates; the power of incumbency in influencing media coverage of campaigns; politicians who maintain substantial, sometimes violent 'youth' followings; and logistical problems that resulted in irregularities in the actual vote. Despite these difficulties, the 2003 poll is unique. Unlike the Second Republic's ill-fated second election in 1983, public responses to the election reflected a far greater willingness to support efforts of civilian politicians to tackle the country's greatest problems. These issues — the character of Nigerian federalism, its application to the question of resource allocation, and its relation to ethnic politics — are the central themes of these three essays. In confronting these issues, Nigerians voted in considerably greater numbers than citizens in some wealthy democratic countries. More than 69 percent of eligible Nigerians voted in the 2003 presidential poll, comparing favorably to the 54 percent turnout in the 2000 United States presidential election and comparable to the 74.9 percent turnout in Britain's 2001 general election. Moreover, in significant cases, they exacted a measure of accountability: they kicked out legislators and governors whom they regarded as autocratic and irresponsible. The results have been accepted throughout the major zones of the country.

Despite its problems, the poll is accepted as a satisfactory exercise, if viewed as a stage in an ongoing transition. Each of these three essays gets to the heart of this transition. Richard Sklar's essay, "Nigeria's Fourth Republic: Can It Weather the Storms?" highlights the continuity of debates over the role of ethnic identity in national politics. Should ethnolinguistic communities be recognized as the primary legal basis for government institutions? Should it affect the demarcation of state boundaries? This contemporary issue descends directly from the ideas of rival Nigerian nationalists who guided the country into independence. After the Second World War, Obafemi Awolowo argued that yes, ethnicity should be a basis for institutional demarcation while Nnamdi Azikiwe maintained that Nigerian identity should transcend these regional and local identities. Sklar's analysis of the historical roots of debates over the nature of nationality in Nigeria had direct echoes in the 2003 election. The victorious presidential candidate, Olusegun Obasanjo defended the position that stresses the universality of a shared Nigerian national identity. The process and outcome of the election reflected the popular strengths of this sentiment. At the elite level, the structure of the bigger political parties resembled big tents that integrated ethnolinguistic coalitions of candidates. At a grassroots level, most voters responded favorably to this image of their country, for the most part rejecting those who called for greatly increased regional autonomy.

Can the 2003 election alone solve the question of how to organize Nigerian politics? Rotimi T. Suberu shows how the legacies of military rule, continuous between 1983 and 1999, distorted institutional mechanisms of Nigerian fiscal federalism. The great Nigerian political scientist, Claude Ake, insisted that oil is the stuff of Nigerian politics. The distribution of its huge proceeds has occupied the center of debates about how government revenues will be shared between states and the federal government. Suberu explains how the country's military rulers,

especially Sani Abacha (1994–1998) subverted existing institutional arrangements, creating instead informal arrangements that centralized control over the country's main source of revenue. That portion of the national treasure that was distributed to states and regions came from Aso Rock in the form of personal rewards for political loyalty, and for the most part, went into the pockets of corrupt elite government officials, military officers, and other public figures. Military governments blatantly ignored all previous expert advice and legislation that required this revenue be distributed to states through federation accounts and revenue sharing. Suberu explains how military rulers manipulated these institutions to hypercentralize revenues instead.

This hypercentralization shows signs of reversal. Suberu notes that the April 2002 Supreme Court decision that upheld the rights of oil producing states to claim at least 13 percent of oil revenues (in policy terms, the principle of derivation) stands as the most significant rollback of previous practice. Oil-producing states have yet to see all of this money. But for Suberu, the cat is out of the bag; the federal government's own agencies affirm the promise of derivation and people in oil-producing states will not stop pressing their claim. It is also a crucial part of long-term democratic transition, since the effective implementation of policy rests upon the operation of effective and legitimate institutions of the state.

Derivation highlights the tensions between the ethnolinguistic regionalist view of Awolowo and the universalism of Azikiwe that is at the heart of Sklar's essay. Is derivation one or the other? It is compatible with the universalist notion that the federal government shall act as an arbiter, protecting the rights of all Nigerians. On the one hand, the people of the Niger Delta region have cause to claim that military rule caused them disproportionate harm, both in terms of resources lost and in military government interference in their local affairs as part of a sustained strategy to divide and set these communities against one another. On the other hand, local claims to oil revenues underlie the coalescing of a distinctive South-South ethnolinguistic identity.

Naanen's essay enters the conversation at this juncture. He confirms Suberu's analysis that the twin centralization of political power and oil revenues was the main offense of military governments against the federal system upon which the Nigerian state was founded. Here, however, the tension between the Awolowo and Azikiwe visions is more acute. Naanen observes how Delta communities long defined themselves as distinctive ethnolinguistic communities. The reader learns, for example, that Ogoni leaders were careful never to sign away rights of autonomy in the colonial era and resisted British rule well into the twentieth century. He presents politics under military rule as a sequel to colonial oppression, both of which interfered in local politics to weaken resistance to outside control.

An important amendment that challenges most considerations of power and revenue distribution appears in Naanen's essay. Niger Delta communities, he notes, managed to establish significant contacts with overseas environmental and self-determination advocates. This brings in outside resources, diplomatic and political as well as material. This extension of community ties into international advocacy networks influences local mindsets in significant ways. Local youths call for the establishment of human and environmental rights as they attack oil installations and advocate for more community development. At the same time, they incorporate strategies that have produced effective results in other oil-producing areas of the world. Thus discussions about Nigerian federalism, ethnic politics, and resource allocation are irrevocably no longer internal to Nigeria or Nigerians.

Naanen introduces complex considerations for the national question. His analysis of Delta communities shows the extent to which the state itself is the problem for ethnolinguistic communities that are fighting for self-determination. Is this situation reformable within the framework of a single Nigeria? Others stress the inherent tendency for ethnic self-determination movements to adopt illiberal, exclusionary stances. Naanen charts a middle course, arguing that community autonomy must be respected as a central element of what local people consider to be legitimate governance. This is compatible with membership in a Nigerian community. Even more



than Suberu, Naanen stresses the importance of the April 2002 Supreme Court decision upholding derivation. The significance of the decision goes beyond the revenues involved. It affirms the importance of shared *rules* as the core of a shared national identity, even if they cannot be perfectly followed right now. The creation of rules is central to the process of institutionalization of effective and legitimate government, a process that extends well beyond elections and the creation of political parties. It is significant that Naanen predicts that Nigeria will survive as a single state, especially since his essay concerns the grievances and politics of groups that were central targets of military government predations, heirs to long traditions of self-determination, and continue to suffer Nigeria's greatest levels of violence.

Taken together, these essays do not *solve* the nationalities question in terms of whether the Fourth Republic will stand either on Awolowo's ethnolinguistic or Azikiwe's universalist principles. Instead, they present the Fourth Republic as a democratic transition in process. All of the essays stress the importance of properly administered and legitimate institutions as necessary elements in resolving these problems. The authors are in agreement that these vehicles, more than a final resolution of the nationalities question or of derivation in a single, definitive policy, constitute the best guarantee against fragmentation and violence. Those looking for neat solutions will be disappointed; the more patient — which the last election seems to indicate includes a significant section of Nigerian voters — recognize that fixing the political process is what matters most. Therein lies the importance of the 2003 election, not as a paragon of free and transparent elections, but as a significant step away from predations of military governments toward self-rule that can accommodate Nigeria's diverse communities and circumstances.

The Nigerian population was ready to concede this patience to Obasanjo in 2003, but the fiscal and ethnic problems discussed in these pages are not going to get shelved this time around. The results of the election do not provide a blueprint for resolving these problems, only the clear mandate to solve them somehow, or at least to make a creditable start. They, like the authors here, agree that ethnic identity cannot be ignored. This is most strongly stated by Naanen, while Suberu is most confident of the role of properly administered institutions in resolving these problems. Ultimately, this will be a political decision, worked out among the Nigerian people themselves. Each essay points to elements of what this political accommodation is likely to include. Suberu emphasizes institutional and legal reform that provides uniform rights for all citizens. Naanen proposes that this will take place in the context of disproportionate allocation of resources to producer areas.

This outcome is not so unusual in world experience. The United States provides special economic advantages to Indian reservations, as does Canada. India has administered an affirmative action program since 1885. Malaysia's great economic boom is built on an extensive policy that favors hitherto disadvantaged ethnic Malays. Australia, Canada, and the United States give aboriginal inhabitants special rights over resources and heritage sites. In each country these policies are controversial. The endless policy debates are distinctive to each country, and form part of what any regional expert recognizes as the distinctive political discourse of those particular places. Like Nigeria, the debates over community representation, resource allocation, and federalism never end. Instead, their success is measured in the degree to which legitimate and effective institutions, the *rules* that Naanen stresses as the key to the Niger Delta nationalities question, shape and protect these debates.

Thus, there is nothing particularly new in that Nigerian politics moves in the directions and seeks solutions that have provided relief to many others. These essays de-exoticize Nigeria's recent military experience and current reform. They show how great, yet how manageable, these problems are. Nevertheless, these essays do show more subtly how Nigeria is distinct. This distinction lies in the resilience of policy makers and public experts, including the authors of these working papers. Despite all of the problems that military rule wrought, the idea of the legitimate pursuit of a diverse but single Nigerian state remains, and people expect the state to

play a big role in solving these problems. Obasanjo is part of this group, who, despite some flaws, exhibits a sense of service and integrity befitting a committed nationalist and international public figure. As these essays show, it is possible to solve the national question, not in favor of one or the other, but in terms of consideration for the diversity of the country that shares the idea of Nigeria as a single state. Far from being the disaster that much of international media make it out to be, Nigeria's democratic transition shows a far preferable alternative to the "solutions" that Yugoslavs and others have pursued.

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## NIGERIA'S FOURTH REPUBLIC: CAN IT WEATHER THE STORMS?<sup>1</sup>

*Richard L. Sklar*

It is a very great pleasure for me to return to Africa House, truly a hallowed hall for African studies in the United States. I recall my first opportunity to speak in this venue. It was the winter of 1966 soon after the First Nigerian Republic was terminated by a military coup d'état. After thirteen years of military rule, including three years of civil warfare, the Second Republic was inaugurated in 1979. Four years later, it too was destroyed by a coup d'état. Ten years on, in 1993, the anticipated birth of the Third Republic was aborted by the nullification of a presidential election. Although the Third Republic never existed, its number was retired and its name immortalized as a tribute to both the democratic movement for civilian rule and the main martyr for that cause, the president-elect, Moshood Abiola, who died in prison on the eve of his expected release, shortly after the death (or alleged assassination) on June 8, 1998 of the military dictator, General Sani Abacha. I am not aware of any previous instance in which a phantom republic has been so honored.

Had the Third Republic been established in 1993, the popular transition to civilian government would have validated several legacies of military rule. The constitutional charter for that failed transition prescribed a far more highly centralized form of federal government than any previous or subsequent constitution for the country. In addition, the Sani Abacha military regime created a two-, but only two-, party system, which is widely deplored by democrats today as a badly misconceived and undesirable restriction on political activity. By contrast, the Fourth Republic of 1999 resuscitated the widely respected 1979 constitution of the Second Republic. That constitution was drafted by civilians, scrutinized by commentators in the country's free press, and adopted by a constituent assembly. Although the final product was adulterated by military amendments in 1979, and again in 1999, but never properly ratified by the voters or their representatives, it is still the result of a serious attempt to express the will of the people. However, the Fourth Republic itself is on trial in the court of public opinion. A large percentage of the country's intelligentsia believes that that the new constitution should be tolerated as a transitional phase between military rule and a revamped system of government. Persons of that persuasion expect a new constitutional order to emerge from deliberations involving representatives of the numerous ethnolinguistic groups that constitute the Nigerian nation.

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<sup>1</sup> Portions of this address have been derived from my essay, "Nigeria: Toward a Fourth Republic," in (Falola 2002, 401-410) and "Foundations of Federal Government in Nigeria" (Onwudiwe forthcoming) and "On the Study of Constitutional Government in Africa" (Akiba forthcoming).

**The Nationality Question**

Linguists have identified some 400 distinct languages in Nigeria. In Nigerian political discourse, ethnolinguistic groups are known as nationalities. Historians estimate their number to be in the vicinity of 350. Three nationalities — Hausa, Yoruba, and Igbo, in order of their size — account for nearly 60 percent of the nation's population, now estimated to approach 120 million. Other nationalities range in size from several thousand to several million. The concept of nationality is complex. While it signifies legal identity on the one hand, it is also used to indicate cultural and political identities that are not legal. In Nigeria, the nationality question is roughly this: Shall ethnolinguistic nationality be recognized as a main legal basis for governmental institutions? This question is pertinent to a wide range of constitutional and political issues, for example, the existing requirement of parental descent for membership in a local authority. Yet another example is the extent to which ethnolinguistic nationality should affect the demarcation of states in the Nigerian federation.

Both sides of this question are traceable to the ideas of rival nationalists, principally Obafemi Awolowo, who argued "yes," ethnolinguistic nationality should constitute a basis for governmental institutions, and Nnamdi Azikiwe, who argued "no," it should not. Awolowo and Azikiwe were two of the three pre-eminent founders of the Nigerian nation. Their careers were associated with the Yoruba nationality of southwestern Nigeria and the Igbo nationality of southeastern Nigeria respectively. Their northern nationalist counterpart, Ahmadu Bello, who represented the Hausa-speaking Muslim emirates, had a different perspective, one that did not center on the nationality question. He thought in terms of a multinational state controlled by his political party, not as a sole legal party but one that would comprehensively dominate the former Northern Region, which contained about 54 percent of the country's population at the time of independence. His state-centered thinking, in opposition to Awolowo's orientation toward ethnolinguistic nationality, produced one of the sharpest contrasts among Nigerian nationalists of the independence era. Today, the spirit of Ahmadu Bello lives vigorously in the northern emirate sector.

It is quite striking that the incumbent president, Olusegun Obasanjo, an Egba Yoruba, perpetuates the Azikiwe tradition that Nigerian identity is transcendent and does not depend on ethnolinguistic identity. While President Obasanjo takes great pride in his ethnic heritage and his traditional title in the Egba kingdom, he nonetheless believes in the legal exclusivity of Nigerian nationality and, for that reason, has referred to himself as a "detrribalized Nigerian." By contrast, the minister of justice, Bola Ige, has said that to be a good Nigerian one must first be a good member of one's ethnic group.<sup>2</sup> We should note that this is an intellectual issue, not an ethnic conflict. Thus, the organized Igbo leadership, known as *Ohanaeze Ndigbo*, has adopted Awolowo's belief in ethnolinguistic self-determination. This conclusion is evident in the close alliance between Ohanaeze and its Yoruba counterpart, *Egbe Afenifere*. It is also manifest in the collaboration of Igbo and Yoruba intellectuals in a committee of citizens known as The Patriots. This committee, which includes influential persons of diverse ethnic origin, was formed to promote constitutional change based on the principle of self-determination for nationalities. It is highly significant that the two leading personalities in this group, Rotimi Williams and Ben Nwabueze, are also two of the most prominent and influential legal luminaries in Nigerian history. Chief Williams's contribution to Nigerian political life, including his chairmanship of the historic Constitution Drafting Committee of 1976, is legendary. Professor Nwabueze is a formidable scholar of world-class distinction; his remarkable ascent to political prominence could only happen in a country where the public truly admires erudite politicians because they are erudite.

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<sup>2</sup> Sadly, Bola Ige was assassinated on December 23, 2001.

My observation on an Igbo-Yoruba alliance in the Awolowo tradition against President Obasanjo's Azikiwe tradition reinforces my suggestion that the nationality question is an intellectual, rather than an ethnic, issue. While it is true that most thinkers from the emirate sectors of the North support Obasanjo's vision of nationality in opposition to most of the leading southern thinkers, it is also true that people of all ethnic backgrounds come down on both sides of this question. Furthermore, the protagonists within each camp are democratic and highly respected public figures and intellectuals, so the debate takes place within a national framework of democratic ideas. Whatever the result of this debate; however the matter may be resolved or partially resolved, or not resolved; most Nigerians in all parts of the country should be able to live with the outcome. In all probability a healthy debate on this question will continue for many years to come.

### **The Federal Question**

Nigeria is the world's fifth largest federation — after India, the United States, Brazil, and Russia. The Nigerian dream of federal democracy is like the Indian dream. Its success will benefit the cause of multiethnic democracy everywhere; conversely, word of its failure would produce great disappointment, not only in Africa, but also in multinational societies on all continents.

The Nigerian federation is polyethnic in form, meaning that most, if not all of the thirty-six states have primary ethnic identities.<sup>3</sup> Each of the three largest ethnic nationalities account for all but a relatively few people in five to seven states. A few medium-sized nationalities are identified with one or two states; fourteen states are emphatically multiethnic. The federal question has three distinct components, thus: (1) How shall the constitutional units of the federation be demarcated and how many shall there be? (2) What shall be the relationship between the government of the federation and the government of its constituent parts? (3) What shall be the relationship between Nigerian citizens and the national government? I shall consider each of these issues in turn.

The architects of Nigerian federalism have endeavored to reconcile the claim of each nationality to its place in the constitutional sun with the practical necessity of having a reasonable number of viable states as constituent units of the federation. Among the attempts to resolve this problem, none have been more fateful, or less successful, than those involving the formation of geographical clusters, known as regions or zones. The lessons of Nigerian political history teach that political regionalism is not compatible with the empowerment of a multiplicity of politicized ethnic groups. Once regions are established and endowed with political power, ethnic interests are routinely sacrificed to regional interests, which often prove to be the interests articulated by the leaders of large ethnic groups. While the large groups become regionalist, smaller groups look to the center for protection against their overbearing neighbors within the region.

A federal system of government, comprising three regions (in the North, Southeast, and Southwest), was created in colonial Nigeria in 1954 and preserved at the time of independence in 1960. Three years later, the Western Region was partitioned to create a fourth region for ethnic minorities in that part of the country. When the Eastern Region tried to secede from the federation in 1967, the Federal Military Government appealed to minorities in the secessionist region and elsewhere by dividing the country into twelve states, six in the North and six in the South. That historic decision corrected a flagrant territorial imbalance that had been a leading cause of political instability. Thereafter, regionalist thought and organization remained relatively dormant until 1993, when the military government terminated

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<sup>3</sup> Use of the term "polyethnic" to describe federal systems in which the constituent units "coincide with...ethnic, tribal, or linguistic" boundaries is attributable to Duchacek (1970, 293).

the transition to civilian rule. Meanwhile, in response to popular pressures for local autonomy, military rulers increased the number of states to nineteen in 1976, twenty-one in 1987, and thirty in 1991. The widely despised military government then sought to earn political credit by creating six additional states for a total of thirty-six, which is three times the number deemed necessary to secure a stable balance of constituent states in 1967. Critics contend that proliferation has created an array of weak, financially unviable, states that function as conduits for the transmission of federal resources and services to local authorities. To be sure, successive military governments have relentlessly promoted centralizing tendencies within the nominally federal framework.

In the aftermath of the aborted transition to a Third Republic, disillusioned democrats revived political regionalism as a strategy of resistance to the Federal Military Government. Ironically, their program resurrected a six-zonal blueprint of purely British colonial origin that had not been mentioned in Nigerian political debates for over fifty years (Paden 1997, 243–245). In three of these proposed zones, a regional language is spoken by nearly all of the people: Hausa in the Northwest, Igbo in the Southeast, and Yoruba in the Southwest. In the Northeast, there is a large Kanuri-speaking population as well as many other ethnolinguistic groups. The North-Central is extremely diversified, including a multitude of languages and ethnic groups. The remaining zone, named at first “southern minorities,” then “South-South,” encompasses a broad band of ethnic and linguistic groups, from Itsekeri, Urhobo, and Edo, and Ijaw-speakers in the western and central sections to Ibibio, other Efik-speakers, and Ekoi-speakers in the East.

Although these regions are strictly unofficial, without constitutional sanction, they have been relevant as political entities, for example, meetings of groups of governors who have then announced common positions on issues. Three of the regions — the Hausa-speaking Northwest, the Yoruba-speaking Southwest, and the Igbo-speaking Southeast — are relatively cohesive, both culturally and politically; the other three are far from cohesive. Two of the cohesive regions, the Southeast and Southwest, have pronounced autonomist tendencies. The Northwest, however, is not autonomist because the Hausa-speaking emirate leaders have transregional aims and interests based on both precolonial history and religious culture. Specifically, the emirate system, created by Hausa-speaking Fulani warriors and their allies during the first decade of the nineteenth century, extends into the northeastern zone and parts of the North-Central. Furthermore, the emirate peoples share a common conception of Islam, including a disposition to establish Islamic law for penal adjudication as well as personal and family questions, as we shall consider presently.

