Intergovernmental Relations in Nigeria

FESTUS O. EGWAIKHIDE
E. REMI AIYEDE
SOLOMON AKHERE BENJAMIN
HARUNA DANTARO DLAKWA
AUGUSTINE IKELEGBE

Intergovernmental Relations in Nigeria

Festus O. Egwaikhide
E. Remi Aiyede
Solomon Akhere Benjamin
Haruna Dantaro Dlakwa
Augustine Ikelegbe

PROGRAMME ON ETHNIC AND FEDERAL STUDIES (PEFS)
Department of Political Science
University of Ibadan, Ibadan

Published by

PROGRAMME ON ETHNIC AND FEDERAL STUDIES (PEFS)
Department of Political Science
University of Ibadan

e-mail:pefs@skannet.com
Telephone: +234 (0) 2 810 7426
U.I. P.O. Box 20359, Ibadan, Nigeria

First published 2004

ISBN: 978-36421-3-2

Produced and Printed in Nigeria at the ARCHERS Press by

JOHN ARCHERS (PUBLISHERS) LIMITED
Plot 20 K Close, Oluyole Estate, GPO Box 4345, Dugbe, Ibadan

ABOUT THE PROGRAMME ON ETHNIC AND FEDERAL STUDIES

Africa provides one of the most important laboratories for the production of knowledge in ethnicity and its management. This is in view of the widely held, but partly misleading, belief that most political conflicts in Africa are ethnic. Ethnic "productivity" in Africa also extends to the wide diversity and rich complexion of the conflicts. The broad spectrum of ethnic conflicts which arise from minority problems, elite division and competition, bi-ethnic and multi-ethnic situations, state actions, uneven development, as well as multiple cleavage complexes where ethnicity is recursive with religion, race, regionalism and so on, are well represented.

The diversity, complexity and intractability of these conflicts have posed some of the greatest challenges to the theory and practice of conflict management and resolution. Tested and conventional formulas of conflict management and transformation have not had much success. This has led to the search for more creative strategies in such previously neglected areas as indigenous or traditional forms of conflict resolution. Theories and paradigms of federalism are also being re-examined for new lights on peaceful and constitutional approaches to constitutional conflicts.

It is to give this search the much needed scholarly verve, and to translate theories into practical problem-solving models and strategies, that the Programme on Ethnic and Federal Studies (PEFS), an independent, non-profit research programme, was established in the Department of Political Science, University of Ibadan, Nigeria, in May 2000. This was done with the financial support of the Ford Foundation. PEFS is located in the Institute of African Studies of the University.

Contents

1

Intergovernmental Fiscal Relations in Nigeria

FESTUS O. EGWAIKHIDE

Introduction

Since the late 1940s, nine fiscal commissions have been set up to examine the important issue of multi-level finance in Nigeria. This is indicative of the dynamic nature of Nigeria's fiscal federalism. Several pertinent issues are discernible from the literature. First, is the problem of how to allocate revenue among the three tiers of government, such that each tier can carry out its constitutionally assigned functions. There is vertical revenue imbalance, with the federal government appropriating more than its fair share from the Federation Account. The revenue-expenditure divergence is reinforced through increased fiscal centralisation. Intergovernmental fiscal conflict is the resultant direct effect of the concentration process in Nigeria.

Second, there is the horizontal imbalance – unequal fiscal capacity among states. Derivation principle, which dominated the horizontal revenue allocation scheme between the late 1940s and mid-1960s, exacerbated the horizontal imbalance[1]. It was advocated that this criterion should be de-emphasised (or possibly discarded) since it promoted uneven development. Since the early 1970s when oil revenue started to account for a sizeable proportion of Nigeria's total revenue, the use of derivation diminished to a negligible level.

Two principles, population and equality of states, each with a weight of 40 percent, became prevalent[2]. Attempts were made to use criteria that would ensure that equal revenue was allocated to states. These principles were very controversial. Revenue allocated to states on the basis of equality of states criterion, for instance, far exceeded the internally generated revenues of all the states combined.

The third issue has to do with the oil production externalities in the oil-producing states. Belatedly, Oil Mineral Producing Area Development Commission (OMPADEC) was established to undertake development programmes in order to compensate oil-

producing areas from environmental pollution of oil production. OMPADEC did not meet the yearnings and aspirations of the oil-producing communities due to inadequate funding, political-power struggle among the nine oil-producing states over the control of OMPADEC, and the indiscriminate award of contracts with very little regard for accountability and transparency[3]. The Niger Delta Development Commission (NDDC) replaced OMPADEC.

For value added, the salient features of Nigeria's fiscal federalism are identified. A brief discussion on borrowing by the different tiers of government, and budget preparation and implementation is pursued. The important concern of macroeconomic management is also outlined. In recent years, intergovernmental conflict has deepened and the climax of this has been the demand for resource control by the southern governors and leaders. Several issues relating to revenue allocation were brought before the Supreme of Court of Nigeria. The demand for resource control and the judgments of the Supreme Court on 5 April 2002 are articulated and the key socio-political developments after are noted. A concluding statement follows all these.

Features of Nigerian Multi-level Finance

Nigeria has three governmental structures: a federal government, thirty-six states and a Federal Capital Territory (FCT), and 774 local governments. The Constitution of the Federal Republic of Nigeria spells out the functions of each tier of government. The federal government provides public goods and services whose benefits are national in scope. Examples are foreign affairs, defence, social security and population census. The fact that the federal government has exclusive responsibility for currency, banking, borrowing and exchange control is, perhaps, guided by the principle that stabilisation must be rendered nationwide. Also, the federal government has the power to make laws on the major taxes (e.g., personal income tax and VAT) in Nigeria. To that extent, it is also assigned the responsibility of effective income and wealth re-distribution.

