
FEDERALISM AND RESOURCE CONTROL QUESTION IN NIGERIA

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Abstract

Nigerian polity is premised on the ideals of federalism, which implies an agreed form of power-sharing between the federal government and the subordinate governments. This does not seem to feature in the fiscal relationship between the different tiers of governments particularly as it pertains to 'resource control'. The central power continues to swing indecisively in search of what should be the modus operandi for resource control. The subordinate states also have not ceased in their struggles for what they think is the fairest method of resource control. In the circumstance, the issue of resource control remains in the front burner of Nigerian inter-governmental relations. The main focus of this paper is by way of content analysis of existing literature on resource control question in Nigeria. It is premised on the frustration-aggression theory. The paper recommends inter-alia quick constitutional reforms so as to resolve those problems inherent in the operation of the federal constitution in Nigeria as it affects resource control.

In a country comprising multiple tiers of government, thirty-six states, a Federal Capital Territory and diverse ethnic groups, issues of fiscal relationship between the central power and the subordinate components on one hand and the relationship among the component states on the other hand cannot but be a vital one. This is usually very intense with regards to the degree of control at the disposal of a component unit over the resources existing within its boundaries. Nigeria, fitting into this context provides a fertile terrain for jostling for resource control between the federal government and the subordinate states.

Analytical approach to issues of resource control in Nigeria reveals some political intrigues in determining the appropriate principle/formula for resource control. This is particularly evident in the economic dynamics of the country's foreign income earnings, shifting from groundnut, hides and skin in the North, cocoa in the West and palm oil in the East to the mineral oil of the South-South.

Unfortunately, a myriad of attempts to reach consensus on the formula suitable for Nigeria's politico-economic reality have not yielded any lasting result. In the current circumstance, the federal ~~government and the state governments, particularly the oil producing states that feel cheated by the existing formula, are still much in discord over what stand should be adopted in resolving the contention on resource control.~~ *Academic Excellence*

Resource control, being in the front burner of federal/state governments interplay in Nigeria, has elicited a number of definitions in the Nigerian context and perspective. One of such definitions was given in a communiqué issued at the end of a South-South Governors' Conference on Resource Control and Revenue Allocation in 2001. *To wit*, resource control means that every state should have first-hand claim on whatever natural or other resources that are within its borders and areas of jurisdiction with the payment of an agreed percentage to the federal government (Agbese, 1983:14). The voices and opinions of the South-South Governors were resonated by Suberu (2006) when he asserted that where natural resources are found should enjoy the benefits of such resources as owners.

Theoretical Framework

Resource control in Nigeria has taken a different shape, escalating from mere agitation for right to aggressive struggle, especially in the Niger-Delta region. Thus, resource control as an issue has incited aggression following the frustration of the efforts of the oil producing states to secure a favourable formula for resource control. On the weight of this, this presentation is made within the framework of “Frustration-Aggression” theory.

Frustration-Aggression theory according to Falehi (2006:47) is the common explanation for violent behaviour stemming from the inability to fulfill needs. When people have perceptions that they are being prevented from achieving, their frustration is likely to result in aggression. Frustration is defined as a state that sets in if a goal-oriented act is delayed or thwarted. Under frustrating conditions, aggressive behaviour is stimulated to an extent that corresponds with the intensity of the instigation and the degree of blockage of goal attainment. The central premise of the frustration-aggression theory is that aggression is always the result of frustration and, accordingly, when a group of people feel prevented in their attempts to get what they want, they are likely to become angry and when they become angry the most satisfying response is to strike out at the source of their frustration (Verna, 2006:94).

Political-Economic Perspective of Resource Control in Nigeria

One major characteristic of federalism/federal system of government is the existence of a devised revenue sharing formula between the central power and the federating units. This is perhaps what Oyovbaire (1987:103) meant by saying “...in any federal state, an agreeable formula is usually devised to share the revenue accruable to the federation; between the federal government and the government of the component units on one hand and among the governments of the component units on the other hand”.

~~Federalism and Resource Control (2009:175)...~~

The survival and the ultimate success of any federal system depends on an acceptable distribution of resources and functions among the three levels of government so that efficiency in the use of scarce resources is encouraged while reducing inequality in the treatment of individuals and among different states. It is obvious that the present fiscal arrangement is not only controversial, but also patently skewed in favour of the centre even when the centre has not demonstrated a reasonable degree of fiscal responsibility by the way it spends the huge allocations it gets from federal income. The problem becomes even more acute due to the political dimension the issue had assumed, with tempers flaring along geo-political lines over perceived injustices in the way the country's revenue is being shared.

Resource control as an agitation has been a bone of contention in the history of Nigeria's fiscal structure to the extent that it now means different things to different people. To the Northerners, who are perhaps not perturbed by the existing structure, it is a selfish agitation and demonstration of excessive greed on the part of the South-South governors. Whereas, to the Niger-Delta region, it is a just cause; a struggle for their natural right (Beachen, 2001:94).

It becomes more contentious and worrisome especially to the Niger-Deltans when one recalls that historically the North has benefited more from resource control and derivation formula since the inception to the chagrin of other parts of the country. One would expect that since the North was favoured by the derivation formula before attention was ceded to oil, the agitation of the oil producing states should not elicit any discordant tunes in the country (Ibodje, 2008:94). The issue of resource control has however created a gulf of suspicion between the North and the South, hence, the continuous search for the appropriate and acceptable derivation formula.