The three noncohesive regions are ethnically and linguistically diversified. The South-South is defined by its separation from the Igbo (southeastern) and Yoruba (southwestern) states. It includes the oil-bearing Niger Delta and adjacent wetlands sector that accounts for more than 95 percent of the value of Nigerian exports. Lacking cohesiveness as a geopolitical zone, its political orientation is defensive rather than autonomist. Here nationality groups are wary of any form of external domination, although they have rarely been secessionist. Similarly, the north-central zone, known popularly and historically as the Middle Belt, contains by far the largest number of nationalities. Most of them are motivated by an age-old desire to secure their separation from the Muslim emirates within a Nigerian federation. Finally, the highly diversified northeastern zone includes many emirates as well as the Kanuri kingdom, which is emirate in form. Hence the region as such is not autonomist and the desire for separation from the emirate sector is limited to areas within its southernmost states, where non-Muslim communities predominate.

I wish to consider three alternative outcomes to the current debate over the form of territorial organization in Nigeria: (1) a federation of the presently existing states, now thirty-six in number; (2) a federation of regions, probably six in number but possibly a few

more; (3) a confederation of regions. These observations are intended to be strictly analytical rather than judgmental.

A federation of the existing states would probably perpetuate the highly centralized form of federalism that was created by the constitution of 1979 and restored by the present constitution. Theoretically, it would be possible to reverse that tendency by empowering each of the thirty-six states to frame and adopt its own constitution in accordance with a minimum number of general guidelines. This proposal, made on various occasions by the distinguished political scientist, Peter P. Ekeh, would be an alternative to the existing provision of uniform rules for all state governments in the federal constitution. As Ekeh has observed, even the smallest of the Nigerian states has a larger population than some dozen African countries.

The leading proponents of a reconstituted federation that would consist of regions are members of a committee known as The Patriots, previously noted for its advocacy of ethnolinguistic nationality as the basis of government in Nigeria. The Patriots advocate a federation consisting of six regions; the existing thirty-six states would become administrative areas within the constituent regions. Evolution toward a federation of large regions may be expected to intensify the autonomist tendencies of two regions that are relatively cohesive, namely the Southwest (Yoruba) and Southeast (Igbo). In Nigerian history, the foundation of regional autonomy is the constitutional principle of economic derivation, meaning that revenue derived from exports should be returned to the region of origin. When, in keeping with their Awolowist orientation, The Patriots endorsed that principle, they exempted offshore oil revenues, which, they said, should be paid into the federal account. "Hold on!" exclaimed leaders of the delta/wetland states of the South-South. That, they declared, is our money because it is off our shore. The Patriots may have shown an appetite for oil revenue at the expense of a constitutional principle. Upon reflection, the dilemma may be resolved for southwesterners by the discovery of ample oil deposits in their own deep waters.

Planning for a regionalist constitution might well entail consideration of the third alternative, a confederation of regions, particularly if the differences between regions are accentuated during the course of deliberations. This outcome has been anticipated by Professor Nwabueze, a leading member of The Patriots and general secretary of Ohanaeze Ndigbo, in an address to a conference convened in Abuja by a Committee of Concerned Traditional Rulers. Speaking on behalf of delegates from the southeastern zone, he advocated the establishment of a national "conference of ethnic nationalities," with the option of confederation "on the agenda" (Nwabueze 2001).

Confederation means, in effect, that the constituent states (or regions) can nullify the laws and acts of the central government. Confederations are based on relationships between governments. Direct relationships between citizens and the national government are few and weak, if they exist at all. Political scientists refer to this condition as a "democratic deficit" (Watts 2000, 167). In that circumstance, there is a strong tendency for the constituent governments of a confederation, which are directly accountable to citizens, to assert their own claims to sovereignty. A change from federation to confederation implies growing weakness of the ties that bind the regions and might foreshadow an eventual dissolution of the Nigerian union, a perilous prospect that might be very difficult, if not impossible, to accomplish peaceably. Military intervention and civil warfare would entail the displacement of populations and the creation of a multitude of external and internal refugees. In short, a breakup of the union could produce a humanitarian disaster on a massive scale in the West African region.



**Legal Dualism**

Toward the end of 1999, the government of the state of Zamfara, a northern state in the emirate sector, announced its intention to adopt the entire legal system of Islam, known as *Shari'a*, as the official legal system of the state. Since then, twelve northern states, which include the great majority of the forty-plus Muslim emirates, have taken that decisive step into the realm of theocracy, signifying the fusion of political and religious authority. These actions have nullified the historic compromise of 1960, which confined the application of Muslim law to personal status, family law, and civil cases. In preparation for independence, the Northern Region government had adopted a penal code based mainly on that of the Sudan, which had been widely accepted by Muslim legal authorities as being entirely compatible with the *Qur'an* and prophetic teaching. The Sudanese precedent was important because it had shown that the legal system of an orthodox Islamic society could be adapted to modern life in a nation that was religiously diverse. Like its Sudanese model, the northern penal code did incorporate elements of Islamic law, for instance, the penalty of whipping, although this was administered in a manner that minimized physical pain and stressed public humiliation (Browne 1962, 496–497). Yet, as Professor Nwabueze has observed, *Shari'a* did not thereby become the legal system of the region or any of its nineteen successor states in the Nigerian federation. Furthermore, the penal code is a secular instrument, subject to the constitution, including its declaration of human rights (Nwabueze 2000). When state governments decided that *Shari'a* itself would supersede the penal code and all other laws insofar as Muslim residents in those states are concerned, the historic compromise was violated together with Section 10 of the constitution, which prohibits the adoption of an official religion by either the federation or any of its constituent states.

Proponents of *Shari'a* argue that Islamic law will not be applied to non-Muslims, although the religious identity of individuals may not be obvious to those who enforce the law. In any case, where *Shari'a* has become law, there are two categories of citizens based on religion, each with its own set of rights and criminal penalties. Muslims are liable to be flogged in public for drinking an alcoholic beverage in a public place; they are subject to the penalty of amputation of a hand for theft, a hand and foot for armed robbery; they must participate in compulsory prayer at regular intervals during the day. Muslim women are subject to many restrictions, including a prohibition against travel with men other than family members in public conveyances. Women may be subject to caning for extramarital sex; recently, a *Shari'a* court has sentenced women to death by stoning for adultery.

Legal challenges to the enforcement of *Shari'a* have been unavailing; the high court of a *Shari'a* state has ruled that Christians do not have standing to sue. As yet, no Muslim grievants have come forth. While President Obasanjo has expressed his personal dismay and opinion that the introduction of *Shari'a* is unconstitutional, he appears to believe that the question is too laden with emotion to be resolved by the Supreme Court and should be resolved politically. Presently, nine of the seventeen justices of the Supreme Court are Muslim. Evidently the vast majority of Muslims outside of the emirate areas do not favor the establishment of *Shari'a* in their own states. Yet the question is extremely sensitive; it is noteworthy that prominent Muslim champions of democracy and liberty in southern Nigeria have been uncharacteristically silent on this issue.

In the northern emirate states, the legal supremacy of *Shari'a* is widely extolled as a fundamental religious right as well as an effective antidote to both criminal behavior, which is rampant in the South, and the spread of sexually transmitted diseases, particularly AIDS. Although the early introduction of comprehensive *Shari'a* in states controlled by a political party that opposes the president's party may be attributable to political opportunism, the new legal order is now supported by an overwhelming majority of the emirate intelligentsia with deep moral conviction. Its establishment in states that include the vast majority of emirates

presently appears to be irreversible. Political scientists have a concept, "constitutional asymmetry," for the accommodation of systemic differences within federations (Watts 2000, 164–165). Canada, Belgium, Spain, Russia, India, Malaysia, and now Nigeria exemplify this development in the science of government. Will recourse to the theory of constitutional asymmetry suffice to accommodate legal dualism when it is based, in part, on theocracy? Time will tell.

It may be both realistic and salutary to think of this question as a manifestation of the legal nationality question, rather than a question that is essentially religious in nature. As we have noted, the introduction of Shari'a is favored by Muslims in the emirate sector of the North. Muslims in the South, including approximately half of the Yoruba nationality, which is second in size to the Hausa only, do not in the main appear to favor the introduction of Shari'a as a replacement for the existing system of statutory law. Intractable as they often appear to be, nationality questions are still more amenable to compromise solutions than religious disputes that involve sacred beliefs and doctrines.

Meanwhile, religious issues, arising mainly from the Shari'a question, have sparked deadly conflicts between nationality groups in the northern cities of Kaduna, Jos, and Kano. In Kaduna, capital of the religiously diversified state of Kaduna, actions taken in early 2000 by the House of Assembly to prepare for the establishment of Shari'a resulted in deadly violence. More than 600 Christians, the vast majority of them Igbos, were reported to have been killed. When a bus laden with corpses arrived in the Southeast, enraged mobs attacked innocent and defenseless Hausas; some thirty were murdered in the Igbo city of Aba, while Hausa property was destroyed in other southeastern towns. A Kaduna State judicial commission, highly critical of Christian community leaders, has alleged that approximately 1,300 people in the state lost their lives in religious conflicts during the year 2000. Others say that the total number of deaths was considerably higher. Subsequent conflicts between Christians and Muslims in Kano, capital of the emirate state of Kano, and Jos, the capital of Plateau State in the middle belt, have been comparably deadly.

In the immediate aftermath of the Kaduna massacre, all five governors of the Igbo-speaking southeastern states declared their support for a confederal form of government; as Enugu State Governor Chimaroke Nnamani said, "we subscribe to a future of a loose confederacy, with a weak, lean center for purely administrative purposes" (quoted in *The Guardian Online*, March 8, 2000). The Igbo governors' statement was welcomed by the leading Yoruba political organization, Afenifere, to which all six southwestern governors belong. While the aim of confederation was endorsed by the broadly-based Igbo political organization, Ohanaeze Ndigbo, one wonders whether Igbo leaders truly seek that outcome, since the Igbo states are land-locked with modest resources. By contrast, the Yorubas, with an extensive, and reportedly oil-rich, seacoast could easily go it alone. The real intent of some, if not all, of the Igbo governors may have been to warn their northern emirate counterparts that confederation, and the consequent forfeit of the northern states' existing entitlement to oil revenues, would be the high price of Shari'a.

If the emirate nationalities choose to jettison the principle of a secular constitution in favor of theocracy, they may have to pay for it in discounted development. However, the Southeast and Southwest would also be cut off from the great bulk of present-day oil production, which is why The Patriots wish to exempt offshore oil from the principle of derivation. Apart from theocracy, no issue generates more intense feeling at the present time than "resource control", which centers on the question of who has the right to control the ownership and management of natural resources. Whether such control would vest in local communities, ethnic groups, or state governments matters less to the proponents of this idea than the principle of an ancestral right upon which the claim is based.

The principle of resource control is ardently espoused by thinkers in the delta/wetlands, or South-South. Were it not for the Shari'a question, southeastern views on resource control might be closer to the North than the South-South. The multinational, Christian South-South has much in common with the multinational and largely Christian middle belt, except for resource control, which does not appeal to most middle belt thinkers. In brief, the pattern of crosscutting ethnosectional interests in Nigeria is far too complex for comprehension with simple frameworks of analysis. The false conceptual frameworks of Christian versus Muslim and North versus South only obscure the interests and values of Nigerian political actors.

### Conclusion

In January and February 1999, a sequence of elections, both state and federal, reproduced a pattern of political party formation that has persisted, with brief interruptions since the emergence of nation-wide political parties during the Second World War. There has often been a party of political barons or elites, widely distributed throughout the country, opposed by sectional parties or a coalition of sectional parties. While the party of widely distributed elites has always had ethnosectional strongholds and centers of gravity, its top-down national, as opposed to bottom-up coalitional, structure has been a major asset in national electoral campaigns. I suggest that national elite coalitions have regularly out-performed electoral coalitions created by politicians who have tried to reach out from a primary ethnosectional base to ally with similar parties and factions in other parts of the country. Nigerian history suggests that coalitions of sectional groups are unlikely to win national elections.

The presidential election of February 1999 reconfirmed this finding. The Peoples Democratic Party (PDP), a recently constructed national elite coalition, bested a coalition of two sectional parties with diametrically opposed political orientations, namely the emirate-based All Peoples Party and the Southwestern Alliance for Democracy. Although the presidential election was marred by widespread fraud, the margin of Obasanjo's victory, and the breadth of his support compared with that of the coalition's candidate, indicate that he would have won handily even in the absence of gross malpractice. While the PDP was overwhelmed in the sectional strongholds of the Hausa and the Yoruba, it still captured a majority of gubernatorial offices and both Houses of the National Assembly. A party of common national purpose had yet again vanquished an ethnosectional coalition.

In the aftermath of that election, I suggested that the PDP would evolve as a Big Tent, while its opponents would become little tents, or satellite parties, as many of their members and supporters gravitated from their redoubts of sectional dissent to the house of national power and influence (Sklar 2002, 405-407). I did not think that the nationality question could sustain effective competition at the national level because it always evolves into political regionalism, which appears to have been rejected in the Northwest, Northeast, North-Central, and South-South. Apart from the nationality question, no other political or economic issue seemed likely to inspire and sustain nationwide, as distinct from local and sectional, opposition to the Big Tent party of national purpose. I predicted that "the spirit-mediums of ethnic self-determination" would, in the words of the poet, Henry Wadsworth Longfellow, "fold their tents, like the Arabs, and silently steal away."

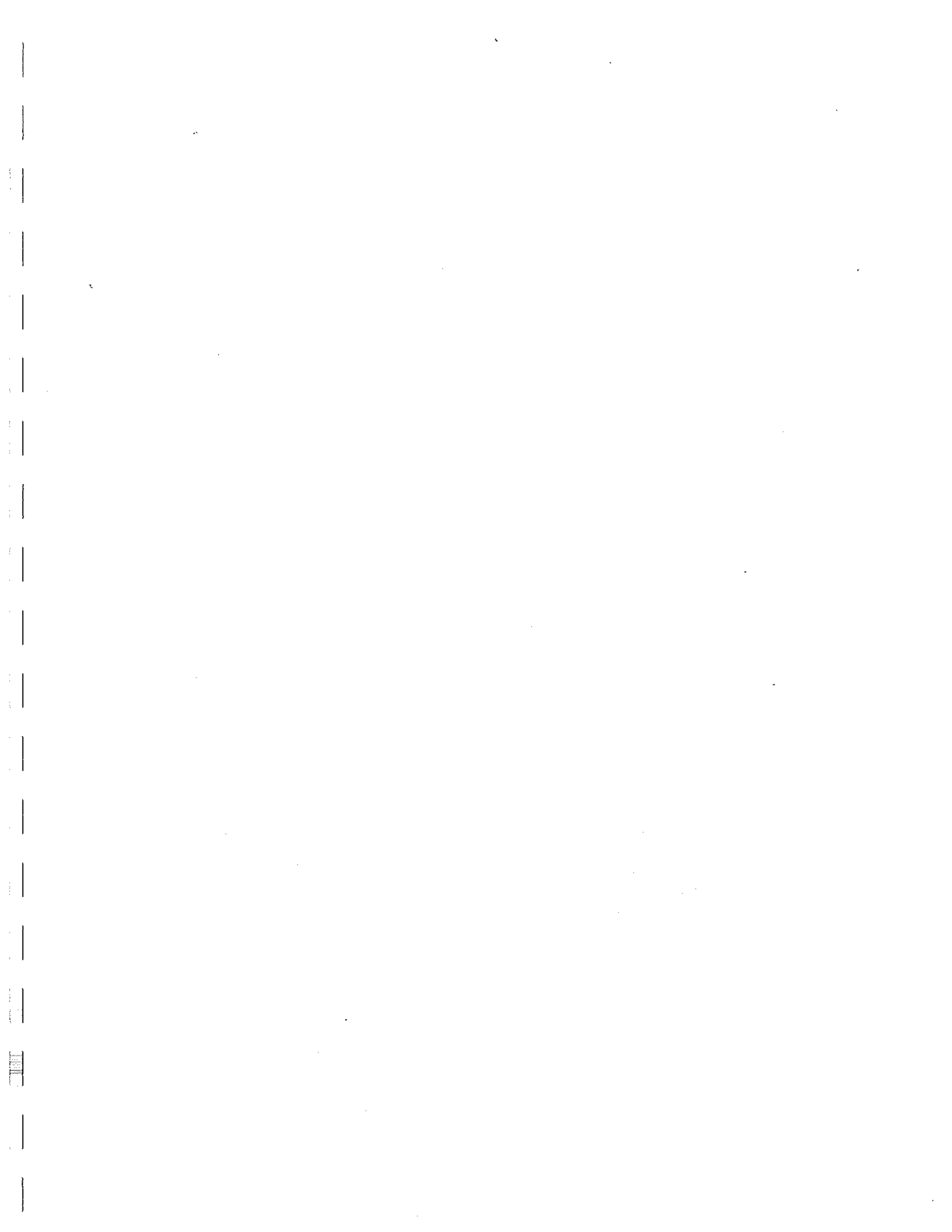
However, the introduction of Shari'a in the northern emirate states has invalidated my prediction. Nationality thinkers have seized upon the creation of theocratic legal systems in the emirate states to reassert regionalist proposals for constitutional change. The Patriots, a southern-based committee of eminent persons who support regionalism, have made an ingenious proposal for the National Assembly to convene a national conference of delegates from the six regions, denominated zones, for the purpose of drafting a new constitution for the country. Delegates would be chosen by zonal councils comprising members selected by

the five most prominent regional organizations: Afenifere in the Southwest; Ohanaeze in the Southeast; the Union of the Niger Delta in the South-South; the Arewa Consultative Forum for delegates to represent the emirate peoples of the Northeast, Northwest, and the North-Central; and the Middle Belt Forum for the nonemirate peoples of those regions. A national conference of delegates chosen by ethnically-oriented sectional organizations would almost certainly produce a draft constitution that maximizes both the legal consequences of cultural difference and sectional control of economic resources.

For the time being, resurgent regionalism has elevated the question of ethnolinguistic nationality to the level of parity with nonethnic Nigerian nationality in national politics. One side insists that a citizen's Nigerian political identity is virtually inconceivable apart from that person's historic ethnolinguistic identity. As a result of the legal revolution in northern Nigeria, revitalized regionalism in southern and central Nigeria has produced a viable alternative to the Big Tent in nationwide political contests. Thinkers on the other side of this conceptual divide choose to compartmentalize their dual identities as Nigerian citizens and members of particular cultural traditions. They may yet stem the tide of regionalism, but not without paying due regard to the compelling claims of historic nationality.

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## THE POLITICS OF FISCAL FEDERALISM IN NIGERIA

*Rotimi T. Suberu*

### **Introduction**

This chapter is concerned with the political ramifications of the Nigerian system of fiscal federalism. In Nigeria, as in other federal systems, the constitutional division of powers between different governmental units has required that the units be endowed with adequate financial resources to undertake their assigned functions. Ideally, the design of fiscal federalism should ensure that the revenue needs of each government are within the autonomous jurisdiction of that government to levy and collect. In practice, however, most federations assign the most lucrative and productive revenue sources to the central government in the interests of effective national macroeconomic management, adjustment, or development. At the same time, the administrative imperatives and democratic advantages of decentralization have necessitated the assignment of the most expensive and essential expenditure obligations (such as the provision of education, health, and other basic social services) to subnational governments. A major goal of fiscal federalism is to correct the resultant imbalance between public revenue raising powers and expenditure obligations through a system of intergovernmental fiscal transfers. Issues of fiscal federalism, therefore, straddle the nexus between the constitutional responsibilities of governments, their revenue raising powers, and the intergovernmental devolution or transfer of funds.