For the state government, its functions are with respect to public goods and services, with large external benefits which are not national. The third level of government – the local government – provides public goods and services whose benefits are localised. The services include sewage and refuse disposal, health services, primary education and markets.

The apparent fiscal imbalance is a striking feature of Nigeria's fiscal federalism. Both vertical and horizontal fiscal imbalance is present in Nigeria[4]. While the federal government has huge revenue at its disposal to carry out its constitutionally assigned functions, much less is available at the state-local levels. Shown in *Table 1* are revenue and expenditure of state governments for the period between 1996 and 2002. Both the revenue and expenditure increased over time. Particularly striking, however, is that the internally generated revenue of most state governments hardly covers 40 percent of their recurrent outlay in any given fiscal year. For all, the states, the internally generated revenue as a proportion of the recurrent expenditure averaged about 18 percent per annum in the seven years, 1996/2002.

Table 1: **Revenue and Expenditure of State Governments in Nigeria**

(₦ million)

	1996	1997	1998	1999	2000	2001	2002
Total Revenue	**89.53**	**96.96**	**143.2**	**168.99**	**359.07**	**573.55**	**669.82**
Federation Account	41.49	50.9	66.07	103.66	251.57	404.09	388.29
Value-Added Tax (VAT)	11.29	13.91	16.21	23.75	30.64	44.91	52.63
Internal Revenue	19.47	27.37	29.21	34.11	37.79	59.42	89.61
Others	17.28	4.78	31.71	7.47	39.07	65.13	139.29
Total Expenditure	**83.99**	**92.31**	**143.17**	**167.9**	**359.67**	**596.96**	**724.54**
	23.2	*29.7*	*20.4*	*20.3*	*10.5*	*9.95*	*12.4*
Recurrent Expenditure	54.82	58.96	75.12	102.69	196.78	294.71	424.2
	35.5	*46.4*	*38.9*	*33.2*	*19.2*	*20.2*	*21.1*
Capital Expenditure	29.16	33.36	63.65	60.43	158.9	235.24	283.47
Extra-budgetary Expenditure			4.4	4.78	3.99	67.01	16.87
Percentage of Internal Revenue in Total Expenditure	*23.2*	*29.7*	*20.4*	*20.3*	*10.5*	*10*	*12.4*
Budget Balance	**5.54**	**4.65**	**0.03**	**1.09**	**-0.6**	**-23.41**	**-54.72**

Source: Central Bank of Nigeria, Annual Reports and Statement of Accounts, various years.

Table 2: **Revenue and Expenditure of Local Governments in Nigeria**
(₦ million)

	1996	1997	1998	1999	2000	2001	2002
Total Revenue	23,789.6	32,795.8	44,952.7	60,800.6	151,877.3	171,523.1	172,151.1
Internal Revenue	2,211.1	2,734.0	4,448.6	4,683.8	7,152.9	6,020.4	10,420.9
Federation Account	17,586.5	22,300.5	30,199.3	43,870.3	118,589.4	128,500.5	128,896.7
Value-Added Tax (VAT)	3,306.9	6,826.1	9,187.3	9,559.8	13,908.7	20,107.7	18,727.2
Others	685.1	935.2	1,117.5	2,686.7	12,226.3	16,884.5	14,106.3
Total Expenditure	22,665.6	31,276.7	46,492.5	60,441.2	153,864.8	171,374.5	169,820.2
Recurrent Expenditure	16,620.1	22,656.2	27,952.5	41,613.9	93,899.9	122,712.7	124,701.6
	13.3	*12.1*	*15.9*	*11.3*	*7.6*	*4.9*	*8.4*
Capital Expenditure	6,045.5	8,620.5	18,540.0	18,827.3	59,964.9	48,661.8	45,118.6
Overall Budget Balance	1,124.0	1,519.1	-1,539.8	359.4	-1,987.5	148.5	2,330.9
Internal Revenue as Percentage of Total Expenditure	9.8	8.7	9.6	7.7	4.6	3.5	6.3

Source: Same as *Table 1*.

Thus, states and local governments rely heavily on the centrally allocated revenue from the Federation Account to meet their expenditure responsibilities. The mismatch between revenue and expenditure has intensified the call for a review of the vertical revenue allocation scheme. It should be acknowledged that not addressing the revenue-expenditure divergence of states and local governments has remained an important source of intergovernmental fiscal conflict in Nigeria[5].

Perhaps, much more profound is the horizontal imbalance. The level of development largely influences this. One indicator is the internally generated revenue. These states – Lagos, Kano, and Rivers – are able to generate more revenue than other states from internal sources due to the concentration of industrial establishments in such states. Statistics show that the internally generated revenue of the Lagos state government between 1999 and 2002 averaged about ₦15 billion annually, while Kano and Rivers states were ₦3.5 billion and ₦6.0 billion, respectively. Comparatively, the internally generated revenue of Ebonyi and Kebbi states were ₦128.6 million and ₦310.5 million during the same period. This has meant that the quality and quantity of service delivery would vary widely from one state to another. Rather than correct the horizontal imbalance via the grant system as recommended by the theory and practice of fiscal federalism, explicit attempts have focused on manipulating the criteria and their weights for allocating revenue among states.

The internally generated revenue does not tell the complete story of fiscal capacities of states, however. This is because the bulk of the revenue of the states comes from Federation Account. Thus, a statement on the expenditure side may be useful since the available revenue influences it. Although, the expenditures of each state tend to increase over time, there are wide variations across states. The total expenditure of Ebonyi state in fiscal 2000 was ₦5.2 billion, ₦6.2 billion in Zamfara state and the figure for Edo state was ₦36.2 billion. This could not compare favourably with the total expenditure of Delta state that recorded ₦32.0 billion; Lagos state, ₦22.5 billion; Kano state, ₦10.6 billion; and Rivers state, ₦15.0 billion. Recurrent expenditure accounts for the larger share in total expenditure (see *Table 1*). Due to wide disparity of population across states, per capita comparison of expenditure across states will certainly be more relevant. This could not be pursued because additional states were created after the population census of 1991. Population figures of each of the states currently are not readily available.