According to Kwanashie (2008:181), the agitation for resource control came up as a result of persistent inequality in the resource distribution and this has become a thorny issue in Nigeria's

federalism. May 29, 1999 (tagged 'Democracy Day') was a turning point in resource control agitation in Nigeria owing to the fact that democracy permitted the freedom of expression, contrary to the repressive nature of military rule that bedeviled the country for decades. In the event, the Niger-Delta states: Edo, Delta, Akwa-Ibom, Balyesa, Rivers and Cross River became united in the struggle to control the wealth naturally situated in their lands (Kasim, 2000:74).

Prior to this time, Ovwasa (1991:91) had expressed a great concern about the problem of resource control as it affects the Niger-Delta region. What informed their agitations according to him include the environmental degradation and the destruction of farmlands and fishing that constitute their main occupation without adequate compensation and, their persistent marginalization by majority groups depicted in their near non-representation in government. In the same vein, Akindele et al., (2001:9) ~~observed that the agitation for resource control could be attributed to the failure of the federal government to develop the country in the interest of all Nigerians.~~ To Agbu (1998:7), the constant oil spillage, gas flaring and other forms of environmental pollution have indeed put the entire ecosystem and aquatic life in the region under severe threat of extinction because oil spillage, when it gets to the stream, destroys marine life, renders source of drinking water toxically useless, causes fire hazard, followed by visual pollution and possibly damages plant and animal life.

In this circumstance, the agitation for resource control resulted in the formation of various movements orchestrated primarily to fight for the "rights of the Niger-Deltans" (Ibeanu, 1999:41). These include the Movement for the Survival of Ogoni People, Niger Delta Consultative Assembly, Niger Delta Frontier Force, Movement for the Emancipation of Niger Delta, to mention but a few.

Appraisal of Government Responses to Resource Control

Resource control entered the Nigerian parlance in 1954 but became an issue in 1958 following Willink's Commission which recommended that Niger Delta deserved a special attention to avoid a situation where the people of the region would take up arms against the Nigerian state. This led to the formation of Niger Delta Development Board in 1960. The Board lasted for seven years and achieved close to nothing. Except insignificant attempts made thereafter, another major attempt was the establishment of the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992 for the development of the Niger Delta region. All that can be seen of this is a barrage of abandoned projects and, like its predecessor, it became moribund. In the year 2000 President Olusegun Obasanjo established Niger Delta Development Commission (NNDC) while a further attempt was made by the late President Umaru Yar'Adua in 2008 with the establishment of a Ministry to take care of the special needs of the oil producing states.

Apart from institutional approach to solving problems of resource control by way of establishing commissions and the like, there have been legislative and judicial approaches as well. These include the sponsoring of bills at the National Assembly bordering on matters of resource control. For example, Hon. T. Harriman sponsored a bill in 2001 seeking to amend the draconian Petroleum Decree 51, meaning that oil producing states, local governments and communities be granted ownership and control of the resources situated within their boundaries. Unfortunately, the bill was nipped in the bud as it was defeated by Northern majority in the House of Representatives in a motion of 81 against 64.

In the same vein, stakeholders have been vocal in calling for a reversal of the existing revenue sharing formula. For example, Prof. Nimi Briggs had called for the upward review of the existing derivation formula of 13% to 50% and the control of entire properties and natural resources by government harbouring such resources and abrogation of the land use decree (Briggs, 2009:21).

Federalism and Resource Control Question...

As has been alluded, the agitation for a review of derivation formula has also received a judicial approach. This is visible in the suit brought against the federal government by the Niger Delta

governments, praying the Supreme Court to interpret Section 162 of the 1999 Constitution of Nigeria in favour of the states involved. Although the court ruled in favour of the federal government, it however laid to rest some fundamental issues in favour of a review of the existing revenue sharing formula.

The Pros and Cons of Resource Control

Arguments in favour of resource control include the following: The granting to states the control of resources within their boundaries would spark up in the state governments the volition to develop the resources in their states, thereby de-emphasizing oil as the main foreign income earner. In this regard, states that are not endowed with oil would concentrate on agriculture, which has the potential to make Nigeria self-sufficient in food production. It would also secure a better society since it would result in peace as against the militancy that characterize the Niger Delta region (Hassan, 2006:29).

In spite of its advantages however, resource control poses a dose of negative repercussions for the Nigerian polity. For instance, since resources are not evenly distributed by nature among the various communities in the states, it may create ethnic rivalry, which may disrupt peace in the state. It may also result in a situation where the centre would be too weak to dispense its functions as the superior tier of government, which is contrary to the ideals of federalism. It could affect some states that are poor in terms of natural endowments. This might lead to internal insecurity in such states (Idahosa & Aghahowa, 1995:64).

Conclusion and Recommendations

Federalism or federal system of government is the best form of government for a country with a degree of ethnic diversity such as Nigeria. Unfortunately and painfully, however, the system is bedeviled by inherent contradictions, which continue to mar the political outlook of the Nigerian nation. The inability of the system to transform the country from diversity to unity is an evidence of its defects.

It is for this reason that certain observers of Nigerian polity have reservations about the Nigerian form of federalism. According to Osaghae (2009), federalism is a dynamic system that works best when its instrumentalities are able to address the (political, economic, social) demands of the federal society to which it is applied. Inability to orchestrate an acceptable formula for resource control has engendered suspicion in the Nigerian polity and this is dangerous for the country. It is the submission of this paper therefore that federalism would continue to be inadequate for the Nigerian situation if its ideals are not upheld. Obi (2009:65) has expressed this fear when he said “as the demands of federal society change, the federal instrumentalities are expected to change. Where they do not change, the tenability and efficacy of the federal solution is called to question”.

It is on the basis of fears expressed above that this paper recommends that agitation for resource control be acknowledged by all the states of the federation in order to achieve a better federating society. This paper also recommends quick constitutional reforms so as to resolve certain problems inherent in the operation of the federal constitution in Nigeria. Resource control is undoubtedly one of such problems.

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