Intergovernmental financial relations began in Nigeria under British colonial rule in 1946 with the establishment of quasi-autonomous regional bodies under the new Richards' Constitution and the appointment of the country's first fiscal commissioner, Sir Sydney Phillipson, to make recommendations on the "administrative and financial arrangements to be adopted under the...Constitution" (Adedeji 1969, 50). Reflecting the sensitivity and volatility of revenue allocation issues in Nigeria, eight other advisory fiscal commissions have been appointed since Phillipson. These are the John Hicks-Sydney Phillipson Commission (1951), the Louis Chick Commission (1953), the Jeremy Raisman-Ronald Tress Commission (1958), the K. J. Binns Commission (1964), the Isaac Dina Committee of 1968 (Nigeria's pioneer indigenous fiscal commission), the Ojetunji Aboyade Committee (1977), the Pius Okigbo Commission (1979), and the permanent Revenue Mobilization Allocation and Fiscal Commission (RMAFC), which was first inaugurated in 1988 under the chairmanship of retired General Theophilus Danjuma.

In the nearly five decades of explosive political debates and struggles over revenue sharing issues in Nigeria since the 1946 Phillipson Commission, the following subjects have been especially prominent and pertinent: vertical revenue allocation, the derivation principle and the compensation of oil-producing states, and the administrative problems of fiscal federalism.

*Vertical Revenue Allocation.* This has involved a conflict over the proportions of federally-collected revenues that should be retained at the centre, or devolved to subnational authorities at state and local government levels. The intensity of this conflict in Nigeria has resulted directly from a peculiar structure of fiscal federalism in which federally-collected

revenues (mainly petroleum and gas profits tax, oil royalties, mining rents, corporate tax, and custom and excise duties) account for some four-fifths of all public revenues. The central government is constitutionally mandated to pay the federally-collected revenues into a national distributable pool (the "federation account") to be shared among the three levels of government in accordance with a revenue sharing law proposed by the federal president and RMAFC and enacted by the National Assembly. Given their constitutional, statutory or virtually automatic access to substantial (albeit unstable) federally-collected oil revenues, in particular, the subnational governments lack any strong inducement to exploit fully their control or administration of such taxes as personal income tax and property rates. The conflict over vertical revenue sharing has, therefore, arrayed successive central administrations (who have sought consistently to retain at least half of federally-collected revenues at the national level) against political elites in the state and local governments. While the long reign of centralizing military elites and the inherently monocentric nature of Nigeria's oil-based economy have promoted the fiscal hegemony of the federal government, the intensity of ethnic and regional identities and the imperatives of democratization have spawned a powerful momentum of financial devolution.

*Horizontal Revenue Sharing.* This has involved a struggle among the constituent Nigerian states (now 36 in number) and among the local governments (774 local council areas are named under the current 1999 Constitution) over the formulas or principles and accompanying weights that should guide the interstate and interlocal distribution of federally devolved revenues. Out of the over twenty principles of horizontal revenue sharing that have been canvassed or utilized since 1946, two have become predominant; namely, the principles of interunit equality and relative population size. The domination of horizontal revenue sharing in Nigeria by the two principles derives significantly from the perceived equalizing or redistributive nature of the two criteria, their relative simplicity or verifiability, the unavailability or paucity of appropriate socio-economic data for the utilization of more sophisticated principles, and the general aversion of Nigerian politicians for a complex sharing scheme in which enormous amounts of national revenues would be distributed on the basis of principles that are unintelligible to the average citizen or politician. Yet, the revenue sharing principles of equality and population have engendered some of the worst pathologies of Nigerian federalism. These include the unrelenting pressures for the establishment of new subnational administrative units, which can then claim their "equal" shares of federal financial devolutions; the manipulation or falsification of population census data as a means of increasing the volume of population-based transfers to individual subnational administrative units; the absence of any significant inducement for subnational administrations to mobilize local revenues; the attendant promotion of a national cake-sharing psychosis involving a general struggle by all subnational segments and governments to obtain their "fair shares" of the federal oil largesse; and the inadequate attention to the needs of Nigeria's long-suffering, — and increasingly aggrieved and militant — oil-bearing communities in the Niger Delta region.

*The Derivation Principle and the Compensation of Oil-Producing Areas.* This has developed as a major problem of Nigeria's fiscal federalism owing to two fundamental changes to Nigeria's public finance in the seventies. The first was the transformation of the country from an economy with a regionally diversified agricultural export base into a regionally skewed, oil-centric state. From 1966 to the present, oil exports, derived from the Southeastern Nigerian Delta, have risen from one-third of the value of all Nigerian exports to more than 90 percent of export earnings. Additionally, since 1974, oil exports have formed 80 percent of total federally-collected revenues. The second change in Nigeria's public finance was the progressive relegation of the principle of regional derivation, in preference for the principles of equality and demography as the basis for the devolution of federally-collected revenues to subnational entities. This was to ensure that the nation as a whole, not just the oil-rich Niger Delta, would benefit from the immense oil wealth. Yet, pressures from the Niger Delta for local resource control and for the

compensation of the oil-bearing communities for the economic and ecological costs of oil exploration have led to the revisiting of the derivation principle amidst explosive debates in Southern Nigeria generally about the need to restructure the country along the lines of "true federalism." Currently, the Nigerian constitution (1999) provides for the application of the derivation rule to "not less than 13 percent of the revenue accruing to the federation account" from mineral and other natural resources; however, the interpretation or implementation of the so-called 13 percent derivation rule has generated intense geopolitical and legal contention.

**Administrative Problems of Fiscal Federalism.** Revenue sharing in Nigeria is troubled by the absence of a technically robust, broadly transparent, and politically legitimate process for the administration of intergovernmental financial relations. Particularly contentious in Nigeria today are such issues as the technical capacity and political efficacy of the permanent fiscal commission (the RMAFC), the fidelity of the central government in the payment of governments, and the constitutional propriety and administrative management of the system of special funds, these being federation account revenues that are assigned to centrally controlled special national projects, which are not directly under the control of any of the three levels of government. Such special projects include the development of the new federal capital territory at Abuja, the amelioration of ecological problems throughout the federation, and the savings and stabilization of national income.

To reiterate, vertical allocations, horizontal distributions, the derivation principle, and the administration of the federation account are four of the most contentious points in Nigeria's fiscal federalism. Other themes in the recurrent political debates about Nigeria's intergovernmental financial relations include the demarcation of tax jurisdictions, the status of discretionary federal financial transfers, the interstate or interregional distribution of direct federal federally-collected revenues into the national distributable pool or federation account, the appropriate institutional mechanism for the disbursement of federally-collected revenues to local expenditures, the federal government's enforcement of anticorruption rules in the utilization of federal financial transfers by subnational governments, and, most crucially, the directions and dilemmas of federal financial reforms. The rest of this chapter provides a synoptic discussion of these revenue sharing issues and concerns.

### **Vertical Revenue Sharing: Fiscal Federalism or Fiscal Centralism?**

The most prominent features of Nigeria's intergovernmental financial relations today involve the continuing massive concentration of economic resources in the federal government, the relative fiscal insecurity of the state and local governments, and the unrelenting pressures by subnational political elites for greater financial devolution from the federal government to the states and localities (see Table 2.1). Although the military and oil are often cited as the two key factors behind the process of financial concentration in Nigeria, the country's centralized fiscal structures have deeper roots in the nation's political economy and history (Offensend 1976; Panter-Brick 1978). Specifically, the disaggregative evolution of the Nigerian federation from the unitary colonial British administration, the underdevelopment or underindustrialization of the economy and its traditional dependence on primary commodity exports, the weak administrative capacity of national and (especially) subnational governments, and the strong political commitment to national development planning, have all combined to centralize the Nigerian political economy in general, and the structure of federal finance, in particular. This centralization was heavily reinforced, rather than created *de novo*, by the political ascension of the military in the late 1960s, the war of national unity against the Biafran secession (1967–1970), the fragmentation and proliferation of constituent regional or state administrations (which increased from 4 in 1966 to 36 in 1996), and the expansion in federally-collected or controlled oil export revenues.

In essence, a centripetal logic has framed Nigeria's federal finance since its genesis in 1946. Under the Phillipson revenue sharing arrangements, for instance, the financial resources



Table 2.1  
Constitutional Assignment of Major Expenditure Responsibilities and Revenue Sources in Nigeria

Expenditure Assignments		
<i>Federal Government</i>	<i>State Governments</i>	<i>Local Governments</i>
Defense External relations Currency and coinage banking and insurance Citizenship Immigration Police, prison and security services Mines and minerals Aviation Posts and telecommunications Railways Federal trunk roads Shipping and inter-state water resources Commercial and industrial monopolies Minimum national educational standards at all levels	Education Health State roads Water supply Agriculture Housing Social welfare	Primary education Markets Sewage and refuse disposal Cemeteries Local roads Homes for the destitute and infirm
Revenue Assignments		
<i>Federal Government</i>	<i>State Governments</i>	<i>Local Governments</i>
Company income (and associated) tax Petroleum and gas profits tax Mining rents and royalties Value-added tax Capital gains tax and stamp duties on corporate entities Import, export and excise duties	Personal income tax (governed by national legislation) Capital gains tax and stamp duties on individuals (governed by national legislation) Road or vehicle license fees Business registration fee Land tax	Tenement (property), shops, kiosk and motor park fees Entertainment tax Radio, television, bicycle, cart and domestic animal licenses Marriage, birth and death registration fees Cattle tax Signboard/billboard advertisement fees

Sources: Adapted from International Monetary Fund (2001, 15) and Phillips (1997, 41)

that were declared as independent regional revenues (direct or poll taxes, licensing and court fees, and earnings from government property) accounted for only about six percent of total public funds in the country. The independent regional revenues were dwarfed by "non-declared" or national revenues, which included such lucrative and expanding sources as import, excise, company, and general mining taxes. Although some of the non-declared revenues were returned to the regions of derivation, the proportion of central revenues so devolved still constituted less than 20 percent of total national revenues, so that the regions enjoyed very little financial or budgetary viability under the Phillipson scheme. A shift from a unitary to a relatively more decentralized system of public finance in Nigeria occurred in 1952–1954 under the Hicks-Phillipson scheme. The scheme formalized the authority of the regions to raise, regulate, and appropriate the so-called "declared revenues," established the statutory rights of the regions to specific proportions of certain central revenues (including half of import and excise duties on tobacco and all duties on motor fuel), and provided for some extrastatutory financial grants from the center to the regions (Baker 1984, 11–12). Not surprisingly, federal financial devolutions to

the regions expanded from 17 percent of central revenues in 1951–1952 to about 26 percent in 1952–1953 (Adedeji 1969, 87).

With the inauguration in 1954 of the consciously federalist Oliver Lyttleton Constitution and the Chick revenue sharing scheme, Nigeria, for the first and perhaps only time in its history, moved toward genuine financial decentralization. Both the constitution and the Chick scheme provided for the re-allocation of a substantial proportion of federally-collected revenues on the basis of regional derivation or consumption. The federal government was constitutionally required, for instance, to return one-half of general import, excise and export taxes, plus all revenue receipts from mining rents and royalties and import duties on motor fuel, to the regions of derivation. The finances of the regions were further bolstered by the regionalization of the statutory export monopolies that marketed the countries key agricultural exports of cocoa (produced in the Western Region), palm produce (Eastern Region) and cotton and groundnuts (Northern Region). The accumulated reserves of these boards, which amounted to some 75.5 million pounds sterling, were also divided on a derivation basis among the regional governments. Whereas about 22 percent of federally-collected revenues devolved annually to the regions during the 1952–1954 period, the proportion increased to over 40 percent during the 1954–1958 period, with the consequence that federal and regional governments shared the total public revenues (after transfers) and expenditures of Nigeria on about a fifty-fifty basis (Adedeji 1969, 112–113; Phillips 1971, 398–399).

Yet, the enhanced financial status of the regions did not derive from any significant expansion in their independent revenues. Rather, it derived from an increase in their constitutionally mandated shares of federally-collected revenues. Continuing dependence of the regional governments on federally-collected revenues underscored the inherent fiscal vulnerability of these governments. Indeed, the era of relative regional financial security and federal-regional fiscal parity proved to be short-lived. The collapse of international commodity prices, the enormous expansion in regional budgetary obligations (especially following internal regional independence in 1957 and 1959 to the South and North respectively), the center's effective assumption of responsibility for national development planning and external loans after independence in 1960, and the increasing buoyancy of company profits tax and other federally retained revenues combined to restore the fiscal supremacy of the center by the 1960s. Although the regions continued to account for over 40 percent of total public expenditure during the 1959–1966 period, the federal government repeatedly accumulated budgetary surpluses, while the regions could hardly balance their budgets (Oyovbaire 1985, 81). A major preoccupation of the 1964 Binns' fiscal commission was, therefore, the alleviation of the financial difficulties of the regions. But any long-term shift toward greater financial decentralization in Nigeria was preempted by the bloody military coup that ended Nigeria's first postindependence democratic republic in 1966 and the subsequent outbreak of civil war.

The first era of military rule in Nigeria from 1966 to 1979 was characterized by the hypercentralization of the revenue sharing system. Reflecting the unitary organization of the military establishment as well as the statutory powers of the Federal Military Government (FMG) to "make laws for any part of the Federation with respect to any matter whatsoever", the central government not only unilaterally appropriated or reallocated substantial proportions of federally-collected revenues that were previously transferred to the regions (including offshore mining rents and royalties, export duty revenues, and import duties on tobacco and motor fuel), but it also systematically invaded and eroded the internal revenue bases of the states. Among the federal measures that contributed to the erosion of the financial viability of the states were the recentralization of the agricultural marketing board system, the abolition of taxes and duties on domestic agricultural produce, the reduction of poll taxes and personal income tax rates to a uniform level throughout the country, and the restriction or abolition of the powers of the states to levy petroleum sales, and betting and gaming taxes. Although often justified on grounds of

national development planning and partially offset by an expansion in federal discretionary grants to the states, these measures left a legacy of massive fiscal centralization and subnational financial "dependence from which the states have not yet recovered" (Baker 1984, 15–16).

Reviewing the 20-year period from 1954–1955 to 1974–1975, for instance, the move toward financial hypercentralization under military rule is underscored by the following facts:

- federal percentage of combined federal and state expenditures increased from 48 to 72 percent;
- federal percentage of combined federal and state revenues (after transfers) rose from 48 to 77 percent;
- federal contribution to state revenues increased from 74 to 88 percent (compare with Offensend 1976, 513).

The implementation of certain aspects of the Aboyade allocation scheme in the final six months of the first era of military rule partially mitigated these centralizing trends. The scheme provided for the consolidation of all federally-collected revenues (including the previous exclusively, centrally-retained company tax) into a single federation account, the center's retention of only 60 percent (including special funds) of revenues in the account, and the direct and formal participation of local governments in the federal revenue sharing system. The restoration of democratic rule under the Second Nigerian Republic (1979–1983) also contributed to the alleviation of the hypercentralization that the military inflicted on the country's political economy.

In line with the recommendation of the Okigbo Commission, for instance, the Revenue Allocation Act in late 1981 reduced the federal government's share of federally-collected revenues to 55 percent (from over 70 percent under military rule), and increased that of the states to 35 percent, including special funds that were statutorily classified under the allocations to states. Partly because the states also effectively controlled the 10 percent of the federation account allocated to the local governments under the act, the relative contribution of the states to total public expenditures actually increased to over 45 percent during the Second Republic (Mbanefoh 1986, 18). The shift toward decentralization was, however, undermined by the center's continuing retention of over half of the revenues in the federation account, by the near-total dependence of the states on devolutions from the account, by the severe budgetary dislocations and economic crisis that followed the collapse of international oil prices in 1981, and by the return of the military at the end of 1983.

Although the second generation of politicized soldiers in Nigeria often adopted the political rhetoric and legal rignarole of decentralization, the recentralization of intergovernmental financial relations was a defining feature of the second era of military rule (1984–1999). The Revenue Allocation Decree of June 1992 (see Table 2.2), for instance, assigned only 48.5 percent of the federation account to the federal government, with the states, local governments, and special funds getting 24, 20, and 7.5 percent of the account respectively. Yet, the federal government's share of public expenditures expanded dramatically from 52 percent in 1983 to 74 percent in 1995, while the state governments' share declined from more than 40 percent to less than 20 percent during the same period (Phillips 1997, 33). Several factors account for the renewed centralization. In the first place, the FMG consistently violated constitutional provisions that required it to pay all federally-collected revenues (with the minor exception of the personal income taxes of residents of Abuja and personnel of the military, police, and foreign ministry) into the federation account for redistribution among the three tiers of government. In 1997, for example, federally-collected revenues amounted to 452 billion naira, out of which only 208 billion naira was paid into the federation account. Similarly, out of an estimated total federal revenue of 424 billion naira in 1998, only 189 billion naira was earmarked for payment into the Federation Account" (Phillips 1997, 18). Yet, owing to the complete subordination of the state

military governors to the military high command at the national level, as well as the military's explicit prohibition of any judicial review or interrogation of its decrees or decisions, the government's violations of revenue allocation laws went virtually unchallenged. Only with the restoration of civilian constitutional rule in May 1999 has there emerged a robust political and legal resistance to the center's misappropriation of the federation account.

A second reason for the financial recentralization of the 1884–1999 era was that the FMG increased, and then unilaterally appropriated or administered, the special funds in the federation account as if they were its own direct revenues. Third, the introduction of the federally-collected Value Added Tax (VAT) in 1994, as a replacement for the state-levied sales tax, reinforced the financial hegemony of the center: not only did the federal government retain a significant proportion of VAT proceeds (50 percent in 1995, 35 percent in 1996–1997, 25 percent in 1998, and 15 percent in 1999), but it also unilaterally formulated and applied the three principles (equality, population, and derivation) for the re-allocation of the VAT revenues to the states and local government areas. Fourth, the income from another potentially important state-administered tax, namely personal income tax, was reduced by a number of federal policies that granted generous exemptions and allowances to workers. Fifth, and finally, the Ibrahim Babangida military administration (1985–1993), in particular, pursued a policy of shifting federal revenues from the states to the more pliable localities. Not only did the policy weaken the states financially, but it also promoted the influence of the center in the localities by reinforcing the financial links between the two levels of government. This, in effect, amounted to a strategy of “recentralization through decentralization” (Alfonso and Lobo 1996, 22).

Predictably, the political disengagement of the military in May 1999 was accompanied by pressures for financial decentralization. In a June 2000 statement, “the thirty-six state governors...condemned the current revenue allocation formula as being unduly favorable to the federal government and called for a reduction of the federal government's share [of the federation account] from 48.5 percent to 30 percent” (*The Guardian* June 23, 2000). In August 2001, the RMAFC, in conjunction with the federal executive president, proposed to the National Assembly a new federation account distribution formula of 41.3, 31, 16, and 11.7 percent as between the federal government, the states, the localities and special funds respectively. Despite the significant concession to the states, the proposed formula was unpopular because the envisaged reduction in the center's share of the federation account was more or less undermined by the proposed expansion in the size of federally-controlled special funds. Since the May 1999 democratic transition, the most far-reaching development in Nigeria's vertical fiscal federalism involved the judgment of the Supreme Court in April 2002 in a legal dispute, initiated by the federal attorney-general in February 2001, between the federal government and the littoral oil-producing states over the control of offshore oil revenues. Although it ruled that offshore oil revenues constitutionally belonged to the federation as whole (rather than to the coastal oil-producing states), the Supreme Court made a number of declarations that reduced the revenues of the center and upheld the principle and practice of federalism. For example, the court enforced the rights of the oil-producing states to receive their constitutionally mandated, derivation-based, shares of “no less than 13 percent” of onshore oil revenues with effect from the inception of constitutional rule in May 1999 on applied to federally-collected revenues from natural gas exploration, capital gains taxation, rather than the federal government's preferred commencement date of January 2000. The court also endorsed the constitutional rights of the states to have the derivation principle stamp duties.

**Table 2.2**  
**Vertical Allocation of the Federation Account**

<i>Items</i>	<i>Initial 1981 Act (Nullified by Supreme Court in October 1981)</i>	<i>Revised 1981 Act</i>	<i>1990</i>	<i>January 1992</i>	<i>June 1992 to date</i>	<i>RMAFC<sup>1</sup> Proposals (1989)</i>	<i>Proposals of the 1994–1995 NCC<sup>2</sup> Committee on Revenue Allocation</i>
Federal government	55	55	50	50	48.5	47	33
State Government	26.5	30.5	30	25	24	30	32.5
Local Government	10	10	15	20	20	15	20
<b>Special Funds<sup>3</sup></b>							
A. Derivation (mineral-producing states) <sup>4</sup>	2	2	1	1	1	2	—
B. Development of Mineral-Producing Areas	3	1.5	1.5	1.5	3	2	6.5
C. Initial Development of FCT Abuja <sup>5</sup>	2.5	—	1	1	1	1	2
D. General Ecological Problems	1	1	1	1	2	0.5	2.5
Destabilization	—	—	0.5	0.5	0.5	0.5	0.5
F. Savings	—	—	—	—	—	2	—
G. Other Special Projects	—	—	—	—	—	—	3.0
<b>Subtotal of Special Funds</b>	<b>8.5</b>	<b>4.5</b>	<b>5</b>	<b>5</b>	<b>7.5</b>	<b>8</b>	<b>14.5</b>
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

*Notes:*

<sup>1</sup>The RMAFC is the Revenue Mobilization Allocation and Fiscal Commission, inaugurated by General Babangida in September 1998 under the chairmanship of retired Lieutenant General Theophilus Y. Danjuma.