Public expenditure management of each tier of government is weak. Budget and Planning Offices do not have the adequate personnel with the requisite skills. Revenue and expenditure are poorly estimated. Most local governments do not have the personnel with the requisite qualifications and they generally lack technical competence for project design and execution. Emphasis is more on spending and less on raising revenue (generation). Indeed, most states and local governments do not have the minimum public expenditure management infrastructure in place. There is considerable room for improvement in respect of budget monitoring and control. Each state has an internal audit unit or department under the Accountant-General's Office, which monitors government spending in order to ensure that they are in conformity with financial regulations. Poor staffing, together with long delay of the relevant information getting to the Auditor-General's Office (audited reports are late) rendering post-expenditure audit statutorily required a mere bookkeeping exercise. For instance, before 1999, most states' audited accounts were in arrears of several years. By the time the military handed over power to an elected civilian government on 29 May 1999 the Auditor-General's annual reports of more than two-thirds of the thirty-six states of the federation were in arrears of 5 to 6 years. The situation at the federal level was not significantly different.

Wide differences also exist in administrative capacities among states and local governments. Due to the relatively poor remuneration in the civil service, some of the states are unable to employ the required personnel and professionals. Added to this is the inadequacy of basic infrastructure for effective service delivery in most states of the federation. Most states are yet to computerise their operations even though many of them now use the computer. With the emphasis on transparency and accountability in recent years considerable improvements have occurred in this area. It should be acknowledged that poor infrastructure and inadequate personnel have made it difficult to formulate and implement programmes.

It has been said that each of the three levels of governments depends more on the revenue from the Federation Account. But, more than 75% of the revenue paid into the Federation Account is oil revenue. Oil revenue reflects the seesaw in crude oil prices in the world market. Even before the emergence of crude oil, the bulk of the revenue

came from trade taxes; and exports and imports experience periodic fluctuations in the world market. This suggests that government revenue has oscillated over time, complicating national development planning. Rather than the fiscal policy of the various tiers of government being counter-cyclical, they are largely pro-cyclical, with the macroeconomic instability as the inevitable concomitant.

Inter-tier Revenue Allocation

The most buoyant tax revenue sources are assigned to the federal government for the purpose of revenue collection, and the revenue raised are paid into the Federation Account for vertical sharing. Some of the taxes are customs duties, excise tax, petroleum profits tax, and mining rents and royalties. The federal government also collects the revenue from value added tax (VAT) that replaces sales tax previously collected by the state governments. However, the federal government has independent tax revenue source for which it has exclusive power to legislate and also has full right to the revenue. Specifically, the federal government retains the revenue collected from personal income taxes of personnel of the armed forces, the Nigerian Police Force, Ministry or Department of Foreign Affairs and the residents of Federal Capital Territory, Abuja.

Statistics reveal that the federally collected revenue increased by more than a factor of three between 1999 and 2002 when it leapt from ₦520.2 billion to ₦1731.8 billion (see *Table 3*). More than three-quarter of the federally collected revenue is oil revenue. The rapid growth in government receipts is generally attributed to the favourable development in the world oil market. Also, during these periods, the exchange rate depreciated substantially, bringing more revenue from every dollar earned from crude oil. As part of the economic reform programme, the military administration of General Sani Abacha introduced VAT in 1994. It represents the most significant tax reform of the period. Revenue from VAT has been rising, from ₦7.3 billion in 1994 through ₦91.8 billion in 1998 to ₦108.6 billion in 2002. Nigeria is yet to fully exploit VAT. With time, issues relating to efficiency and equity of VAT will have to be addressed.

The revenue from VAT is paid into the VAT Pool Account before it is shared among the three tiers of government[7]. In 1994, the proportional shares of this revenue were: federal government, 20 percent; state government, 50 percent; and local government, 30 percent. This percentage share has been revised more than twice since then. Following the generous tax relief measures on personal income tax with the resultant loss of revenue to state governments in 1998, the share of the state governments in VAT was raised from 40 percent to the 45 percent. Thus, in 1998 the fixed apportionments of VAT revenue were as follows: federal government, 25 percent; state government, 45 percent; and local governments, 30 percent. VAT has remained a very important source of revenue to the government since 1994. The view of experts is that the federal government should not share from VAT revenue since it replaced the sales tax that was previously collected and retained by the state governments; that the federal government should deduct only the cost it incurred in administering the tax.

Table 3: **Federal Finances and Revenue Distribution Among Tiers of Government in Nigeria, 1996-2002 (₦ Million)**

	1996	1997	1998	1999	2000	2001	2002
Total Federally-Collected **Revenue**	520.2	582.8	463.6	949.2	1906.2	2231.5	1731.8
Federally-Retained Revenue	369.3	423.2	353.7	662.6	597.3	797	716.8
Federal Independent Revenue	3.4	8.3	3.4	11.5	38.1	44.4	68.1
Value-Added Tax	10.7	12.2	9.4	7.1	8.2	13.4	15.5
	14.1	**20.5**	**12.8**	**18.6**	**46.3**	**57.8**	**83.6**
Actual Amount Distributed Among Federal-State-Local Govts.	179	208	257.3	446.5	1051.6	1298.3	1692.8
What Should have been Distributed	506.1	562.3	450.8	930.6	1859.9	2173.7	1648.2
Excess of Federal Government Revenue	***326.1***	***354.3***	***193.5***	***484.1***	***808.3***	***875.4***	***-44.6***
Total Federal Expenditure	**337.2**	**428.2**	**487.1**	**947.7**	**701.1**	**1018**	**1018.2**
Recurrent Expenditure	124.3	158.6	178.1	449.7	461.6	579.3	696.8
Capital Expenditure	212.9	269.7	309	498	239.5	438.7	321.4

Source: Same as *Table 1*.