<sup>2</sup>The NCC is the National Constitutional Conference that debated Nigeria's political future early in the life of the administration of General Sani Abacha.

<sup>3</sup>Since 1984, the specified percentages of special funds for derivation and mineral-producing areas have been applied only to mineral revenues in the federation account and not to the totality of the account.

<sup>4</sup>In 2000, in deference to the provisions of the 1999 Constitution, 13 percent of onshore mineral revenues in the federation account was paid to the mineral-producing states in lieu of the specified statutory allocations for derivation and the development of mineral-producing areas. In addition, the Niger Delta Development Commission (NDDC) was funded by a federal government contribution equivalent to 15 percent of the total statutory allocation due to the Niger Delta states from the federation account; by the oil companies to the tune of three percent of their total annual budgets; and by 50 percent of the monies due to the Niger Delta states from the special fund for general ecological problems.

<sup>5</sup>Abuja enjoys the statutory status of a state for revenue-sharing purposes and, therefore, partakes in the states' share of the federation account.

*Sources:* Adapted from *New Nigerian*, February 26, 1981; Danjuma (1994, 57), and Federal Government of Nigeria, National Constitutional Conference (1994, 13 & 30).

In addition, the court declared as unconstitutional the center's deductions of certain revenues from the federation account before the allocation of the account to the three levels of government. The voided deductions included "first-line" charges on the account for external debt services, for the "priority projects" of the Nigerian National Petroleum Corporation (NNPC), and for the funding of the judiciary, as well as the allocation of one percent of the account, under the category of special funds for the development of the federal capital in Abuja. Finally, the court recognized the obligation of the federal government to provide a statement of payments into, and disbursements from, the federation account to any of the beneficiaries "if and when called upon to do so" (*The Guardian* April 17, 2002).

While the Supreme Court was able to enforce the rights of the subnational governments to constitutionally mandated or statutory devolutions of federally-collected revenues, the reality is that these governments depend on central transfers to an extraordinary degree, rather than on locally generated or mobilized revenues. A consequence of such financial dependency is that the conflict over the vertical sharing of federally-collected revenues is deeply compounded by the intense struggles among the subnational governments themselves over the share-out of federal financial devolutions.

#### **Horizontal Revenue Distribution and the Cake-sharing Syndrome**

Internally-generated revenues, as a proportion of total government revenues, typically have been below 10 percent and 20 percent for the Nigerian localities and states respectively (Central Bank of Nigeria 1996, 72). Consequently, intense rivalry among the subfederal governments and their constituents dominates horizontal revenue sharing in Nigeria for "fair shares" of central financial devolutions and related developmental patronage (the so-called "national cake"). This rivalry is officially mediated by the invocation and application of several principles of entitlement, including derivation, population, interunit equality, the social development factor, internal revenue generation, land mass, and need. The application of these principles in various combinations and permutations has produced three broad phases of horizontal revenue sharing in Nigeria.

The first phase, which coincided with the 20-year period from 1946 to 1966, was largely dominated by the principle of derivation. The second phase was the post-civil war era of military rule from 1970 to 1979. This was characterized by the enthronement of the two "rough and ready" principles of population and interunit equality. The third and final phase of horizontal revenue sharing, which covers the period from 1980 to date, has been characterized by modest attempts to dilute the dominance of the population and equality factors through the introduction of such sharing principles as the social development factor, internal revenue generation effort, and land mass. All three phases have been beset by profound contradictions and conflicts.

Before the introduction of a single "federation account" under the Aboyade scheme and the 1979 constitution for the Second Republic, federal statutory devolutions to the regions or states consisted of two major types:

1. centrally collected revenues or taxes that were returned, either wholly or in part, to the regions or states on the basis of derivation; and
2. centrally collected revenues or taxes that were paid into a Distributable Pool Account (DPA), the precursor to the current federation account, which was then shared among the regions or states on the basis of such equity principles as need, national interest, financial comparability, population, and interunit equality.

While they gave considerable recognition to the principle of derivation, both the Phillipson and Hicks-Phillipson schemes (1946–1952) incorporated other criteria of entitlement (such as even

progress, national interest, need, or population) into their horizontal revenue sharing arrangements. Under the Chick scheme (1954–1959), however, derivation was emphasized to the virtual exclusion of other principles. Indeed, as a result of the regionalist pressures unleashed by the decolonization process in Nigeria, the colonial government had explicitly instructed the Chick Commission to ensure that “the total revenues available to Nigeria are allocated in such a way that the principle of derivation is followed to the fullest degree compatible with meeting the reasonable needs of the center and each of the regions” (Adedeji 1969, 99). The Chick scheme had a dual impact: it weakened the capacity of the federal government to redistribute or equalize socioeconomic opportunities throughout the country, and it produced significant imbalances in the resources available to the relatively rich and small cocoa-producing Western region, on the one hand, and the poorer and more populous northern and eastern regions, on the other hand.

The DPA was introduced for the first time under the Raisman-Tress scheme in 1959 precisely in order to mitigate the invidious impact of the derivation principle. Under the scheme, revenues from mining rents and royalties, which were previously returned fully to the regions of derivation, were now shared between such regions, the DPA, and the federal government in the ratio of 50, 30, and 20 percent respectively. Thirty percent of general import duties were also paid into the DPA. In 1966–1967, in line with the recommendations of the Binns Commission, the proportion of mining rents and royalties, as well as general import duties, paid into the DPA was increased from 30 to 35 percent. Initially, the DPA was shared among the regions on the basis of four equity principles: continuity of government services, minimum responsibilities of government (later renamed equality of states), need (often indexed by population), and balanced development. Under the Binns scheme, however, the four criteria were synthesized into a general principle of financial comparability, according to which the DPA would be shared in such a manner as to place the regions in a comparable or equitable financial position. Thus, the DPA was shared among the regions as follows: North 42 percent, East 30 percent, West 20 percent, and Mid-West 8 percent. Despite the introduction of the DPA, the derivation principle remained the predominant basis for allocating federal devolutions to the regions, including all export duties on agricultural produce, all import and excise duties on tobacco and motor fuel, and half of both onshore and offshore mining rents and royalties.

The second phase of horizontal revenue sharing in Nigeria from 1970 to 1979 was defined by two major developments. The first involved the replacement, under Decree No. 13 of 1970 (with retroactive effect from April 1969), of the DPA sharing formula with a highly simplified rule according to which the pool was to be shared one-half on the basis of interstate equality, and one-half on the basis of the relative population of the states. The second pertinent development was the phenomenal expansion of the DPA largely at the expense of derivation-based transfers. Thus, huge sums of federally-collected revenues were statutorily transferred in 1970 and 1975 by the military government into the DPA. The affected revenues included all offshore mining rents and royalties, all import duties on tobacco and petroleum products, all export duties on produce, hides, and skin, 80 percent of onshore mining rents and royalties, and 40 percent of general export duties.

The distribution of the expanded DPA on the basis of equality and demography was justified officially in the name of promoting even development throughout the federation. Even as it submerged the derivation principle, however, the new DPA sharing process lacked any inbuilt incentives for the states to mobilize independent revenues of their own. Instead, by distributing revenues on the basis of population and interunit equality, the sharing scheme promoted the political manipulation of population counts and the agitation for new states. Not surprisingly, the 1973 census exercise produced an unprecedented fiasco, leading to the cancellation of the disputed results and the reinstatement of the equally controversial, but relatively less incredible, 1963 census outcome. Similarly, the military executive increased the number of states in the

federation from 12 in 1967 to 19 in 1976, 21 in 1987, 30 in 1991, and 36 in 1996, in response to intense pressures by diverse territorial communities for new federally funded administrative units.

In 1977, the Aboyade Committee sought to depoliticize the horizontal revenue sharing scheme by proposing five entirely new principles of allocation, namely, equality of access to developmental opportunities, minimum national standards, absorptive capacity, fiscal efficiency, and tax effort. Although it was partially implemented by the military in 1979, Aboyade's horizontal sharing scheme was swiftly abandoned by the politicians of the Second Republic, who denounced and dismissed the formula as technically obscure, statistically incongruous, and politically unrealistic.

The implementation of the Okigbo revenue allocation proposals in 1981 heralded the third phase of horizontal revenue sharing in Nigeria. Under this phase, the preeminence of the population and equality factors has been preserved, but the dominance of these two factors has been partially diluted by the introduction of additional principles into the horizontal sharing process. The new principles include internal revenue generation effort, the social development factor (based on school enrolment, water, and health needs), and land mass/terrain. Presently, each of these principles is assigned a weight of ten percent in the horizontal revenue sharing scheme (see Table 2.3). The weights for the equality and population factors have accordingly been reduced from 50 percent apiece to 40 and 30 percent respectively. The derivation rule, on the other hand, has been relegated from the main system of horizontal revenue sharing to the more amorphous category of special funds. Indeed, the vicissitudes of the derivation principle constitute a crucially instructive aspect of the political dilemmas of Nigeria's fiscal federalism.

**Table 2.3**  
**Horizontal Revenue Allocation Formulas Principles (Percentage Weight Assigned)**

	<i>1970 to 1980</i>	<i>Initial 1981 Act</i>	<i>Revised 1981 Act</i>	<i>1990 to date</i>	<i>Proposals of the RMAFC(1989)</i>	<i>Proposals of the 1994-1995 NCC Revenue Allocation Committee</i>
<b>Equality of States (minimum responsibility of government)</b>	50	50	40	40	40	30
<b>Population</b>	50	40	40	30	30	40
<b>Social Development Factor</b>	—	—	15	10	10	—
<b>Internal Revenue Generation Effort</b>	—	—	5	10	20	10
<b>Land Mass and Terrain</b>	—	10	—	10	—	10
<b>Population Density</b>	—	—	—	—	—	10
<b>TOTAL</b>	100	100	100	100	100	100

\*Same horizontal distribution formulas apply to states and local governments.

Source: *New Nigerian*, February 26, 1981; and Federal Republic of Nigeria, National Constitutional Conference (1994, 14 & 30).



**Oil Revenue Allocation: From Derivation to Deprivation**

The decline of derivation as a principle of revenue allocation in Nigeria was dramatic, systematic, and comprehensive. In 1966, all export duties on agricultural produce, the import duty on tobacco and motor fuel, and half of both onshore and offshore mining rents and royalties were returned to the regions of derivation. In 1969–1970 (and, again, in 1975), military decrees either drastically reduced or terminated altogether transfers of federally-collected export and import duties, as well as mining rents and royalties, to the regions or states on a derivation basis. What is more, in 1971, following the recommendation of the Dina Committee, the FMG assumed proprietorship of all offshore oil revenues, thereby reversing a provision of the First Republic constitution that “the continental shelf of a region should be deemed to be part of that region” in the allocation of half of the mining rents and royalties to the region of derivation. The exclusion of this particular constitutional provision from all of Nigeria’s postmilitary constitutions (1979, 1989, 1995, and 1999) has undermined the claims of the oil-producing states to offshore oil wealth. Thus, by 1975, the derivation rule was applied to only 20 percent of onshore mining rents and royalties. The decline of the derivation rule continued into the 1980s, when less than 5 percent of the federation account was allocated on the basis of derivation.

Undoubtedly, the decline of the derivation rule owed much to the centralizing nature of military rule as well as to the fact that the “oil wells were located in a few southern [minority] states with little political clout” (Adebayo 1990, 255; Naanen 1995). At the same time, throughout the late 1960s and 1970s, the derivation principle was stigmatized and sometimes demonized by many prominent public finance experts as the “devil” of revenue sharing in the country (Adedeji 1969, 254; Oyovbaire 1985, 173). The derivation principle was specifically criticized for the following:

- its counter-equalizing or maldistributional impact;
- its tendency to promote and exacerbate invidious interregional socioeconomic disparities;
- its requirement of the use of often unavailable, unreliable, or controversial economic data regarding the relative interregional consumption or production of economic goods (the “attribution problem”);
- for often rewarding units not on the basis of any superior productive or revenue mobilization effort, but on the basis of geographical accident;
- for constraining the capacity of national authorities to initiate or implement nationwide redistributive and macroeconomic reforms; and
- for undermining effective national economic and political integration (Bahl and Linn 1994, 10–11).

Yet, critics of the derivation rule often acknowledge the need to compensate mineral-producing areas, in particular, for the ecological and economic costs of mineral exploitation. Nevertheless, they contend the best means to effect such compensation are through special national grants to, or developmental investments in, the local communities directly or immediately affected by mineral exploitation, rather than through derivation-based transfers to intermediate units of government (states or regions). Thus, while overlooking or downgrading the derivation principle in their proposals, both the Aboyade and Okigbo reports included recommendations for the allocation of some portions of federally-collected revenues to the oil-bearing communities or localities (not states) and other ecologically endangered areas. Such proposals, however, have often fallen short of the needs and demands of the oil-producing sections.

Meanwhile, the derivation principle has been defended vigorously by indigenes of the oil-rich states, including Akwa Ibom, Bayelsa, Cross River, Delta, and Rivers states. Indeed, these elements have called for wide-ranging constitutional, political, and economic reforms in

order to give the oil-producing states an equitable share of the oil wealth, as well as to redress the ecological and economic problems of the local communities in these states. Their more important demands include the amendment of the Nigerian constitution (and associated laws and military decrees) in order to make mining and minerals a concurrent federal-state-local, rather than exclusively federal, responsibility; the restoration of the 50 percent weight assigned to the derivation rule in the premilitary era; the discontinuation of the distinction between onshore and offshore oil in the application of the derivation principle; the establishment or revitalization of appropriate instruments and institutions (new state and local governments, community development agencies and projects, environmental protection legislation, among others) that can effectively relieve the socioeconomic and ecological pressures on the oil-producing areas; and, more radically or comprehensively, the restructuring of the Nigerian federation along more genuinely federal, or confederal, lines in order to assure greater political and economic autonomy for the oil-producing areas (Saro-Wiwa 1992, 1994). Many of these demands were vigorously popularized and internationalized by Ken Saro-Wiwa, the noted writer and leader of the Movement for the Survival of Ogoni People (MOSOP). As a result of the intolerance and intransigence of the federal government to Niger Delta demands, Saro-Wiwa and eight other MOSOP activists were executed in November 1995, following their questionable convictions for the May 1994 mob murders of four progovernment Ogoni leaders.

Thus, Nigeria's more recent (post-1975) revenue allocation laws have responded only minimally to the agitation of the oil-producing sections. The initial 1981 Revenue Allocation Act, for instance, assigned only 3, 2 and 1 percent of the federation account, respectively, to the development of mineral (oil) producing areas or communities, to mineral-producing states on the basis of derivation, and to the alleviation of national ecological problems. The revised 1981 Act retained the allocations to the mineral-producing states and the alleviation of general ecological problems, but reduced the fund for mineral-producing areas from 3 to 1.5 percent of the federation account. In 1984, the new Mohammed Buhari-led military administration decided that the existing proportion of federally-collected revenues being paid to the mineral-producing states and areas should apply to mineral revenues in the federation account only, and not to total revenues in the Account. In 1990, Buhari's successor as military head of state, Ibrahim Babangida, further reduced the allocation to mineral-producing states from 2 to 1 percent of mineral revenues in the federation account. In June 1992, however, the Babangida administration sought to respond to the unrelenting agitation in the Niger Delta by increasing the allocation for the development of mineral-producing areas from 1.5 to 3 percent of federal mineral revenues, including offshore oil revenues. A federal agency, the Oil Mineral Producing Areas Development Commission (OMPADEC), was established to manage the allocation. In addition, the fund for general ecological problems was also increased from 1 to 2 percent of the federation account. More important, in October 1995, the military government of General Sani Abacha formally approved (but did not implement) "a consensus resolution" of the 1994-1995 National Constitutional Conference (NCC) "that the principle of derivation shall be constantly reflected in any approved [revenue allocation] formula as being not less than 13 percent of the revenue accruing to the Federation Account..." directly from any natural resources. Eventually, this resolution was codified as section 162(2) of the 1999 constitution of the Fourth Republic (Federal Republic of Nigeria 1995, 1999). In April 2000, the federal government began implementing the provision, retroactive to the beginning of the year.

The payment of the 13 percent derivation revenues to the oil-producing states marked perhaps the first major achievement of the Fourth Republic in the federalist management of ethnoregional economic conflict. Yet, misgivings persisted in the oil-producing sections over the implementation of the new derivation scheme, among other related issues. For instance, some sections questioned the choice of January 2000, rather than May 1999 (when constitutional rule was restored), as the effective date for the commencement of the new derivation rule. Other

sections took issue with the purported exclusion of offshore oil revenues (estimated at about 40 percent of total oil revenues in 2000) from the derivation rule; the failure to involve directly the oil-producing localities and communities (as distinct from the states) in the devolution of the derivation-based revenues; and the alleged attempts by the federal government to frustrate the effective funding of Niger Delta Development Commission (NDDC), which replaced the ill-managed OMPADEC in 2000 as a centrally coordinated agency for responding directly and specifically to the ecological and developmental problems of the oil-producing communities.

Further, the ruling of the Supreme Court in the offshore "resource control" suit in April 2002 aggrieved the oil-producing sections. As already discussed, while it endorsed the rights of the oil-rich states to obtain the expanded derivation-based revenues with effect from the inception of constitutional democracy in May 1999, the court ruled that offshore revenues cannot be included in the derivation-based transfers because the nation's continental shelf belongs to the Federation as a whole, and not to the littoral oil-producing states. This judgment was widely condemned in the Niger Delta as a miscarriage of justice, a violation of the country's federalist traditions and aspirations, and a dangerous foray by the judiciary into a murky geopolitical struggle. According to the environmentalist and human rights' activist, Nnimmo Bassey, "Any dichotomy between...onshore and offshore [oil] is forced, artificial and a mark of inequity...When oil spills occur offshore, a huge chunk of it washes the shorelines [and] overturns the lives of people...[W]ater sources are fouled up, huge quantities of aquatic lives are lost and even the adjoining lands are not spared" (*The Guardian* April 21, 2002). And for James Ibori, the governor of the oil-rich Delta State, "By limiting the application of the [derivation] principle to onshore natural resources accruing to the federation account, the court has severed the littoral states from their natural environmental base...It has not, therefore, resolved the agitation for resource control and true federalism which...is a political question which the courts are not equipped to hear and decide" (*Vanguard* April 17, 2002). In the immediate aftermath of the judgment, the federal government's decision to suspend the implementation of the derivation principle aggravated bitterness in the Niger Delta. This decision partly reflected the administrative disorganization of the government, which apparently lacked comprehensive and accurate data on the onshore and offshore components of federally-collected oil mineral revenues, and the exact interstate derivation of these revenues.

#### **Administrative Manipulation and Confusion**

It is by now trite to observe that the administration of Nigeria's fiscal federalism is often irregular and arbitrary. The problem dates back to the very genesis of Nigeria's federal finance in 1946, when the financial administration discovered significant irregularities in the implementation of Phillipson's horizontal revenue sharing scheme (Offensend 1976, 509). More recently, several scholars have referred to significant inconsistencies or discrepancies between the country's revenue allocation laws and the actual intergovernmental allocations of revenues (Ekpo 1994; Olusoji and Magbagbeola 1997; International Monetary Fund 2001). Beginning with the Dina Committee in 1968, virtually every ad hoc commission on revenue allocation in Nigeria has recommended the establishment of an independent, permanent fiscal commission to formulate, administer, and periodically review the Nigerian revenue allocation system. Such a commission did not, however, materialize until 1988, when the Babangida administration appointed the Revenue Mobilization, Allocation and Fiscal Commission (RMAFC). The RMAFC was subsequently codified under Decree No. 49 of 1989, the 1989 constitution for the stillborn Third Republic, the 1995 draft constitution under the Abacha dispensation, and the 1999 constitution for the ongoing Fourth Republic. Among other functions, the RMAFC is required to review and prescribe revenue allocation principles and formulae, "monitor accruals to, and disbursement of revenues from, the federation account," and ensure "full compliance with established revenue sharing arrangements" (Danjuma 1994, 50). The commission is constitutionally required to

include one member from each state of the federation and the federal capital territory. These are appointed by the president of the federal republic, subject to confirmation by the senate.

The establishment of the RMAFC has not fundamentally altered the maladministration of the revenue sharing system in Nigeria. Rather, as underscored by the April 2002 judgment of the Supreme Court, the implementation of revenue allocation laws continues to suffer from a great deal of arbitrariness, including the illegal withholding or deduction of federally-collected revenues from the federation account by the federal government.

Maladministration by military rulers significantly compounded Nigeria's fiscal federalism. The political ascension of the military and the suspension of representative and arbitral institutions produced several irregularities in the revenue sharing system, many of which have continued into the postmilitary era. Constitutionally speaking, the formula for allocating the federation account should be decided and enacted by the National Assembly after considering a revenue allocation bill from the president, acting on the advice of the fiscal commission. Under military rule, however, revenue allocation laws were unilaterally formulated and altered in a more or less consistently centralizing manner by the national ruling military council or dictator. What is more, even the formal revenue allocation laws were repeatedly violated through the underpayment of federally-collected revenues into the intergovernmental distributable pool or federation account. Sadly, the military's revenue allocation decrees have been difficult to alter under the postmilitary democratic dispensation, while the more brazen manipulations of revenue sharing administration are only now being rectified after fairly protracted judicial interventions.

The seemingly flawed composition and fuzzy institutional status of the RMAFC have not helped the administrative problems of revenue allocation in Nigeria. The constitutional requirement for the representation of the "indigenes" of each state in the commission tends to emphasize the political, rather than the technical, nature of the body. And the appointment of the members of the commission by the federal president, without the explicit involvement of the subnational governments, tends to undermine the intergovernmental, rather than presidential, status and responsibilities of the commission. Not surprisingly, little or no criticism of the center's maladministration of the federation account has come from the commission. Moreover, the constitutional, legal, and administrative relationship between the RMAFC and the federation account allocation committee (FAAC) remains vague. The FAAC allocates funds in the federation account during monthly meetings, which are chaired by the federal minister of finance and held in the state capitals in rotation, with the commissioners of finance of the states as members. Before the meetings of the FAAC are scheduled, the accountants-general of the federal government and the states (the technical subcommittee of the FAAC) meet. As repeatedly argued by the states' commissioners of finance and accountants-general, the meetings of the FAAC do not provide a procedure for the intergovernmental monitoring or certification of payments into (as distinct from distribution of revenues in) the federation account. Rather, such payments are made largely at the discretion of the federal ministry of finance. More important, the RMAFC attends the meetings of the FAAC as an observer, thereby detracting from the critical constitutional role of the fiscal commission as formulator and regulator of Nigeria's federal finance.

Another administrative problem of fiscal federalism in Nigeria involves the financial position of the local governments, designated as substantive beneficiaries of federally-collected revenues since the 1979 constitution, following the recommendations of the Aboyade Committee. While the 1989 constitution had legalized the practice (begun under the Babangida administration) of directly transferring revenues from the federation account to the localities, the 1999 constitution (as did the 1979 constitution) provides for the payment of the local governments' shares of the account into a "State-Joint Local Government Account" to be established by each state government. The latter arrangement will continue to ensure that statutory allocations to the localities can be raided by the center (through its control of the federation account) and by the states (via their management of the "State-Joint Local Account"). What is more, the constitutional

obligation of the states to devolve a part of their internal revenues to the localities has never been enforced. No equivalent of the FAAC exists at the state level, and the constitutional provisions for the establishment of the "State-Joint Local Accounts" usually have been violated or manipulated by the states.

Equally contentious is the administrative allocation of federal revenues to the federal capital territory: Abuja. Until the April 2002 Supreme Court judgment, which outlawed the allocation of special funds to Abuja, the federal capital could partake in federal statutory devolutions as "if it were one of the states of the federation," obtain subventions from the federal government's budget through the Ministry of the Federal Capital Territory, and receive one percent of the federation account through the special fund for the territory's development. Local government councils in the territory could also partake in federal statutory devolutions to the nation's local government areas. Abuja's actual or potential multiple access to the federation account, the result of conflicting federal laws and policies dating back to the initial 1981 Revenue Allocation law, generated resentment in many states, especially in the former federal capital area of Lagos State. In the aftermath of the April 2002 judgment, the federal government restated the constitutional rights of Abuja to share in federal allocations to the states. This left unresolved the conflict concerning the appropriate constitutional and administrative position of Abuja in Nigeria's fiscal federalism.

A final administrative problem involves the status and administration of special funds. Since 1979, the various Nigerian constitutions have provided for a three-way vertical division of the federation account between the federal government, the states, and the localities. Successive fiscal commissions and federal governments, however, have found it expedient to provide for the establishment of special funds, that is, allocations from the federation account outside of those directly made to the three tiers of government. During the Second Republic, the constitutional propriety and administration of these funds became a source of bitter, protracted, and partisan legal conflict between the federal government and some states of the federation. Following the demise of the Second Republic, the military not only effectively institutionalized and expanded the system of special funds, but it also completely centralized the control and administration of these funds. The April 2002 judicial annulment of the special funds for Abuja, on the grounds that the funds fell outside of the allocations explicitly mandated by the constitution, has put the status of the system of special funds in doubt once again. Very likely, this will not only affect the funding of Abuja, but also constrain the opportunity for intergovernmental financial collaboration in such critical areas as the management of national ecological emergencies, the savings of windfall gains from international oil price increases, and the promotion of macroeconomic stability (International Monetary Fund 2001, 24).

#### **Residual Issues in Nigeria's Federal Finance**

Besides the four contentious questions of vertical allocations, horizontal distributions, derivation and revenue administration, four other issues have featured significantly in political discussions of Nigeria's fiscal federalism. These are the intergovernmental allocation of tax jurisdiction or revenue raising powers, the role of discretionary (nonstatutory) federal grants-in-aid to the states and localities, the geographical spread of the federal government's direct expenditure programs, and the issue of transparency in the utilization of federally-collected revenues by subfederal authorities. Unlike intergovernmental revenue transfers that have been subject to periodic adjustments, the division of tax jurisdiction has been relatively stable over the years. Such stability reflects a long-standing national consensus on the need to entrust the collection of the most important taxes to the federal government in the interest of administrative efficiency and effective macroeconomic management. Underlying this consensus is the assumption that the federal government would levy and collect the taxes as a trustee for the three levels of government. Consequently, the "federal government has no more right over the monies collected

by it than the state and local governments" (Mbanefoh 1993, 68). In practice, as already indicated, the federal government has often appropriated the federally-collected revenues in a self-serving manner, thereby compounding the financial dependency and insecurity of the subnational governments. At the same time, the disproportionate domination of subnational finances by federally-collected revenues has promoted irresponsible financial behavior and corruption at the state and local levels. This is a natural consequence of the endowment of subordinate governments with the ability to spend revenues without a commensurate responsibility for revenue collection. For some, the obvious solution to this problem lies in the enlargement of the tax jurisdictions of the subfederal tiers through the constitutional devolution to the states of such current federally-collected taxes as VAT, company income tax, excise duties, mineral rents, and royalties (see Suberu 2001, 178). Prospects for such fiscal decentralization, however, are vitiated by the weak administrative capacity of subnational governments and the potential problems of tax disharmony.

The constitutional, statutory, and automatic access of the subnational tiers to federally-collected revenues partly accounts for the relative underdevelopment of the system of discretionary (that is, nonstatutory) federal grants-in-aid to the states and localities in Nigeria. Indeed, such grants did not become a significant feature of Nigeria's fiscal federalism until around 1975, when they were used extensively by a financially hegemonic, military-based, federal government to stimulate or subsidize subfederal expenditures in such areas as education, health, agriculture, water supply, urban roads, and general administration, including the take-off of new units of state and local government (Rupley 1981). After the inception of the Second Republic in 1979, however, the grant system all but disappeared for political and economic reasons, despite the explicit recognition given to the system under the new democratic constitution. Essentially, the states perceived the discretionary grants as unpredictable, arbitrary, prone to political motivation and manipulation, disruptive of subfederal budgetary stability, and a very poor alternative to expanded statutory federal financial devolutions to the subnational governments. At the center, instead of utilizing the system of federal grants-in-aid to the states, the federal government was encouraged to intervene directly in several areas of public expenditure (including housing, roads, and education), because of partisan political differences with several subnational governments, considerations of political patronage, and the generous construction of federal competence under the postmilitary constitutions. Furthermore, following the national economic crisis that began with the precipitous fall in international oil prices in 1981, federal grants were increasingly regarded as a source of unhealthy and unsustainable extrastatutory pressures on declining federal government finances. In 1998, however, the military administration of General Abacha announced special subventions of one billion naira each to the states and Abuja to enable them to revamp educational, health, rural, and agricultural services and infrastructures (Ani 1988). The subventions came at a time when the subfederal tiers were being systematically denied of huge chunks of their statutory share of federal revenues through the center's underpayment of federally-collected revenues into the federation account. Thus, in Nigeria, the grant system has virtually been transformed into a mechanism to mitigate, as well as to legitimate, the hypercentralization of the revenue sharing system under military rule.

Under military rule the massive expansion in direct federal government revenues and expenditures has intensified the concern in Nigeria over the geographical spread of the center's expenditure programs. The concentration of revenues means that, in terms of effective inter-regional access to national resources, the "geographical spread of the federal government's own expenditure programs is perhaps more important than the transfer of federal revenues to the states" (Phillips 1975, 1). Indeed, in Nigeria a longstanding official commitment exists to the equitable interregional distribution of federal amenities, infrastructures, and investments. The Federal Character Commission (FCC), one of several federal agencies established under the 1999 Constitution, has the mandate to enforce this commitment, among other objectives. Yet, strong

resentments and concerns persist in the country over the perceived lopsided distribution of federal investments in favor of the Yoruba-dominated Southwest and the Hausa-Fulani core North, over the use of economically dysfunctional considerations in decisions regarding the location of federal projects, and generally over the failure of public expenditures to redress the continuing huge regional imbalance (in favor of the South) in mass-based socioeconomic development and welfare (Osayimwese and Iyare 1991, 96–98).

A final, but often neglected, issue in the politics of fiscal federalism in Nigeria relates to the problem of megacorruption in public expenditure programs at all levels of government. Indeed, according to one rare analysis of Nigeria's fiscal federalism, the country's perennial revenue allocation debates are largely driven by the craving among competing governing elites to expand the volume of public revenues that they can divert into personal enrichment and corrupt patrimonial or ethnoclientelistic patronage networks (Adebayo 1990, 1993). However, in an attempt to curb the corrupt culture of Nigerian politics, the government of President Olusegun Obasanjo, shortly after coming into power in May 1999, initiated an elaborate anticorruption bill, passed by the National Assembly in February 2000. The law provides for the swift prosecution of corrupt public officials at all governmental levels by a federal anticorruption commission. But the work of the commission has been stymied by several factors. One of these involves the legal challenges that have been mounted against the commission by some state governments. These governments contend that the anticorruption law is an infraction of subnational autonomy under the federal constitution. But their critics contend that subnational governments that derive such an overwhelming proportion of their finances from federal transfers cannot at the same time seek immunity from federal legislation that is designed to ensure some probity in their utilization of public revenues.

### **Conclusions: Reforming Nigeria's Fiscal Federalism**

The major deficiencies in Nigeria's fiscal federalism include:

- the monocultural structure of the political economy, which is underscored by the fact that federally-collected oil revenues account for some 80 percent of all government revenues;
- the predictable concentration of financial resources in the central government;
- the attendant financial dependency and insecurity of the subnational governments;
- the heavy reliance on the overpoliticized principles of population and interunit equality for the horizontal share-out of federal revenues among the subnational governments;
- the inadequate attention to the internal revenue generation factor and other developmentally functional principles in the horizontal revenue sharing scheme;
- the limited compensation of the country's long-suffering and aggrieved oil-producing communities in the Niger Delta; and
- the absence of a transparent and broadly legitimate administrative framework for the management of intergovernmental financial relations.

Despite the promise of economic reconstruction and diversification under the structural adjustment program (SAP) since 1986, the monolithic dependence on oil revenues has persisted as an almost "intractable" feature of the Nigerian political economy (Rimmer 1985). The continuing access of the public sector to huge, albeit unstable, oil revenues has nudged Nigeria's patrimonial political elites away from any rigorous, long-term planning to restructure and diversify the Nigerian economy. In essence, the oil monoculture has promoted and entrenched distributional centralism or fiscal pseudofederalism, as distinct from genuine economic decentralization, as the predominant feature of intergovernmental financial relations in Nigeria. Nonetheless, the concentration or centralization of revenue sources is not necessarily inconsistent with the decentralization of expenditure programs and the promotion of the fiscal capacity of the

subnational governments. Thus, the restoration of democracy in Nigeria has been accompanied by virtually unstoppable pressures for greater devolution of federally-collected revenues to the subnational orders of government. While this vertical financial devolution takes place, however, the subnational governments in Nigeria must try to improve their capacity for internal revenue generation by having that principle weigh more heavily in the horizontal revenue sharing formula. This would be consistent with a 1989 RMAFC recommendation that a weight of 20 percent (rather than the current 10 percent) be assigned to the internal revenue generation principle, and that this weight should be "increased from time to time with the sole objective of encouraging the states and local governments to improve on their internal revenue generation efforts" (Danjuma 1994, 65). If appropriately designed and deployed, the internal revenue generation principle will not necessarily penalize resource-poor units. It should instead reduce the gap between the tax effort and the potential tax capacity of the respective subfederal units, encourage and reward efficiency in the utilization of federally devolved revenues, and alleviate the destructive intensity of the ethnodistributive pressures on Nigeria's current federal practice.

An extension of the internal revenue generation criterion will be consistent with an expansion of the derivation principle, so that the oil-producing areas can receive a greater proportion of the mineral wealth derived from their lands. Although it was a significant setback for the struggle of the peoples of the Niger Delta for resource control, the April 2002 judgment that excluded offshore oil revenues from the derivation rule need not foreclose a fairer deal for the oil-bearing communities. In prescribing a weight of "not less than thirteen percent" for the derivation rule, the 1999 constitution provides an opportunity for the representatives of the Niger Delta to bargain politically for an increase in the current 13 percent minimum allocation on the grounds of equity as well as stability in the restive Niger Delta. Moreover, if the NDDC is appropriately funded and structured, the commission can become a significantly effective intergovernmental commission for responding directly to the ecological and economic problems of the immediate oil-bearing communities.

Finally, despite the problems with its current composition, the RMAFC can play an immense role in the transparent, impartial, and efficient administration of the revenue sharing system. Currently, the commission's ineffectual role has been conditioned largely by its instauration under dictatorial military rule, but the constitution envisages a preeminent role for the RMAFC in the administration of Nigeria's fiscal federalism. The commission, as one of its functionaries put it in April 2002, is constitutionally the "umpire and arbiter of the Federation Account" (*The Guardian* April 23, 2002). With the recession of military rule, the restoration of constitutional government, the resurgence of decentralizing pressures, and the reassertion of judicial independence, the RMAFC may eventually develop into a robust institution for promoting fiscal federalism in Nigeria.

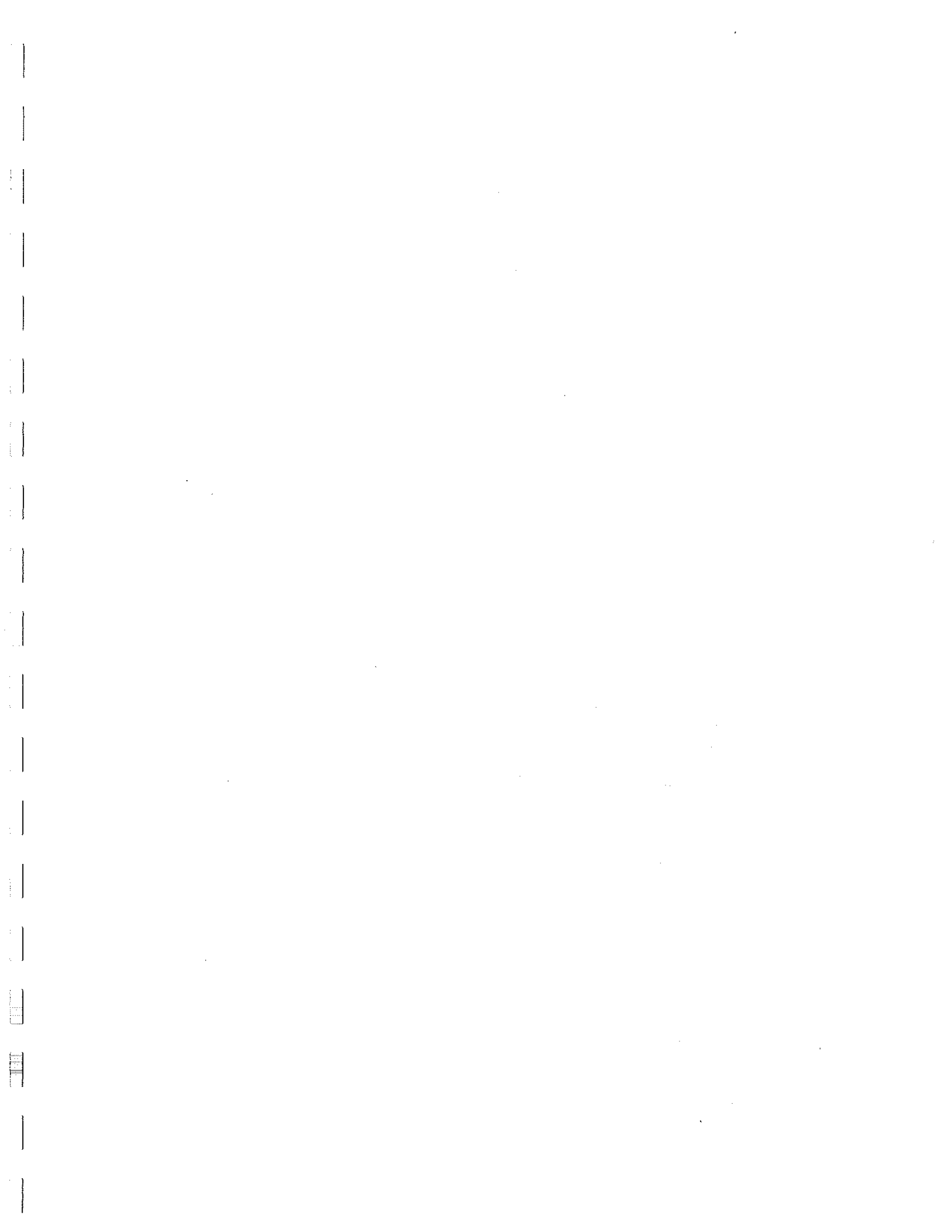
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**CONFRONTING THE TURBULENT STATE:  
SOCIAL DISORDER, LEGITIMACY AND THE STRUGGLE FOR  
DEREGULATED POLITICAL SPACE IN POSTMILITARY NIGERIA\***

*Ben Naanen*

**Introduction**

Democracy is ideally a manifestation of legitimacy that should assure a reasonable measure of political stability, security, and the pursuit of common aspirations. But testing this assumption in the postmilitary Nigeria is fraught with difficulty. Since independence, prolonged military dictatorship has undermined the government's legitimacy except for two short spells of civilian government (1960–1966 and 1979–1983). Each military regime claimed legitimacy not on the basis of popular will expressed through elections, but through successful seizure of power. The frequency of coups and attempted coups engendered uncertainty, making political succession and subsequent state policies unpredictable. The low point of this crisis of legitimacy was the extreme repression that characterized the regime of General Sani Abacha (1993–1998). Marked by brutal and widespread human rights abuses, this era of repression resulted in Nigeria's international isolation, especially after the execution of Ogoni activists in defiance of world opinion. Since 1992, the minority Ogoni ethnic group in the Niger Delta has risen in protest against sustained social exclusion and environmental deterioration, both of which, threatened their extinction. The protest attracted international attention, disrupting the oil production that sustained the corrupt regimes. In response, the military clamped down on the Ogoni, arresting the leadership of the vanguard organization, the Movement for the Survival of the Ogoni People (MOSOP). After what has generally been considered a show trial, the men, including writer Ken Saro-Wiwa, were executed in November 1995. When attempted pleas for clemency failed, the international community responded with punitive sanctions that isolated the country and actively supported measures aimed at restoring democratic governance (see Naanen 1995; forthcoming).