The revenue paid into the Federation Account are shared in fixed proportions with the federal government having 48.5 percent, the state governments, 24 percent and the local governments, 20 percent. The balance of 7.5 percent is Special Fund that is administered by the federal government. This vertical revenue allocation implies that the federal government controls 56 percent of the revenue allocation in the Federation Account. Yet, the actual appropriation from the Federation Account by the federal government is much more than 56 percent. The federal government makes huge deductions from the Federation Account before the balance is shared among three levels of government. Some of the items for which funds are deducted are Joint Venture Cash (JVC) calls, Nigeria National Petroleum Corporation (NNPC) priority projects, national priority projects and external debt service payments (interest charges and capital repayment)[8]. In 1996, the actual amount shared was ₦179 billion as against ₦545 billion that should have been distributed. This trend persisted until 2001. As the data in

Table 3 reveal, the excess of the federal government revenue on annual basis almost equalled the actual revenue shared among the three levels of government.

Excessive fiscal centralisation and vertical inequity in sharing the centrally raised revenue are some of the consequences of intergovernmental fiscal relations in Nigeria. These were possible because the military exercised veto power on fiscal matters, for this pattern of revenue allocation is also maintained by the present civilian administration. Needless to say that this has exacerbated intergovernmental fiscal conflict and fuelled the demand for a review of vertical revenue allocation formula by the state governments. The enormous revenue at the disposal of the federal government has made it very powerful and attractive. Also, by this development, the central government thinks that it is superior to the states and local governments. The unhealthy intense regional competition over the control of political power at the centre is partly due to its control over huge financial resources. However, states and local governments have the liberty to use the revenue allocated to them from the Federation Account as they deem fit. There are no guidelines or specifications as to how the allocated funds should be used.

Statistics show that the internally generated revenues of the states and local governments have increased considerably. From about ₦19.5 billion in 1996, it rose to ₦31.4 billion in 1999 and by fiscal year 2002, it has recorded about ₦90 billion. In spite of this impressive performance, the internally generated revenue barely covers about one-third of the recurrent expenditures of the state governments annually between 1996 and 1999. This fell to 11 percent in the three years, 2000-2002. Similar figures for the local governments hardly compare favourably with those of the states, falling from an average of 15.2 percent per annum to 7% during the same period. When related to total expenditure, the figures are much lower. A clear implication of this is that without the inter-tier revenue allocation from the Federation Account it would have been difficult for the states and local governments to effectively carry out their constitutionally assigned functions. There is need for the sub-national governments to strengthen the machinery of tax administration in order to raise more revenue.

A major source of revenue to the state governments is personal income tax (it is generally called Pay As You Earn (PAYE) and direct assessment. However, most state governments collect more revenue from PAYE than from direct assessment. Direct assessment is based on estimates rather than on returns; and so, the assessment is subject to a wide margin of error. However, it is relatively more difficult to administer the tax because of tax invasion and avoidance game of individuals and businesses. There is a limit to which state governments can raise revenue from personal income tax because of Income Tax Management (Uniform Taxation Provisions) Act 1975. The most significant expectation of policy analysts from this Act was the unification of the income tax across the country. This was not pursued. Instead, the federal government imposed uniform personal income tax rates. Consequently, there is little or no room for states to manipulate the tax rates for the purpose of generating adequate revenue since the federal government has the exclusive power to legislate on personal income tax. Although, the federal government uses the PAYE as a fiscal handle, there is need to re-examine it so that so that it can also be used as a revenue-enhancing instrument for the state governments.

Box 1: EFFECT OF INCREASES IN ALLOWANCES BY THE FEDERAL GOVT. ON REVENUE ACCRUEABLE TO STATE GOVT. FROM PERSONAL INCOME TAX

	1991 ₦	1992 & 1993 ₦	1994 ₦	1995 & 1996 ₦	1997-99 ₦	2000 ₦
EARNED INCOME	100,000	100,000	100,000	100,000	100,000	100,000
DEDUCT RELIEFS GRANTED						
PERSONAL ALLOWANCE	₦200+ 15% EI (17,000)	₦3,000+ 15%EI (18,000)	(18,000)	(18,000)	(18,000)	₦5,000+ 20%EI (25,000)
CHILDREN ALLOWANCE	₦400 (MAX.4 CHILD.) (1,600)	₦500 (MAX.4 Children) (2,000)	2,000	₦1,000 p.c. max. 4 ch. (4,000)	₦1,500 p.c. max. 4 (6,000)	2,500 p.c. (10,000)
DEPENDENT RELATIVE ALLOWANCE	(600)	(600)	(600)	(1,000)	(1,000)	(2,000)
CHARGEABLE INCOME	80,800	79,400	79,400	77,000	75,000	63,000
TAX RATES						
2000	10% 200					
2000	15% 300					
2000	20% 400					
2000	25% 500					
2000	30% 600					
5000	35% 1,750	10% 500				
5000	40% 2,000	15% 750				
5000	=	20% 1,000				
5000	=	25% 1,250				
10000	45% 4,500	30% 3,000	10% 1,000	5% 500	5% 500	
10000	50% 5,000	35% 3,500	15% 1,500	10% 1,000	10% 1,000	
10000	Above 40,000 55%	=	20% 2,000	15% 1,500	=	
10000	(40,800) at 55% 22,440	=	=	20% 2,000	=	
20000		40% 8,000	=	25% 5,000	15% 3,000	5% 1,000
20000		Above 60,000 45%	=	30% Above 60,000	20% 4,000	10% 2,000
30000		19,400 at 45% 8,730	25% 7,500	17,000 at 30% 5,100	25% over 60,000	
40000			30% @ 19,400 35%		15,000 at 25% 3,750	15% at 23,000 3,450
40000			Above 100,000 35%			20% Over 120,000 25%
TAX LIABILITY	37,690	26,730	17,820	15,100	12,250	6,450

The policy decision of the federal government affects revenue generation from the personal income tax. The federal government often reviews wages and salaries, and allowances of workers in the country in order to provide relief. Under the Structural Adjustment Programme (SAP), for instance, all categories of allowances were revised upwards to give relief to workers. As a result, less income was chargeable to tax (see *Box*). Since such provisions were almost on annual basis, the revenue from personal income tax became less predictable. The federal government had never compensated state governments for the revenue loss for taking this type of policy decisions. However, in the 1998 budget, the federal government raised the share of the state governments from VAT revenue. This increase may have been informed by the need to compensate the state governments for the revenue loss due to the increases in personal allowances and the expansion of the bands of taxable income with respect to personal income tax. In spite of this, some state governments were not satisfied and demanded for more revenue allocation to compensate for the revenue loss[9]. The lesson from this is clear. The federal government should thoroughly examine the revenue implication of its fiscal and incomes policies for the state governments before implementation.

In the past, the states and local governments were enjoined to explore other sources of revenue by the federal government. Consequently, since the early 1990s, multiple taxes became a striking feature due to new taxes and levies introduced by the states and local governments. Some of the taxes were business premises, development levy, ground rent charges and parking charges[10]. Various special task forces that used force to ensure payment collected these levies and charges.

Some states (e.g., Lagos, Rivers, Sokoto and Oyo) even engaged the service of tax consultants in the collection of revenue. The argument can be advanced that the fiscal policy of the federal government can promote economic growth and complement other economic policies to bring about price stability and achieve external balance. However, such macroeconomic objectives can hardly be realised with the existence of inefficient and distortive tax handles of the lower levels of government.

Perhaps, it is in recognition of this that the federal military government in 1997 directed the Joint Tax Board (JTB) to publish a comprehensive list of levies and taxes that could be imposed by each of the three tiers of government. As a follow-up, it was proposed in the 1998 federal budget that the administration of taxes and levies by the federal and state governments would be harmonised. There is a need for the states and local governments to increase their internally generated revenue. Reviewing the existing tax rates, fines and fees, and levies is an important option. Critically evaluating the existing institutional framework for revenue collection is a basic requirement. It is expected that this will form the basis for developing a more efficient revenue collection mechanism. Such a framework must consider tax administration, assessment and collection as well as co-ordination and personnel issues.

Budget Preparation and Execution

Under the military administration, the federal government scrutinised the budget estimates of the state governments. Budget estimates were defended before the National Budget Committee at the General Headquarters in Abuja. The budget proposals of the state governments were studied to ensure that they are in conformity with the national

plan (if any) and fiscal policy of the Federal Republic of Nigeria. Arguably, the National Budget Committee rarely thoroughly examined the budget estimates of the state governments, making the exercise a mere routine. However, the National Budget Committee wielded some restraining influence by fixing the limits (justifiably or not) for the state governments. At that time, the states and local governments could not present their budgets until the federal military government had done so. The state governments must revise their budgets, reflecting the comments and suggestions made by the National Budget Committee before final approval for presentation and execution.

This was possible because of the command and hierarchical structure of the military. It is also due to the exclusive dependence on the Federation Account by the state governments for revenue to carry out their expenditure programmes. Accordingly, without adequate information regarding revenue forecast of the central government, the state governments are handicapped in terms of their expenditure and revenue estimates.

Since 1999 when Nigeria returned to civil rule, there has been a change in the procedure. At the federal level, the 1999 Constitution stipulates that the executive branch of government is responsible for budget preparation and execution. The Federal Ministry of Finance prepares the budget for the President for presentation to Parliament (National Assembly) for approval. In this respect, the Federal Ministry of Finance defines the framework for budgetary policy. The Federal Ministry of Finance does not carry out this exercise alone. It also involves the National Planning Commission (NPC) and the National Economic Intelligence Committee (NEIC). The budget for the next fiscal year is presented to the lawmakers during the fourth quarter of the current fiscal year. It takes between five to seven months for the federal lawmakers to approve the budget of any given fiscal year since the return to civil rule in 1999. This delay and execution lag has substantially reduced the potency of budgetary policy in recent years. The hold-back in budget approval is generally attributed to the friction and misunderstanding between the executive and the lawmakers[11]. It is envisaged that with increased understanding between the executive and the lawmakers, the long delay in the budget approval of the state and federal governments will be removed.

Before the approval of the budget of any fiscal year, the federal government can spend from the Consolidated Revenue Fund of the federation. The federal government can make withdrawal from the Consolidate Revenue Fund for a period not exceeding six months or until the Appropriation Act is passed. However, the federal government is not expected to withdraw from the Consolidated Revenue Fund an amount more than the provision of the Appropriation Act for the corresponding period of the immediate past fiscal year. Similar provisions are contained in ss.121 and 122 for the state governments. The processes of the budget cycle at the state level are similar to what obtains at the federal level.

The budget framework explored by the different levels of government is an incremental one. In the past, there was a three-year rolling plan that replaced the five-year plan. The capital expenditure estimates of the federal budget should reflect the projections of the rolling plan. So also the capital expenditure estimates of the state governments should correspond with the estimates in their rolling plans. At times, projects and programmes not included in the plan are executed. The execution of

projects and programmes not originally included in the plan meant budget failure. Even the rolling plan has since been abandoned. It follows that since 1999 or even before then, the budgets have remained too short-sighted and not forward-looking. The incremental nature of the budgeting system unjustifiably increases the expenditure of all levels of government, giving rise to waste and the phenomenon of empire building.