Given the general alienation associated with military rule, it was expected that the emergence of an elected civilian government in 1999, following a difficult democratic struggle, promised much greater legitimacy.<sup>1</sup> What has since emerged is a sustained challenge to the authority of the new government. The ruthlessness of the Abacha regime held in check — at least temporarily — the resistance of disaffected groups, with a few exceptions such as the Ogoni of the Niger Delta and the Yoruba of the Southwest. For example, MOSOP, founded in 1990 canalized Ogoni resistance; Afenifere, a cultural organization, and the O'dua Peoples Congress (OPC), founded in 1995, became major agencies of Yoruba resistance; and the National Democratic Coalition (NADECO), also founded in the 1990s, became the central national

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<sup>1</sup> Some analysts contend that Nigeria is yet to have a "true democracy" and that the 1999 poll installed an elected civilian government in transition to democracy. While maintaining reservations about this rather strict conception of democracy, the terms, "elected government", "civilian government" or "democratic experiment", will in some cases be substituted for "democracy" or "democratic government" in this essay.

movement dedicated to the democratic struggle. The return of civilian rule has resulted in the proliferation of internal conflicts or internal wars — mainly ethnic and religious in character — accompanied by a sharp increase in violent criminality, insecurity, uncertainty, and anxiety. A striking feature of this turbulent condition is the phenomenal growth of vigilantism and ethnic militias, checking crimes in some cases, while pursuing a variety of exclusive ethnic agendas (Ikelegbe 2001). In reality, however, it is difficult to draw a sharp line between a vigilante group fighting crime and an ethnic militia engaged in an ethnic war. In one moment, the O'dua Peoples Congress (OPC) battles armed robbers in the streets of Lagos, then it fights the Hausa-Fulani or the Ijaw in the same streets, ostensibly to protect Yoruba interest. Each ethnic movement has its armed organ or “youth wing” as they are popularly known. In addition to the Yoruba OPC, the Movement for the Actualization of the Sovereign State of Biafra (MOSSOB), and the Bakassi Boys claim to defend Igbo interests, while among the Ijaw exists the Ijaw Youth Congress (IYC). The Arewa Peoples Congress has been formed in the North to protect the interest of the Hausa-Fulani. In Ogoni the National Youth Council of Ogoni People (NYCOP) exists under the umbrella of MOSOP.

Religious conflicts — often intertwined with ethnic division — also pose a formidable challenge to the new democracy. Since 1999, an estimated 10,000 lives and considerable property have been lost in recurring religious and ethnic wars (Isaacs 2002). There is growing evidence that demonstrates that many of these so-called religious wars are political struggles being prosecuted under the cover of religion. Officials of some states with a presumably Muslim majority have unilaterally adopted the Sharia code mainly to mobilize political support. This has given rise to two legal systems within the Nigerian state, further fueling religious and ethnic conflicts (Kukah 2000). It would appear that Nigeria has not been spared Samuel P. Huntington's *Clash of Civilizations* (1997) between Islam and Christianity. These conflicts, however, show commonalities among diverse groups as reactions against turbulent social condition and promote the restructuring of political relations in the country. Proreform forces, mainly in the South, also question the legitimacy of the Nigerian state as constituted since the advent of military rule in the country in 1966. At issue is the centralization of political power despite the decentralizing promise of the federal system upon which the Nigerian state was originally founded. The ethnic and religious wars are therefore reflect fundamental shortcomings of the existing political structure, hence the widespread call for a national conference with sovereign authority to resolve this basic issue of center-local relations.

Perhaps nowhere in the country has the dilemma of the new democracy been more dramatized and more persistent than the Niger Delta where the oil that sustains the country is produced. Long established and unaddressed grievances — social justice, oil-based environmental problems, and perceived political marginalization — have in recent years produced a powerful movement for self-determination, which would put a larger portion of economic resources under local control. This sentiment has engendered deepening social disorder in which militant youth groups regularly disrupt the oil flow, kidnap oil workers for ransom, and fight ethnic or communal wars. The tactics target the transnational oil companies (TNOCs) in attempts to control access to them or to gain control of oil-bearing land or some other political advantage.<sup>2</sup> Moreover, claims on natural resources challenge the constitutional powers of the central government. While the federal government claims control over mineral resources as its prerogative, pressure groups, including state governments in the South, identify the central control of resources as an integral support for repressive administrations and seek amelioration of this major grievance (see Naanen 2001).

<sup>2</sup> An ongoing study by a team led by the present author, “Re-invented Ethnicity, Oil and Crisis in Nigeria: A Study of Social Movements and Social Forces in the Niger Delta” is unraveling the complicated upheaval in the Niger Delta (see also Ikelegbe 2001).

Since the advent of the postmilitary democracy, this insurgent situation has become even more complex. Some violent youth groups have been coopted by the political class to serve as violent foot soldiers for suppressing opposition. These youths receive generous financial support and protection from the law. Similarly, the oil companies have also employed the strategy of recruiting youth gangs in the communities, empowering them with money and logistics to protect their installations and silence opponents in the host communities. Violent clashes between warlords mercenaries supported by local political leaders or the oil companies and their opponents have broken out in many communities.

Compounding these factors in the Niger Delta are chieftaincy struggles in numerous communities, often producing political conflicts, which have become endemic in the region in recent years. Hardly any sphere of society has been spared disorder, including university campuses where cult violence among students has become an acknowledged threat to the security of the institutions and the wider society (*Vanguard*, December 28, 2001; *The Guardian*, April 2, 2002). Moreover, in their quest for power, sections of the political elite have acted in ways that appear to support campus cultism. Politicians have been accused of using cult members as thugs in their election campaigns. In February 2002, the national congress of the National Association of Nigerian Students (NANS) ended in a violent clash when it was discovered that certain political operators with possible links to government used bribes and intimidation to ensure the victory of certain candidates in the election, ending with the takeover of the congress by cult gangs. Indeed, democracy itself forms part of the problem by providing space for the free expression of all antagonists.

A critical dimension of this complex social situation in the country is the blatant manner in which state authority or legitimacy is challenged. Armed robbery gangs, sometimes better armed than the state police force, often outgun the police. Lagos, the commercial capital, has been the site of considerable violence. Concerned about public outcries against the apparent inability of the police to control violence, especially armed robbery and bloody ethnic clashes, the president abruptly dismissed the inspector-general of police, replacing him with a man reputed to be tough on criminals. The new inspector-general promptly launched Operation Fire for Fire, which permits the summary execution of alleged armed robbers at the crime scene.

Overwhelmed and underequipped law enforcement agencies cannot intervene adequately in many of the bloody communal conflicts. The weaker communities are left to the mercy of their more powerful adversaries, which further militarizes the society, reinforcing the cycle of conflict. For example, at the end of 1999, militant cadres allegedly associated with the Ijaw Youth Congress (IYC), abducted and executed twelve policemen sent to negotiate peace. In October 2001, the scenario repeated itself in the Middle Belt when a band of Tiv youth ambushed and executed a detachment of soldiers sent to mediate between warring Jukun and Tiv ethnic groups (Human Rights Watch 2002). In both cases, the state responded swiftly and ruthlessly. A detachment of soldiers dispatched to the Tiv town where their comrades had been killed retaliated by sacking the entire place, repeating the experience of Odi in Balyesa State almost two years earlier. The government soldiers destroyed the town after local youths allegedly killed several soldiers sent to pacify the area (Human Rights Watch 2000).

The military government set the precedent when Umuechem, a village in Rivers State, was destroyed in the midst of the community's dispute with Shell Oil Company. In 1993, another punitive force was launched against the Ogoni, an action that attracted worldwide attention. How to deal with such crises poses a dilemma for a democratic government. It is imperative to find a balance between the virtues of democracy and the need to respond decisively to local threats to state authority and social order. Yet, excessive responses such as these further undermine legitimacy and local order in the long run.

**The Problem**

This essay addresses the question of state and regime survival in the face of social turbulence and uncertainty within the context of the struggle for democratization of political space in Nigeria. Although there are flashpoints all over the country, here we focus on three main sources of turbulence that are central to the country's future: the Niger Delta, ethnoreligious conflicts, and the strengthening of democratization. This analysis of the Niger Delta will draw substantially on the data collected by the Niger Delta Research Project, an ongoing endeavor concerned with detailed micro level documentation of relationships between oil, ethnicity, and conflict in the region.

The contemporary Nigerian state is characterized by sustained social turmoil, contested legitimacy, and continuous uncertainty. This raises questions about the viability of "democracy" as well as the prospects of the survival of the state itself. In the growing literature on contemporary Nigerian social issues, analysts have approached these forces of disorder from diverse perspectives. In an earlier work, the author conceptualized the Niger Delta struggle — particularly that of the Ogoni — as a response to internal colonialism (Naanen 1995). Other scholars link the development to broader struggles against globalization (Obi 1997). Still others see the rise of violent insurgent groups either as a "perverse manifestation" of the recent rapid growth of civil society in Nigeria or as the ethnicization and militarization of youth culture (Ikelegbe 2001a, 2001b; Babawale 2002; Osaghae 2002, Reno 2002).

The argument here locates turbulence in the desire for political space and resource control by the contending forces of ethnicity, religion and self-determination. Political centralization leaves little space for the actualization of regional and local aspirations in the country. It is not consistent with the quest for national stability. Although the Nigerian nation-state was founded on the principle of federalism, successive military regimes ruled the country as a unitary command system from 1966–1979 and again from 1983–1999, a trend that the current civilian government has not reversed. The greater the official efforts to confine or regiment the political dialogue through the existing framework, the more uncontrollable the political struggle becomes, with greater damage to the stability and cohesion of the nation. Turbulence might result in creating space for new ideas and associations to develop. Failure to construct such spaces affects the nation's social elasticity, encouraging turbulence and enhancing prospects for eventual national disintegration.

Why has Nigeria remained intact? One proposition is that Nigeria's social elasticity is far from being exhausted. Ironically, some of the main sources of turbulence may be important sources of resilience for the Nigerian state. For instance, while oil is a critical factor in the Niger Delta conflicts and in broader national political struggles, it also holds the country together. A more likely prospect is that Nigeria will survive, but long-term internal conflict will continue to undermine government legitimacy, with attendant negative implications for economic development.

**The Niger Delta: Oil, Conflict and Self-Determination**

To understand the raging fury in the Niger Delta — a territory of about 70,000 square kilometers with an estimated population of 9,000,000 — one must go back to the 16<sup>th</sup> century, when the region became one of the first areas in sub-Saharan Africa to be incorporated into a European-dominated world economy. Much earlier than many other parts of the subcontinent, it developed a sophisticated, integrated and monetized economy as well as political systems that successfully mediated relations with Europe and sustained a flourishing commerce (Dike 1956; Jones 1963; Hargreaves 1987). The Niger Delta kings and chiefs dealt with European states as sovereign equals. They did not hesitate to jail refractory European traders and adventurers, which led to the appointment of European consuls for the Bights of Benin and Biafra.

Another category of autonomous polities declined to sign treaties of protection and resisted British encroachment by force of arms. The Ogoni exemplified such groups. After declaring a protectorate over Ogoni country in 1901, the British proceeded to subjugate the people to British rule. Unwilling to yield their sovereignty, the Ogoni organized sustained resistance against the British between 1901 and 1908, when, after a two-day battle, Ogoni fighters ran short of ammunition and retreated. They neither surrendered nor signed any document formally ending the war (Gibbons 1932). The heritage of the original treaties with the British and the history of local resistance have informed the evolution of Niger Delta views about its place in the Nigerian state during colonialism and after independence. People in Rivers State insist that they always wanted to be an autonomous entity that would reflect the words and spirit of the treaties signed with Rivers kings and chiefs and not the centrally administered unit created by General Yakubu Gowon in 1967. These people refer to a pre-Independence petition that the Conference of Rivers Chiefs and People submitted to the British government in 1956, which declared: "By the terms of those instruments [treaties] neither Her Majesty nor our forebears, both parties to those treaties, had any the least intention that our Rivers country, our markets and our entire territory should be ruled by a government which had its headquarters at Enugu or Ibadan or Lagos" (CO. 554/1121). Thus, the enduring desire for self-determination promoted the development of a revolutionary tradition in the region, exemplified by the ideas and careers of the late Major Isaac Adaka Boro and the late Ken Saro-Wiwa. In 1966, Boro, backed by a band of armed revolutionaries, declared a Niger Delta Republic, which lasted a brief twelve days before the insurrection was quashed (Boro 1982; Tebekaemi 1982). Boro and his colleagues were pardoned and released by General Yakubu Gowon, who became head of state after the second coup d'état in July 1966. Thereafter, Boro became an officer in the Nigerian army and died in action during the Civil War in 1969. Saro-Wiwa, leader of the Ogoni movement in the 1990s, was executed by the Nigerian military government in 1995 (Na'Aillah 1998; Ojo-Ade 1999; McLukie and McPhail 2000).

With the advent of the new imperialism in the late 19<sup>th</sup> century, the Niger Delta states succumbed to pressure, signing controversial treaties of friendship and protection. In the first instance, the treaties did not take away the sovereignty of Niger Delta polities. Rather they were designed to protect indigenous sovereignty against encroachment by other European powers and to enhance British commercial interest in the region. Britain, however, later used these treaties as the basis for the annexation of the signatory states as part of the emerging Nigerian colonial state.

The present turmoil in the Niger Delta is part of the sustained historical effort by the region to control its economic and political destiny within the larger Nigerian entity. The advent of the oil industry and the emerging environmental and social problems it brought into existence have become important components of the current struggle. Indeed these components are the focus of the struggle. In the process, the political sociology of the region has changed dramatically, with radical youths wresting social power from the traditional gerontocracy, whom they accuse of betrayal and collaboration with the TNOCs and the state. Some analysts attribute the turbulent history of the Niger Delta in the last two centuries to palm oil in the nineteenth century and crude oil since the mid-twentieth century. But these are adjuncts to the deeper struggle for political self-determination.

Our NDRP fieldwork demonstrates these political ties. Oil has polarized the region. The central issues of the current crisis are social justice, local autonomy, and the control of natural resources, especially crude oil. Outraged by their persistent poverty in the midst of the enormous national wealth generated in the region, and the intensification of far-reaching environmental problems caused by the petroleum industry, host communities have established a variety of nongovernmental organizations pressing for economic improvement, social services, jobs, an end to pollution, and employment in the oil economy (Naanen 1993, 1995, 2001, forthcoming). These communities believe that local autonomy represents the best guarantee to ameliorate these



problems. And like their ancestors, who resisted intrusive treaties, they refuse to cede community resources to outside control.

Throughout the region, the populace, especially impatient youth, believe that the peaceful approach has not worked. They think that force is the only language understood by both the multinational oil companies and the government; however, the federal government is 500 miles away in Abuja. Since the oil companies are the source of revenues that sustain repressive authority, local leaders regard them as proxies for the central government. Thus, the proximity of the oil companies operating in these communities make them accessible targets of opportunity. Hence, youth groups have decided on a strategy of violent confrontation: shutting down production facilities, kidnapping oil workers, and generally disrupting the oil industry (Ikelegbe 2001).

So far government responses have accelerated the existing violent situation. In November 1999, Ijaw youth organizations issued the far-reaching Kaiama Declaration (All Ijaw Youths Conference, 1998) that proclaimed the demands of the Ijaw nation, including local autonomy and resource control. They insisted that all federal troops stationed in Ijawland to protect oil installations be withdrawn and gave the TNOCs nineteen days to leave. The civilian government countered by deploying a large number of troops and two warships. In ensuing confrontations, the youth killed twelve police officers. As had happened before in Ogoniland between 1993 and 1998, government swiftly retaliated with violent force. Soldiers sacked Odi, the town where the policemen were said to have been killed (Human Rights Watch 1995, 1999).

Elsewhere, community leaders had adopted nonviolent tactics, such as press releases, advertorials, communiqués, and sending protest delegations to the government and oil companies. It is difficult to say which approach has greater potential for achieving significant long-term results; however, experience suggests that violent protest yields greater short-term results than peaceful means. Hence, NDRP investigators found that violence has become the strategy of choice among youth groups. They fully realize that the oil companies cannot afford prolonged production shut-downs or to have their expatriate workers held hostage for very long, and will consequently agree to immediate financial settlements and provide the social amenities demanded by the youth. Although the companies often renege on agreements made under duress, they have discovered that this only leads to later conflicts. How successful the strategy of violence is in creating effective long-range socioeconomic policy changes is debatable. In the meantime, there is no doubt that the general insurrectionary situation in the region and its implications for the oil economy and national stability was the reason behind the establishment of the Niger Delta Development Commission (NDDC) in 2000.

The Ogoni's nonviolent approach under the leadership of the MOSOP presented a different challenge, which the government and TNOCs were not prepared to handle. The Ogoni, gauging the changing ideological direction of the world in the terminal years of the cold war, anchored their resistance on an international campaign waged with great determination and intellectual rigor. The main planks of the campaign called for human rights for indigenous minorities and environmental rights, key issues in contemporary international relations (Naanen forthcoming). Neither the government and nor Shell could afford to ignore such international pressure. Although it is difficult to calculate the outcome of the campaign in terms of direct benefit to the Ogoni people and the rest of Niger Delta, there can be no doubt the TNOCs have been forced to reassess their environmental record and their relations with their host communities. It is also believed in many quarters that the Ogoni international campaign became an important factor in creating the broad coalition of groups that brought about democratization in Nigeria as well as new policy instruments such as the NDDC.

Numerous generalized, multidimensional, and more deadly conflicts underlie the collective Niger Delta struggle as well as highly articulated confrontations with the state and the TNOCs. These second-tier conflicts have taxed the lean capacity of the state to maintain stability and sustain its legitimacy. The common denominator of these conflicts is oil. These collateral

conflicts may be categorized as Interethnic conflict in general, intraethnic conflict between sections of the same ethnic community, Intercommunity conflict between two or more village communities or towns within the same ethnic group, and intracommunity conflict between different factions of the same town or village. Our study revealed that of the 26 cases of violent confrontations that occurred in Bayelsa State between 1999 and 2001, 17 were directly related to the oil companies or between communities over oil-related matters such as the payment of compensation, dispute over ownership of land on which oil wells are located and related cases. Eight of the cases were in connection with disputes over land and fishing grounds while one case was mainly related to chieftaincy struggle (see ongoing NDRP case studies).

*Interethnic Conflicts.* From 1993, the Niger Delta witnessed intensifying waves of deadly Interethnic conflicts. Although land or fishing rights have historically featured as the primary cause of this category of conflicts, they have been complicated in recent years by a variety of factors, chief among which is oil and to some extent, local political rivalry. Since communities with oil wells located on their land stand to gain more incidental benefits from the oil companies than those without oil wells, the control of such land has become a major source of recurring crisis between ethnic groups as well as between towns or village communities. Thus, oil has become an autonomous factor complicating the political project of the whole array of governments, oil companies, and vested interest groups because oil benefits are distributed unevenly and attract outside interference, especially from Abuja. For example, the frequent conflicts between the Urhobo and the Itsekiri in Delta State entered an even more violent phase after 1995. These conflicts center on the control of the oil city of Warri between the two dominant ethnic groups. Whoever controls this city also controls the highly lucrative access to the oil companies based in the city. Similarly, the intermittent violent outbreaks between the Itsekiri and the Ijaw are also directly connected to land, oil and politics, particularly the decision to locate a new local council headquarters on land believed to contain untapped oil.

Sometimes Interethnic conflicts represent an escalation of the resource-related confrontations between a particular ethnic community, the state, and the oil companies. Between 1993 and 1994, the Ogoni were involved in three such conflicts with the Andoni, the Okrika, and the Ndoki — all of which are ongoing. Indeed, in January 1993, the outbreak of the Ogoni protest against the government and the Shell Oil Company destabilized and polarized ethnic relations in the northwestern and southeastern parts of the Niger Delta. The Ogoni claim that the military government and Shell Oil Company deliberately orchestrated these ferocious wars, which encircled the Ogoni, to discredit and destroy the Ogoni struggle, for they had never before experienced such strife with their neighbors (World Council of Churches 1996; Unrepresented Nations and Peoples Organization 1994; Naanen forthcoming). Some evidence to support this claim exists in a controversial 1994 security memo from the commander of the internal security task force based in Ogoni to the military governor of Rivers State in which the commander had expressed disappointment about Shell Oil Company's inability to ensure a constant flow of funds and logistics to the task force.

*Intercommunity Conflicts.* As with inter- and intraethnic conflicts, land and oil are also major factors in conflicts between communities in the same ethnic group. Out of the 26 conflicts identified in Bayelsa state since 1999, 2 (7.7 percent) involved land and compensation by oil companies, the dispute between Ogbolomabiri and Bassambiri, and the dispute between Igbomoturu and Peremabiri. Although the NDRP has not yet completed processing the data, preliminary estimates indicate a higher incidence of this category of conflict in Rivers and Delta States than in other places.

Another focus of conflict is kingship or chieftaincy succession. For example, a brutal civil war in 2001–2002 followed the death of the ruler of the island kingdom of Okrika in Rivers State. Although kingship or chieftaincy struggles between and within communities have a long history in the region, in recent years they have become more deadly and intense. Ostensibly they

appear to be chieftaincy conflicts but below the surface the contestants for office are vying for control of access to the oil companies and its attendant benefits, further complicated by the government's attempt to impose candidates for political reasons. The relations of the host communities with the oil companies are normally conducted through the chiefs. Compensation and other benefits, when these are forthcoming, are also channeled through the chiefs. In many cases, the lack of accountability of the use of such funds has caused violent eruptions in the communities, sometimes resulting in the deaths of the chiefs themselves.

*Intracommunity Conflicts.* Four cases (15 percent) in our Bayelsa State data falls in this category. The main causes of these factional conflicts, which are no less deadly than the above categories, are oil money and chieftaincy leadership. Of the four cases, three are in connection with benefits from oil companies, while one is linked to a chieftaincy leadership dispute. In most communities, the leadership includes a chief, who is subordinate to a high chief, who presides over a clan. The high chief sits on the council of chiefs (who represents the different wards that make up the community) and in some cases, the Community Development Council (CDC), which is a state government institution imposed on the traditional system to institute and supervise development. Usually, CDC members are selected from the educated elite. Our data includes only those cases in which the struggles have escalated into violent conflicts. For example, in December 1999 in one Delta State community, the youth murdered their paramount chief for allegedly misappropriating compensation paid to the community. This is an extreme case, although varying degrees of tension exist in most oil-bearing towns or village communities in the Niger Delta. Indeed, communities distrust their leaders for good reason.

*Oil Companies, Politics, and Warlords.* A growing body of evidence implicates the involvement of the TNOCs in these conflicts. The leading oil companies operating in Nigeria, all of which are foreign, include the Anglo-Dutch group, Shell, which produces 52 percent of the country's oil exports; the French group Total-Fina-Elf; the Italian-owned Agip, incorporated in Nigeria as Nigeria Agip Oil Company (NAOIC); and the American conglomerates, Exxon-Mobil and Chevron. It is widely believed that the TNOCs utilize the "divide-and-rule" tactics formerly deployed by the colonial rulers to play ethnic groups and communities against each other. They deliberately manipulate procedures for damage assessment, compensation payments, and awarding community welfare projects.

While this approach mostly benefits the corrupt officials of the oil companies, a more direct danger is the deliberate creation of warlords and private armies by the TNOCs for the protection of their installations and workers. Operating under the grandiose job title of "community relations consultants," the main function of these private armies is to ensure that the oil company operations continue without disruption, since the regular state security apparatus cannot guarantee such protection. In executing this task, private security units terrorize communities and individuals who are opposed to the policies of the oil companies. Violent clashes often break out between the private armies and youth groups opposed to the TNOCs, resulting in extensive destruction in many communities. For example, early in 2002, a clash occurred between the villages of Ubeta and Ogoda (in the Ubie clan area of Ahoada West local council, Rivers State) over the non-payment of compensation by the Nigerian subsidiary of Agip Oil Company. Many people believe that the company preferred to encourage a group known as Isakaba Boys to destabilize the host communities instead of negotiating a settlement with them. The TSOB security forces occupied the villages, resulting in the deaths of three people and the desertion of the residents. In the Ogoni town of Kegbara Dere, Shell, apparently in an effort to overcome MOSOP resistance and regain access to its production facility, recruited a youth leader, giving him two buses and a substantial amount of money to form his own gang to counter MOSOP. One of the buses was eventually seized by MOSOP. Thus, the oil companies themselves have actually aided and abetted the growth of a violence-oriented youth elite in the Niger Delta through generously financing private security forces, who now constitute a small

nouveau riche in an ocean of abject poverty. Oil politics have affected the Niger Delta in much the same way that the drug trade has done in Latin America by creating a new networks of privilege based upon ties to external commercial networks.

Indeed, so powerful are the oil companies in Nigeria that they have received government assistance for the operations of their private armies. Between 1994 and 1995 there was a highly publicized scandal in which Shell admitted that it had received a weapons-importation license from the government to arm the company's police and other security services. Both national and international press reports of this scandal sarcastically referred to Nigeria as "The Republic of Shell" (*The Observer*, January 28, 1996; *Thisday*, February 2, 1996). Unfortunately, the advent of the present democratically elected government in 1999 has resulted in a new dimension to the violence in the region. Evidence indicates that government agents, especially at state and local government levels, have also been recruiting warlords from among powerful youth leaders, in the attempt to gain control of opposition areas. In May 2002, President Obasanjo underscored this link between violence and political agents when he stated that "primordial groupings, disguised as cultural or regional associations, have made crippling inroads into our political arena" by using "organized violence in pursuit of political goals" (Obasanjo 2002).

In Rivers State, there have been allegations of state political agents being involved in some of the most violent chieftaincy crisis of recent times and other communal feuds. Several examples of such state interference exist. In September 2000, a clash occurred in the Ogoni town of Bodo between the followers of rival leaders of the ruling party People's Democratic Party (PDP), which left in its wake a trail of blood and destruction. Over the last two years, Okrika has also been engulfed in endemic multidimensional turmoil over a kingship succession dispute and a struggle over the political control of the area, which has involved death, destruction of property, and the displacement of townspeople. Some observers believe contesting political parties are deeply involved in the selection of candidates for the king. This clash between parties has spilled over into local government politics and the removal of the elected chairman of the town council who belonged to the opposition party. Similar conflicts have occurred in the Kalabari area, where opposition to the elected state government has been particularly strong as well as in the Abua area (*The Beacon*, January 10, January 25, February 23, 2002). In the case of Abua, some observers have claimed that the violence is related to the struggle for political supremacy in the area between the state governor and the deputy speaker of the Federal House of Representatives, both members of the ruling party. In addition, clashes have occurred between rival factions of the ruling party.

### Religious-Ethnic-Political Conflicts — The Explosive Trinity

Rarely does religion constitute the sole source of conflict. Even in instances like the ostensibly religious Maitatsine uprisings in the 1980s, political factors also played an important role.<sup>3</sup> If any particular crisis starts out as a religious protest, it quickly assumes an ethnic or political dimension. By the same token, many political or ethnic crises take on religious overtones. Thus, religion, ethnicity, and politics have formed an explosive trinity since at least the January 1966 coup d'état, which was initially perceived as mainly a political revolution, but then rivalry within the armed forces that involved sinister religious and ethnic conflicts triggered the July 1966 counter-coup. One unfortunate result was the mass killing of mainly non-Muslim southerners in Kano and other places. Subsequent political-ethnic-religious struggles include the 1977–1978 Sharia controversy in the Constituent Assembly, which evolved into a contest of political will between the "Islamic" North and the "Christian" South. Supposedly religious conflicts in Kaduna in 1987 and 2000 and in Jos in 2001 exuded the worst manifestations of this trinity (Ibrahim 2000).

<sup>3</sup> The riots, cases of fundamentalism, started in Kano in 1980, spreading to Kaduna and Maiduguri in 1982, to Jimeta in 1984 and Gombe, 1985 (Lubeck 1985; Kukah 1993, 154-156).

The ethno-religious geography of Nigeria accounts for this incendiary amalgam. Each geopolitical region of the country is roughly coterminous with the dominance of particular ethnic communities that follow one main religion: the Hausa-Fulani in the North are mainly Muslim; the Igbo in the Southeast and the minorities in the Niger Delta are mainly Christian; the Yoruba of the Southwest may have a slight Christian majority. In fact, throughout the country, many regard the Hausa-Fulani as the only authentic Muslims. A Muslim witness at the commission of inquiry investigating the September 2001 ethnic-religious crisis in Plateau State openly lamented the dilemma of indigenous Muslims who, he said, were accepted by neither the Hausa-Fulani Muslims nor by their own people. The witness, Abdul Isiaku Dalyop, contended that the indigenous Muslim community found this out during the crisis as they were at the receiving end from both sides. Claiming that indigenous Muslims suffered most during the crisis, he said many of them were killed by their own people for converting to Islam and simultaneously discriminated against by Hausa-Fulani Muslims. He said he had been abandoned by his extended family for converting to Islam" (*Vanguard*, May 2, 2002). Given such general identification of the Hausa-Fulani with the Islam, the Hausa-Fulani elite finds that it can advance its corporate interests in the guise of interests of the religious community as a whole. Similarly, a perceived infringement on Islam may be readily interpreted as an encroachment on Hausa-Fulani interests. Likewise, the conglomeration of northern ethnic minorities, who are primarily Christians, assume a religious and political identity that opposes that of the dominant Hausa-Fulani group in the region.

This trinity shows that the term "religious conflicts" is misleading. Since the end of military rule in 1999, the trinity has been more combustible than before. Instability in the country has increased in direct proportion to the magnitude of the conflagrations. The current wave of religion-centered disorder began in 1999, when a gubernatorial candidate in Zamfara State in the North made an election promise to introduce Sharia. Although it is difficult to tell if this platform accounted for the victory of Ahmed Sani Yerima, he immediately proceeded to fulfill his theocratic mandate. At this point, it is useful to remember that that Sharia remained a part of the northern legal system throughout colonial rule and after independence; however, it was restricted to civil jurisdiction. But in 1999, Zamfara State extended its jurisdiction to criminal matters, which led to widespread conflict in the North.

Christians argue that Sharia violates the constitutional secularity of the Nigerian state and that overzealous Islamic judges would apply it to Christians. The secular intelligentsia attack what they perceive as the barbarity of the Islamic penal code. The belief that Sharia gives more political leverage to the Islamic North lies at the heart of this opposition. What, in fact, Yerima has done is to exploit a grey area in a constitution that is ambiguous on religious matters.

Propelled by a mixture of fear and politics, the Christian Association of Nigeria (CAN) ordered demonstrations in Kaduna State against the proposal by the state government to follow the Zamfara example. The organized Muslim community was determined to crush the Christian opposition. The ensuing massive killings and destruction of property immediately assumed an ethnic character — completing the trinity — as Muslims targeted southeasterner residents. Some commentators and scholars have portrayed certain northern politicians as making political capital out of the Kaduna attacks. They link the conflict to the northern leaders' frustrations over the loss of their power and influence under the postmilitary democracy. In its editorial of March 3, 2000, *The Guardian* accused Zamfara governor Ahmad Sani Yerima and "his imitators" of "making political capital of religious differences in their states". The editorial further stated: "The magnitude and coordination of the Kaduna riots indicated that forces other than misguided zealots were behind them... Whoever fuelled the riots and funneled ideological and material support constituted outright threat to the unity of the country and good governance...." The Kaduna incident provoked violent reprisals in the Southeast where "northerners" were attacked in Owerri, Uyo, Okigwe, Aba, and other cities. Aba had the largest number of casualties. These reprisals

completed a cycle of violence that shook the country and led to critical questioning of the Nigerian nation-state project.

In September 2001, a similar inferno occurred in the Middle Belt city of Jos, which is inhabited by the indigenous Berom, Anaguta, and Afizeri peoples, but also has a large immigrant Igbo and Hausa-Fulani populations. What began as an ethno-political problem quickly became portrayed as a religious conflict. The conflagration ignited when some Muslims, during their Friday prayer service, attacked an indigenous Christian woman (*Tell*, September 24, 2001). As in Kaduna, Muslims inflicted heavy casualties on southeastern immigrants. The Jos inferno led to mounting tension all over the country. In many parts of Plateau state, Hausa-Fulani people hastily deserted their homes for fear of reprisal attacks by the indigenes. In October 2001, shortly after the September 11 attack on the World Trade Center in New York, the trail of blood and destruction quickly spread to the Muslim stronghold of Kano where 200 Igbo and 4 Yoruba were reportedly killed in a conflict that started as a minor demonstration by Muslim youths who claimed to be supporters of Osama bin Laden (*Tell*, November 5, 2001, 51). In this riot 51 people suffered injury and much property was destroyed, including 55 houses, 37 shops, a mosque, 5 churches, a hotel, 2 motorcycles, and 16 cars. The police made 286 arrests. Across the Southeast, angry Christians retaliated against northern Muslims in their cities, but swift police intervention averted massive violence even as the bodies of the Igbo killed in Jos and Kano began to arrive for burial. In Onitsha, about seven thousand northern Muslims sought refuge in the military barracks. Surprisingly, the dreaded vigilante group, the Bakassi Boys, protected them from rampaging youth mobs (*Tell*, October 1, 2002).

The Jos bloodbath shocked Nigerians because they had until then regarded the city as a melting pot, a bastion of political, ethnic, and religious tolerance. The indigenous inhabitants of Plateau State were mainly Christian or animist minorities, while Jos, the capital, had become the centre of a Middle Belt struggle against what they regarded as Islamic Hausa-Fulani domination. Since the nationalist period, the Middle Belt has strived to establish a separate identity, independent from the dominant Hausa-Fulani. In 1967, the creation of Benue-Plateau State was regarded as a major victory. After the outbreak of violence, hatred, suspicion, and unaddressed feelings of injustice grew among the populace. Eight months later in May 2002, disagreements emerged at the ruling party's state congress. This quickly degenerated into another orgy of blood-letting that claimed more than fifteen lives in different parts of the city in one day (Abdulsalami 2002).

At about the same time, ethnic rumblings between the Tiv and the Jukun in the neighboring Benue and Taraba States escalated into full-scale war after Tiv militants had abducted and killed 19 soldiers on a peacekeeping mission between the two groups. The army responded with a heavy reprisal, summarily sacking the towns and villages where the soldiers were allegedly killed. According to reports in *Tell* (November 5, 2001) more than 200 people were killed (see also Human Rights Watch 2002).

Violent conflicts in the Yoruba-dominated Southwest intensified with the advent of the civilian administration in May 1999. The O'dua People's Congress (OPC), originally formed in 1995 to oppose General Sani Abacha's dictatorship, became even more militant with the advent of Obasanjo's civilian administration. After the demise of the Abacha regime, the OPC directed its abundance of youthful radicalism into vigilantism, clashing with any groups it perceived as infringing on Yoruba interests. Between 1998 and January 2000, this organization alone allegedly accounted for about 60 percent of the reported 200 ethnic clashes that occurred in the Southwest (Nwokoh 2000). OPC members claimed that their actions were responses to police high-handedness. In retaliation, groups of OPC adherents sacked a number of police stations. In a particular case that evoked national revulsion, a police officer was abducted and murdered in very brutal circumstances. Then the OPC engaged Ijaw youth in pitched ethnic battles in the streets of Ajegunle, a Lagos slum where many migrants lived. This signaled that urban criminal gangs, or

“area boys”, that engaged in robbery and intimidation, had infiltrated the OPC. In September 1999 one of the factions of the dock workers union engaged the service of OPC members to dislodge a rival faction from the Tin Can and Apapa wharfs in Lagos. Fifteen persons reportedly died in the clash.

The historical rivalry between the Hausa-Fulani and the Yoruba over the national leadership of Nigeria played a role in OPC attacks on the Hausa-Fulani community in Lagos, the commercial center of the nation. In one of the most ferocious confrontations in October 1999, about 100 persons perished when a private developer allegedly hired OPC cadres to dislodge Hausa traders from the Mile 12 market in Lagos so that he could undertake a new construction project. Two months earlier, the OPC engaged in similar confrontations with the Hausa in Shagamu, a commercial town near Lagos (Akparanta 2002). Numerous other bloody clashes occurred sporadically, including one that followed the horrendous munitions explosion in the Lagos armory at the end of January 2002, which claimed more than 1000 lives.

Everywhere — in the core North, the Middle Belt, the Southwest, and the Southeast — the Hausa-Fulani have featured prominently in the conflicts either on the defensive or on the offensive. This calls for some analysis. For centuries, the Hausa have engaged in long-distance trading and traveling, forming migrant communities that maintain their ethnic and Islamic religious identity. Many of these communities have become permanent, although during the Civil War, many left the Southeast. In the Middle Belt and the minority areas of the core North, the resurgence of ethnic nationalism in the 1980s and 1990s has brought them into conflict with their “host communities” or local indigenous groups over land and political issues. No matter how long some trading families have resided in these communities, they continue to be regarded as strangers in places they have lived for generations.

The Hausa-Fulani political domination of the country since independence aggravated the situation. In some areas in which numerous minority groups lived, local political leaders in the host communities believed that the immigrants used traditional political ties with the northern emirates to establish domination over indigenous, often non-Muslim, communities. This has been the case in the southern part of Kaduna State (southern Zaria) and in the minority areas of Bauchi State where conflict between the Hausa-Fulani and the indigenous groups have a long history. The indigenous minorities have always regarded the Hausa-Fulani political system as oppressive, even imperialist. Bloody ethnic confrontations have broken out in recent years in Zagon-Kataf (southern Zaria) and Tafawa Balewa (Bauchi State), areas in contexts where indigenous groups suspected that government supported the “strangers”. Consequently, indigenous groups have agitated for government to create their own chiefdoms to extricate them from the Islamic yoke. In some cases the struggle has been largely a resistance of the indigenous community to Hausa-Fulani settler attempts to control power in these areas through modern political processes. That was the main origin of the September 2001 Jos crisis that arose over the appointment of a Hausa man as the head of a federal agency for Jos North Local Government (Human Rights Watch 2001; *TheNews*, October 1, 2001).

### **National Turbulence and Political Space**

The elephantine challenge that disorder poses for the future of national cohesion and democracy was summed up in a controversial report by Jeff Koinange, a Cable News Network (CNN) correspondent who, soon after the catastrophic explosion in Lagos and the subsequent ethnic riots, reported that Nigerians preferred the return of military rule to the current civilian government. In the middle of February 2002, Nigeria looked like a hopelessly ungovernable place. Armed robbers terrorized city streets at night. The police staged an unprecedented national strike and the junior military officers threatened to follow their example. Many unions sent their members on strike, completing the picture of chaos. One reporter observed that: “Within the past

30 months of democratic governance, there have been more strikes than ever in the country” (Offi 2002). Nigerians feared that the nation was near collapse.

Do these centrifugal tendencies suggest a mortal threat to the corporate existence of Nigeria and the current democratic experiment? Some scholars argue that pervasive disorder undermines the continuity of the nation. They contend that if polities in the most turbulent areas see no viable future in Nigeria as currently constituted, they might opt for a sovereign existence. A complete breakdown of political control could escalate this trend. Despite considerable social and political turbulence, however, no separatist movements have emerged and the indigenous and state machinery for conflict resolution has proved highly capable of dealing with disturbances and their aftermath. While it is natural that the issue of national survival tends to be resurrected in troubled times, the evidence indicates that community leaders in turbulent areas are currently engaged in reshaping the political space through conflict resolution that will hopefully culminate in a stronger and more viable nation.

The lessons of the Biafra fiasco apart, there are objective economic, demographic, and geopolitical reasons why no group in any region has considered separatism as a feasible alternative. First, there is economic self-interest. The Nigerian elite has been seduced and spoilt by cheap oil money and it is unlikely that any section of the country would willingly cut off its access to that lifeline. Moreover, minority groups in the Niger Delta, the Middle Belt, and other areas are too small to expect separatism to be successful. Besides, these minorities are riven with internal and external political rivalries. Thus, the Hausa-Fulani in the North, the Yoruba in the Southwest, and the Igbo in the Southeast have the geographic and political advantage over the minority areas, blunted any separatist aspirations and forced uneasy compromises among factions of the political elite.