Borrowing by Governments

Borrowing is an integral part of the overall fiscal management of government. In Nigeria, each of the three tiers of government engages in borrowing. Both the federal and state governments can borrow from both internal and external sources. The local governments can only borrow from internal sources. External borrowing by any state government has to be guaranteed by the federal government. A major collateral requirement is that the guaranteed amount cannot exceed 30 percent of the state's share in the Federation Account. The federal government can also borrow from external source and on-lend to states.

The federal government has accumulated huge debts. The domestic debt of the federal government increased by more than a factor of two between 1998 and 2002, when it climbed from ₦537.5 billion to about ₦1.2 trillion. During the same period, Nigeria's external public debt stock outstanding fluctuated between US $28.5 billion and US $30.0 billion. This has imposed huge debt burden on the economy. Interest and capital repayments on both internal and external debts have crowded-out non-debt expenditure of the federal government. It is not a surprise therefore that the "debt overhang" phenomenon exists in Nigeria.

Statistics on domestic and external loans of the state governments for the period between 1990 and 2002 are shown in *Table 4*. These loans were used to finance budget deficits. The magnitude of the loans varied widely from year to year. The internal loans of the states include direct borrowing from banks. In addition to this, some state governments have accumulated substantial arrears on payment for wages and salaries of civil servants, and obligations to contractors and pensions. In the past, some state governments borrowed from commercial banks owned by them. Funds were provided on demand by the banks. Thus, the banks played the role of a central bank for such states. The profligacy of some state governments partly contributed to the liquidation of most of the state-owned banks.

Limits are not specified regarding the amount the states or local governments can borrow from domestic sources. Should every state or local government be allowed to borrow freely, this would vastly expand the consolidated public debt. A large tax obligation may be built up for future taxpayers. It is important to co-ordinate the borrowing of the sub-national governments. In this respect, the Debt Management Office (DMO) in the Federal Ministry of Finance, established recently, should enumerate in details the general requirements that must be met for the states and local governments to borrow domestically.

The federal government makes deductions from the revenue allocated to the states in the Federation Account. Such deductions are used to service the external debt of the states. A major issue here is that most states do not have comprehensive records of their external debt. As a result, there are disagreements between the federal and the

state governments on the deductions. The Supreme Court of Nigeria has declared that pursuant to s.314 of the 1999 Constitution, this practice of the federal government is unconstitutional. It further ruled that it is for each government, federal or state, to pay its debt (interest charges and capital repayment).

Table 4: **Internal and External Loans of State Governments and Federal Capital Territory**

(Nmillion)

Year	Internal	External	Total
1990	81.9	158.0	239.9
1991	2251.3	350.8	2602.1
1992	986.9	1678.1	2665.0
1993	165.5	1679.5	3357.6
1994	6410.3	3962.2	10372.5
1995	11590.6	1824.4	13415.0
1996	97.5	4229.1	4326.6
1997	180.0	191.8	371.8
1998	4149.2	246.0	4395.2
1999	4479.9	295.2	4775.1
2000	3834.9	156.0	3990.9
2001	19232.1	1410.2	20642.3
2002	32451.7	15879.3	48331.0

Note: External loans are used to finance specific development projects.
Source: Central Bank of Nigeria, *Annual Report and Statement of Account*, various issues.

Macroeconomic Management

The conduct of stabilisation policy is generally considered to be the responsibility of the central government; accordingly, macroeconomic stabilisation is seen as a national public good[12]. In Nigeria, macroeconomic stabilisation is the sole responsibility of the federal government. To a very large extent, the effective conduct of macroeconomic management is a function of the degree of expenditure centralisation. Reported in *Table 5* are the distributions of total expenditure to the different levels of government in Nigeria. The mean annual expenditure of the federal government accounted for about 80 percent of the total expenditure in the four years 1986/99, before declining to 60 percent in fiscal year 2000. The presumption from this is that if the federal government emphasises the importance of sound macroeconomic management, it can exercise some control over total expenditure and therefore fiscal policy. It is doubtful if the federal government has effectively carried out this function, particularly since the early 1980s.

Table 5: **Total Expenditure of the Various Governments in Nigeria, 1996-2000**

Year	*Federal*		*State*		*Local*		*Total*
	(₦billion)	% Share	(₦billion)	% Share	(₦billion)	% Share	(₦ billion)
1996	337.2	86.7	29.2	7.5	22.7	5.8	389.1
1997	428.2	87.0	33.4	6.8	31.3	6.2	492.2
1998	487.1	72.3	138.8	20.6	47.8	7.1	673.7
1999	947.7	80.9	163.1	13.9	60.4	5.2	1171.2
2000	701.1	59.7	342.2	29.2	131.2	11.1	1175.2

Source: Same as *Table 1*.

From the discussion under Features of Nigerian Multi-level Finance, it is clear that the federal government has legislative power over the major taxes in Nigeria. This implies that when the federal government undertakes tax policy changes, they affect the national economy. The objectives of such policies can be rendered ineffectual, however. A plausible reason is the nature of the revenue-sharing arrangement in which there is automatic transfer of revenue to the sub-national governments; and so, states and local governments are not compelled to initiate similar reforms. For instance, in 1994, VAT was introduced in line with the objective of diversifying the revenue base. Also, in 1996, the federal government undertook customs and port reforms. A comprehensive policy of destination inspection of all imports was introduced in May 2001. All these were the initiatives of the federal government. These tax and administrative reforms have raised the revenue collected and, therefore, the revenue in the Federation Account for vertical sharing among the three tiers of government.

There are no guidelines or controls concerning how the revenue shared to the sub-national governments should be used. When the federal government attempts to reduce its expenditure, there is hardly similar adjustment made at the state level. Since the return to civil rule in 1999, the federal government has intensified the privatisation programme. Very recently, the federal government emphasised the need to reduce its work force. These are designed to reduce government expenditure. Juxtaposed against this is the general view by the states and local governments that their relative shares in the Federation Account should be raised so that they can increase their spending and raise employment.