Yet, the minorities can hope to reshape the political space in significant ways. The constitution has created mechanisms to promote self-actualization and development. For example, in the Niger Delta, greater potential exists for the promotion of national cohesion than has been generally admitted. Niger Delta communities seek to reshape their political space so that they may enjoy greater local autonomy for controlling their affairs and resources within the Nigerian federation (Naanen 2001). Although the exact parameters of self-determination are yet to be formulated, they include the abrogation or fundamental review of such controversial laws as the Petroleum Act of 1969 and the Land Use Act of 1978, which place control of oil and land solely under the jurisdiction of the central government, and thus becoming the state’s main weapons of tight structural control.

In November 1990, the Ogoni became the first of the Niger Delta peoples to declare a Bill of Rights, which called for more local autonomy and a larger share of the resources derived from their land. Nowhere in this document did the Ogoni demand a separate sovereignty as the military regime later claimed in justification of its brutal repression of the Ogoni. Likewise, the All Ijaw Youths Conference (1998) explicitly stated in its Kaiama Declaration that the Ijaw had “agreed to remain within Nigeria but to demand and work for self-government.” The NDRP found that all the associations studied and individuals interviewed unanimously believed that it was essential to remain within Nigeria but that it was also necessary to develop a strategy to struggle for autonomy and resource control. Indeed, the rivalry among the conglomeration of relatively small ethnic communities seriously militates against the development of a separatist movement.

The two central issues in the Niger Delta demand for political space – autonomy and resource control – still lack precise definitions for effective policy-making. The current resource control controversy remains nebulous with as many interpretations as people involved in the debate. Some take it to mean making the derivation principle the central factor in the revenue-sharing formula. Others interpret it to denote varying degrees of indigenous control of the resources, especially mineral resources. This still leaves unspecified what should be the control-



ling units: is it the ethnic community, the local government, or the state government? The Ogoni, the Ijaw, and some other groups emphasize the ethnic community.<sup>4</sup> The governments of oil-producing states, however, define resource control in terms of abolishing distinctions between onshore and offshore oil resources in the distribution of national revenue. It is important for these terms to be more precisely defined so that a consistent and meaningful dialogue might develop between policy makers and local communities.

The same argument about the reshaping of political space applies to the ethno-religious conflicts aforementioned. The Muslim elites in Kaduna, Kano, and Jos do not advocate the creation of a sovereign theocratic state. Since the advent of military intervention in 1966, which coincided with the shift to an oil-based national economy, the North has always stood for a strong central government in strong contrast to the initial incorporation of the Sokóto caliphate in 1804. Existing economic and geographical imperatives ensure the continuation of the federation, for a landlocked sovereign North deprived of oil revenue from the Niger Delta would be unviable. The oil companies and the federal government have spent large sums of money in recent years, searching for oil in the North, especially in Bauchi State and the Lake Chad region, to no avail. Thus, Muslim leaders have sought to reshape their political space in such a way as to incorporate Islamic law into state legal systems.

Meanwhile, non-Islamic Middle Belt and Northern minorities, who have resisted local domination by the Islamic Hausa-Fulani immigrants, desire to reinstate their own chiefdoms – a purely local aspiration that is their own conception of political space. This local aspiration is tied to the struggle for larger Middle Belt identity outside the shadow of the Hausa-Fulani (Agbese 2001).

Not even the Yoruba, the ethnic group that previously had a strong potential for independent nationhood, have generated a separatist movement. Neither the OPC nor its gerontocratic progenitor, Afenifere, has made any such demand. Indeed, the huge economic and political empowerment of the Yoruba through the Obasanjo presidency has been an effective antidote for separatist feelings among the Yorubas. The current Yoruba domination of Nigeria has led many to ask: "What do the Yoruba still want?" They desire a political space in which their own ambition and progress will not be hindered by a centralized political system. A significant section of the Yoruba leadership believe that since the onset of military rule, the northern-dominated state deliberately shifted socioeconomic resources to develop other parts of the nation, retarding Yoruba social, economic, and political progress. They viewed the First Republic, when Nigeria was under regional governments, as a golden era when the Western Region pioneered greater development in its educational, health care, rural development, and industrialization system than during the post-1966 years when Nigeria became a unitary state (Albert 2001, 273). Yet, the emergence of a national oil-based economy in the 1970s now makes separatism unlikely even for the Yoruba.

The Igbo, who lost the Civil War in 1970, still struggle to define their central objectives in Nigeria and how to achieve them (*Tell*, January 15, 2001). They try to reshape a political space, which would allow them to pursue their business interest in any part of Nigeria without danger from other groups. It is not entirely clear if they have departed from their early support for a strong central government as a protective shield. Currently, their strategy centers on acquiring and intensifying their economic and political strength so that they can defend themselves and repulse the rampant ethno-religious violence in which the Igbo been the largest victims. To some extent this has succeeded, for recently, Igbo migrants have resisted violent attacks and inflicted substantial casualties on their attackers.

Tactics for reshaping political space and minimizing national turbulence is the subject of intense national debate. While a broad section of the country, especially the Southwest and the

<sup>4</sup> Although the Ogoni Bill of rights does not specify the controlling unit, MOSOP has since argued in favor of the ethnic community. The Kaiama Declaration clearly specifies that ethnic communities will be the controlling units.

Niger Delta, continue to press for a sovereign national conference that would fundamentally restructure the constitution, others contend that the problem could be solved through the implementation of “true federalism” (Suberu 2001). The Obasanjo government has resisted the call for a national conference on the grounds that the government, as presently constituted, already has the power to devise policies to ensure the harmonious coexistence of national diversities. An elected government will hardly concede that it does not have the legitimacy and capacity to deal with crucial national issues that affect the existence of the polity. Yet, at some point, agreement must be reached on how to proceed.

### **Current Democratic Experiment: Survival and the Management of National Turbulence**

The recreation of political space that accommodates conflicting group aspirations and forces depends on government’s ability to develop its conflict management capacity. There is a sharp division of opinion about the capacity and achievements of the Obasanjo administration since 1999. This polarization became evident in the reactions that followed the president’s decision to run for a second term. But, even with all its shortcomings, the present democratic process in Nigeria offers a viable alternative to military rule. It has already demonstrated a substantial capacity for conflict management and national stability. The federal government’s decision to increase local shares of oil royalties to 13 percent and the establishment of the Niger Delta Development Commission (NDDC) are positive steps in dealing with the acute sense of deprivation and alienation in the Niger Delta. Nevertheless, critics of the administration contend that these steps do not go far enough to redress decades of neglect. They argue that setting up institutions is one thing, but empowering them as viable agencies is quite another. Some critics charge that the administration has deliberately undermined the NDDC through layers of political control and deliberate underfunding.

The March 2002 Supreme Court ruling on revenue distribution — while demonstrating the capacity of the judicial institution to arbitrate constitutional disagreements in an independent manner — deals only with distribution. The ruling itself, however, has raised fresh anger in the coastal oil-bearing states as they see their revenues fall significantly. Since the ruling there has been a strong consensus on the need to find a political solution to the looming standoff between the central government and the oil-bearing states over revenue loss. The President has assured all concerned parties that there will be a solution. In fact, “true federalists” argue that the ruling will actually strengthen central government authority rather than lessen it. Regardless, there is still the important issue of clearly formulating what exactly resource control means, what the controlling units should be, and how the concept should be applied to onshore resources to assuage the feelings of Niger Delta people. The same could also be said of the issue of self-determination or autonomy (Naanen 2001).

With regard to Sharia, the federal government clearly wants to prevent the issue from coming before the Supreme Court, which would necessitate a constitutional pronouncement. Thus, the government avoids taking a stance on the issue, leaving Muslims free to apply the Sharia in those states where they consider themselves to be in the majority. They claim the right to create their own political space. The question of whether a strict application of Sharia will facilitate the reduction of the huge social gap between the North and the South — a gap that represents another sort of threat to future national stability — is a different matter. Meanwhile, non-Muslims in states that have instituted Sharia in their legal systems are anxious to avoid becoming subject to it. This “true federalism” would detach non-Islamic indigenous communities in the North from local Hausa-Fulani domination. Such space-creation measures that allow the turbulent communities of interest to pursue their own aspirations would strengthen the nation rather than weaken or destroy it as pessimistic centralists are wont to argue. It will also reinforce democracy by reducing conflicts within the system.

Preserving democracy also means good governance and ensuring that the armed forces are limited to their constitutional role of defending the nation. Good governance is the key to success in this area as this would deprive the soldiers of an alibi for intervention to stage a coup d'état. Corruption, which is excessively high in Nigeria, undermines government, destroys its credibility and legitimacy, and exacerbates mass poverty. The administration has set up the Independent Corrupt Practices Commission (ICPC) in an attempt to combat this problem and encourage increased accountability among politicians and other public leaders. Some Nigerians have complained that hardly any action has been taken to stem corruption, but in May 2002, the ICPC announced that three state governors under investigation would soon face trial. Despite this, corruption among the political class and the bureaucracy has not declined, and the need for accountable and transparent governance remains as high as ever. Very likely, the administration's determination to fight corruption has been blunted by the need to compromise in connection with Obasanjo's ambitions for a second term as president.

The next test of Nigerian democracy was the elections of 2003. Until then, civilian administrations in Nigeria had not succeeded in conducting a national election that allows the transition from one elected government to another without the intervention of the military. These elections proved to be different. First, the military had not yet recovered from its fragmentation, loss of credibility and morale that had become evident in the last days of Abacha's dictatorship. Second, the present government took steps to depoliticize the military, enhance professionalism, and gradually restore morale.<sup>5</sup> Third, the emergence of a civil society in Nigeria — itself a consequence of the military repression of the 1990s — supported democratic governance. These circumstances make military intervention less likely than in the past, but this does not mean that there are no mad majors in the barracks whose thinking and behavior contradicts public opinion.

A broad section of the Nigerian public, however, has a growing concern that the threat of violence could terminate the Fourth Republic. On May 29, 2002, President Obasanjo focused on political violence in his Democracy Day national broadcast, expressing optimism about the successful conduct of the 2003 elections and the steps being taken by his administration to ensure that those who perpetrate political violence pay a huge price. Older Nigerians advise caution, for they remember how political violence in the former Western Region in 1965 led directly to the 1966 coup d'état (Diamond 1988). We have already identified political linkages associated with ethnic militias and communal violence. There have been criticisms that certain state government officials who had legitimized the use of vigilante groups for security services were actually building up private armies for their re-election. It is mainly in response to this danger that the federal government proposed a bill making those who employ violence for political purposes accountable for their action, including the payment of compensation to the victims of such violence.

A major source of strength of Nigeria's present democracy concerns the internal dynamics of the democratic process itself. Although initially the intimidating preponderance of the ruling party, the Peoples Democratic Party (PDP), and the dearth of credible opposition from the smaller parties gave cause for concern about the possible emergence of a one-party state, opposition has arisen within the party. However, after Obasanjo publicly declared his intention to run for a second term, he and other presidential aspirants quickly realized that they must compete for the political space they want to occupy. Northern opposition to Obasanjo's government has been particularly strong, stemming from the perception among northern politicians that the North has become marginalized (Oloja 2002). Obasanjo replied that this criticism overlooks the generous spoils of power northern politicians enjoyed for years at the expense of other regions whether under military or civilian dispensation. As a former military governor remarked, the hitherto pampered North is now beginning to face the reality of political competition (Madaki

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<sup>5</sup> One of such measures is the military assistance, especially in the area of certain specialized training that the United States has been giving since the advent of the Obasanjo administration.

2001). The opposition may even become stronger with the registration of more political parties. All this is good for democracy in Nigeria.

The survival of any democracy depends on the willingness of the principal actors to play according to the rules and to compromise when necessary. After decades of military rule, politicians are chastened and recognize the need for self-preservation, so they might stop short of pushing the country over the precipice. The compromise that prepared the way for Obasanjo's presidency offers an important precedent for peaceful negotiation as a way of mediating critical national situations. A significant section of the northern political elite claimed that it conceded the power shift to the South, and in particular, to Obasanjo, a Yoruba, in the interest of peace. Given the powerful movement for regional power shift in the country, especially as the North is closely identified with the discredited military governments, it is doubtful that the North had any alternative (Oloja 2002). So far, politicians also show some willingness to follow due process as evidenced by their responses to two landmark rulings by the Supreme Court on resource control and local government tenure. The ruling on the latter went against the presidency and the National Assembly while that on the former went against the state governments and popular opinion in the oil-producing areas. So far, there has not been any lawless response to these rulings. By such bold pronouncements the judicial system demonstrates its historic role of protecting the rule of law that is so central to democracy.

#### **Survivalism — A Conceptual Statement**

So far our analysis warrants the tentative deduction that the country's recent experience of military dictatorship has been disastrous. Since then, the popular negative view of the military's role in governance, coupled with the growing dynamism in the political arena, promotes public patience with the shortcomings of the current government and reinforce hope in democracy. No matter how one looks at it, the potential for national disintegration was much stronger in the last years of the dictatorship than it is currently. By 1998, the fear of a civil war and possible national disintegration originating in the Southwest had grown enormously, following what appeared to be Abacha's specific targeting of Yoruba leaders, which had caused great frustration and anger in that part of the country. The logic of the democratic process implies that most of the issues that are now at the root of national turbulence will be resolved through the creation of legitimate political spaces and institutions. No elected government can ignore for long the passionate debates on critical national issues such as resource control, autonomy, Sharia, and the sovereign national conference. But most important of all is to consolidate democratic institutions and to utilize them in conflict resolution.

For the immediate future, turbulence will continue. Instability will stop short of a breakdown of democracy and the national territorial framework. Short a catastrophic accident that would dramatically alter the course of history, the scenario that might result in Nigeria becoming a failed state appears distant as the forces of inclusion appear stronger than the forces of exclusion. Thus, the author sees the Nigerian postmilitary state as one, which though weakened by internal turbulence that drains the state of any capacity to undertake rapid national development, still has the resilience to ensure its survival. For lack of a more appropriate term, let us call this "survivalism".

#### **Summary and Conclusions**

The violent social turbulence that has characterized and challenged the legitimacy of the postmilitary Nigerian state has resurrected old concerns about the survival of the state. It has also raised anxiety about the prospects of sustaining and consolidating the current democratic efforts in the country. This essay has analyzed three main sources of turbulence that have generated these concerns: the Niger Delta, ethnic-religious-political conflicts, and the management of the current democratic experiment by the political elite. In examining the Niger Delta, the essay identified

two interrelated levels of conflicts: the general struggle against the state and the transnational oil companies over the substantial exclusion of the Niger Delta communities from the benefits of the oil economy while bequeathing to these communities a legacy of oil-related environmental and socioeconomic problems. The second level of conflicts, which arose largely out of the conditions created by the general struggle, is mainly between Niger Delta communities and in intra-communal matters. The overwhelming majority of these conflicts are related to oil and the transnational oil companies (TNOCs). It has also been demonstrated how the TNOCs, on their own, and the existing political process in the country, have complicated the conflict situation and contributed to the destabilization of the Niger Delta. Third, religion has never been the sole factor in any conflict in Nigeria, hence the inappropriateness of the terms "religious conflict" and "religious violence". Rather, it is the mixture of religion, ethnicity and politics — the "violent trinity" — that is the problem.

We should perceive the forces of disorder in relation to the struggle for political space. All want the opportunity for self-actualization and development, to be free from existing political and constitutional constraints that are considered detrimental to these interests and the stability of the nation. The Niger Delta people are calling for self-determination expressed in terms of local autonomy that includes as yet an unspecified degree of control over natural resources, mainly oil. The Islamic community for the most part wants Islamic legal jurisdiction or the *Sharia* in states where Muslims are in the majority to replace secular legal jurisdiction. The now re-empowered Yoruba want a guaranteed flexible structure where their continuous hegemony or progress will not be hindered by political and constitutional barriers. The Igbo want complete reintegration in a Nigeria where they can pursue their business and political interests in any part of the country without victimization by religious or ethnic mobs.

The concession of these kinds of political spaces is an important step in the pursuit of national stability while their denial will continue to be a source of disorder that in the long haul would not be compatible with the structural and territorial cohesion of the country. Moreover, a scenario of political and territorial breakdown now appears distant as the imperatives of democracy are significantly enhancing the resolution of these forces of disorder. The important thing is to ensure the consolidation of true democracy, a prospect that seems reasonably assured with the internal dynamics of the current political process. Further, issues such as the centrality of oil in the Nigerian economy, the internal relations of the ethnic communities in the Niger Delta, the geographical handicap of the North, the vast empowerment of the Yoruba under the current regime, are important factors that are inconsistent with separatist aspirations and supportive of democracy in the country. In conclusion, the overall picture of Nigeria that emerges is that of a nation-state that demonstrates the ability to survive on its own internal dynamics while sustaining a commitment to democracy.

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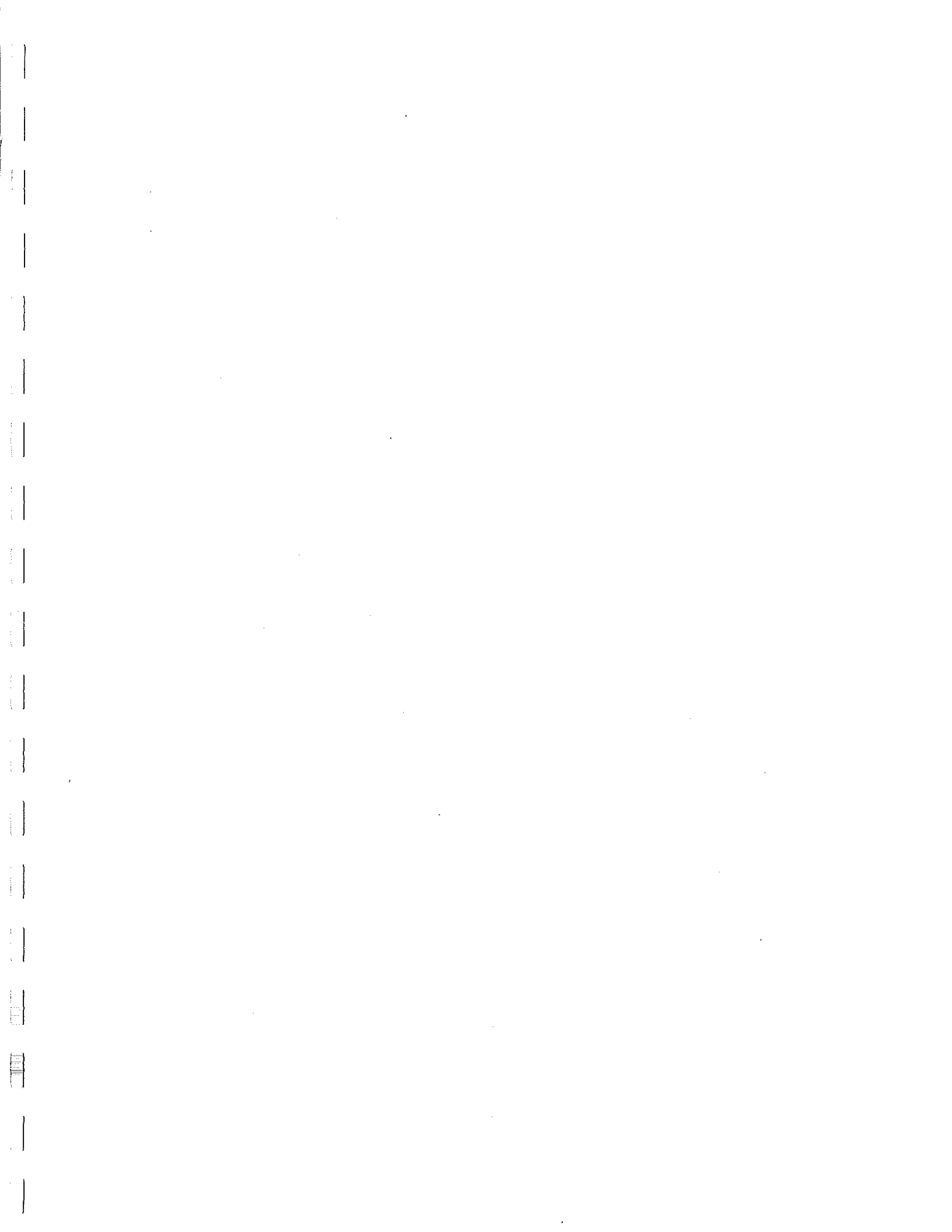
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