The vertical revenue sharing formula assigns fixed proportions to the different levels of government. This means, for instance, that in periods of boom, the magnitude of the revenue accruing to each level of government increases. The states and local governments are to some extent independent in respect of how they should spend the allocated funds. Arising from this is the difficulty of the federal government to co-ordinate the spending activities of the states and local governments in order to bring them in line with national macroeconomic stability through its tight fiscal measures. Thus, the fiscal perversity of the states and local governments tends to undermine efforts geared towards macroeconomic stabilisation.

In fiscal year 2000, revenue forecast was based on an average price of US $22 per barrel of crude oil. There was a favourable development in the price of crude oil in the international market that year. Available data show that the spot price of Nigeria's crude oil, Bonny Light, averaged about US$28.6 per barrel in 2000. As a result, there was excess of crude oil sales of about ₦3198 billion. By early 2001 when the revenue was not shared among the three levels of government, some state governments threatened litigation against the federal government[13]. The view expressed by the monetary authorities on this at that time was that spending the excess revenue would engender macroeconomic instability, because it would expand domestic liquidity, with rising inflation and increased demand pressure on the exchange rate as the inevitable outcomes.

Due to the sustained pressure from the state governments, the money was eventually distributed. Some state governors argued authoritatively that the federal government had no legal basis for keeping the revenue. Reference was made to ss.(1) of s.162 of the 1999 Constitution of the Federal Republic of Nigeria, which provides that all revenues, except the federal government independent revenue, must be paid into the Federation Account and shared according to the prescribed weights between the federal and sub-national governments. Further, the attention of the federal government was drawn to the fact that the revenue in the Federation Account must not be carried forward to the next fiscal year. Yet, the federal government had wanted to exercise its oversight role of economic stabilisation, but could not.

The current policy debate among government officials at the federal level is on the need to harmonise the expenditures of all levels of government in Nigeria. In this regard, the executive arm of government should sponsor a fiscal responsibility bill. A major element of the bill should include agreed legislated ceilings on expenditure of each level of government in the fiscal year. Each level of government should, as a matter of policy, build some reserve on which to draw on during economic downturn[14]. For this to be realised, a certain percentage of the total revenue must be reserved annually. Varying the percentage reserve requirement would make budgetary policy counter-cyclical. Detailed specification of how to manage the fluctuations in oil revenue must be part of the proposed bill. It is basic for intergovernmental fiscal coordination to be considered in the proposal.

The Supreme Court Judgment on Revenue Allocation

As has been noted earlier, government finances are dominated by oil revenue. The oil-producing states have persistently demanded for a fair share of the oil revenue. With the return to civil rule, there was a strong push for resource control and the abrogation of the onshore-offshore dichotomy in the application of the derivation principle to oil revenue. The oil-producing states generally argue that the insistence on the onshore-offshore dichotomy amounted to the politics of hatred. It is reasoned that there is double standard in the use of the derivation principle since it was applied to the fullest degree possible in respect of agricultural export crops between the late 1940s and the mid-1960s.

The states and local governments deplored the excessive revenue centralisation of the federal government, for this was possible by depriving sub-national governments their legitimate revenues from the Federation Account. The increased fiscal

centralisation has made the centre very attractive. The concentration phenomenon has promoted unhealthy competitions, with each region attempting to have effective control of the government at the centre. Perhaps, it should be acknowledged that this has unequivocally created the notion that the states and local governments are subordinates to the federal government. Under federalism, subordination is not necessarily the case, since the federal and the sub-national governments are necessarily coordinate with each exerting its influence on the people.

In year 2000, the demand for resource control was given a fresh impetus at the meeting of the seventeen southern governors. It was their view that three principles: national interest; derivation; and need must be explored in the allocation of revenue to the states. Undoubtedly, this called for a review of the existing horizontal revenue allocation principles and possibly the weights attached to them.

Also, there was continuous reference to the deductions from the statutory allocations to the local governments from the Federation Account. The deductions were used to pay the salaries of primary school teachers and yet primary education is the responsibility of the state governments. The federal government took this decision because of the experience in the past where the salaries of primary school teachers were in arrears of many months unpaid. As a result, primary education almost collapsed. However, the deductions left most local governments with very little amount of revenue to the extent that service delivery in other spheres became an arduous task. The poor financial position of this level of government gave rise to the label, "zero allocation". Both states and local governments expressed that the persistence of zero allocation is incompatible with development at the grassroots. It is the view of the state governors that the deductions violated the relevant provisions of the 1999 Constitution of the Federal Republic of Nigeria. In this sense, it is difficult for the current fiscal arrangement to promote local democracy and enhance the democratisation of the Nigerian society[15]

The northern leaders did not support the demand for resource control because it was considered a source of chaos and political instability. It was thus argued that when the state governments became very financially buoyant and independent, they would be too strong and may want to declare independence for themselves. So, it was thought that resource control is consistent with confederation and the eventual break-up of Nigeria. On these grounds, as in the past, northern leaders favoured a strong central government.

According to Burkhead and Miner (1971), federalism is characterised by the interplay of political power struggles between the various interest groups that make up the constituent units. Among the contending forces are those that are favourably disposed to fiscal centralisation or de-centralisation because it serves their economic and political interests. Further, Burkhead and Miner (1971) note that continuous fiscal bargaining is the nucleus of federalism. The inevitable inference is drawn from this submission that a workable revenue allocation scheme in Nigeria cannot be static, but must be dynamic.

The agitations for resource control over-heated the polity and the federal government sought a solution. Consequently, the Attorney-General of the Federation and the Minister of Justice, Chief Bola Ige filed a suit on behalf of the federal government, at the

Table 6: **Nigeria – Judgment of the Supreme Court on Research Control Issue Judgment Probable effect**

Issue	Judgment	Probable effect
Revenues collected from natural resources in Nigeria's territorial waters, continental shelf and exclusive economic zone belong to the littoral states. Therefore, derivation principle must be applied.	The Supreme Court ruled that the littoral states could not lay claim to the revenue collected from natural resources in Nigeria's territorial waters, continental shelf and exclusive economic zone. This means that the revenue from this source should be paid into the Federation Account and derivation cannot be applied to such revenue.	Derivation cannot apply to oil revenue from offshore. Oil-producing states that have been benefiting from this have lost. More revenue will now be available in the Federation Account for vertical sharing. Favourable to non-oil producing states.
Claims in respect of natural resources. That natural gas is a resource and the revenue collected there from should be paid into the Federation Account and derivation is applicable (contained in s.162(2) of the 1999 Constitution. This has to do with the interpretation of natural resources in the 1999 Constitution.	That natural gas is a resource. As a result, the revenue collected from it qualifies for the application of derivation for the benefit of any state from which it is obtained. However, wharves and seaports were not considered as natural resource.	The application of derivation principle to natural gas will increase the revenue of the states producing gas. The Federation Account will fall by an amount equivalent to the derivation revenue from natural gas. This is unfavourable to non-oil producing states.
First line charge created by the federal government on the sums in the Federation Account for the payment of external debt, NNPC priority projects, national priority projects and others.	This practice of the federal government is unconstitutional. On any debt, for example, the Supreme Court made reference to s.314 of the 1999 Constitution. It is for each government, federal or state, to pay its debt (interest charges and capital repayment)	This makes more money available in the Federation Account for vertical sharing among the federal, states and local governments. The federal government is expected to lose some revenue as a result, while states and local governments will record substantial revenue gain.
Deductions from the revenue allocated to the local governments from the Federation Account in	The Supreme Court noted that the functions of a local government are spelt out clearly and in the Fourth	The local governments are to receive the full amount allocated to them. Perhaps, this may bring

respect of primary education by the federal government.	Schedule of the 1999 Constitution. Primary education is the responsibility of the state governments. The local governments only participate. It is not appropriate for the federal government to make deductions without the authorisation of the state governments	to an end the problem of "zero allocation". This will reduce the revenue under the control of the federal government.
The allocation of 1.0 percent of the revenue in the Federation Account to the Federal Capital Territory (FCT).	The relevant provisions of the 1999 Constitution of the Federal Republic of Nigeria do not support this. The beneficiaries of the Federation Account are the federal, state, and local governments. In addition to this, 7.5 percent is set aside as Special Fund. The FCT is not a state and the Area Councils of the FCT are not local governments. Therefore, the revenue in the Federation Account cannot be shared to the FCT and its Area Councils.	The 1.0 percent to the FCT is still part of the Special Funds controlled by the federal government.
The use of 13 percent as the minimum figure for calculating the derivation principle in respect of the revenue in the Federation Account.	The Supreme Court declared that the use of 13 percent has no legal basis in the 1999 Constitution. The Constitution provides for a minimum of 13 percent and this use of this minimum figure is not prescribed by the federal lawmakers and approved by the President. Accordingly, the minimum 13percent derivation that is in use is based on the rule of thumb and it is discretionary.	
Transparency and accountability in the operation of the Federation Account by the federal government, the trustee	Whenever the beneficiaries of the Federation Account ask the federal government to give account, it must do so.	Federal lawmakers should prescribe the percentage figure to use. A percentage greater than 13 percent will reduce the revenue in the Federation Account to be shared among the three levels of government.

		This judgment reinforces probity accountability in the conduct of public affairs, in particular, emphasised by the present civilian administ-ration. Consequently, this is expected to reduce suspicion and lessen intergovernmental fiscal conflict
Non-payment of the shares of the Delta state govern-ment in respect of the revenues collected from capital gains taxation and stamp duties.	This practice is unconstitutional. The state affected should be paid its legitimate shares of the proceeds from capital gains taxation and stamp duties.	The revenue centralisation of the federal govern- ment is expected to wane by this decision. This is likely to pave the way for other states to resist any attempt to violate the fiscal rights enshrined in the Constitution.

Supreme Court in respect of the matter of resource control in 2001. The Supreme Court was specifically implored to interpret the Constitution of the Federal Republic of Nigeria and determine the seaward boundary of the littoral states. This was to clarify whether the littoral states are entitled to the 13 percent derivation applicable to the revenue from natural sources of Nigeria's territorial waters, continental shelf and exclusive economic zone. The Supreme Court also passed judgments on several other issues on revenue allocation. For concreteness and brevity, some aspects of the judgment of the Supreme Court delivered by Justice Michael E. Ogundare on Friday, 5 April 2002 are presented in *Table 6*. The likely effects are also indicated.

The bulk of the oil from Akwa Ibom state is offshore, making it the biggest casualty of the Supreme Court judgment on the seaward boundary of the littoral states. The other states – Bayelsa, Cross River, Delta, Ondo and Rivers – also lost, though, with varying degrees. A political solution was then sought as a result of the dissatisfaction with the judgment by the oil-producing states.

Before the judgment, President Olusegun Obasanjo had sent to the National Assembly a new revenue allocation bill. Presented in *Table 7* are the current and the proposed revenue allocation formulae. Comparatively, the relative weight assigned to the federal government in the proposed revenue allocation bill declined from 48.5 percent to 41.5 percent. The proposed share of the state governments was increased to 31 percent, while the allocation to the local governments fell from 20 percent to 16 percent . Free primary education is one of the cardinal programmes of the Peoples Democratic Party-led federal government. As a result, the Universal Basic Education (UBE) was allocated 7 percent.

Since President Olusegun Obasanjo has withdrawn the proposed revenue bill, discussing its implications is unwarranted. However, this is not to repudiate the fact

that the withdrawal of the proposed revenue formula is not one of the direct immediate effects of the Supreme Court verdict on revenue allocation. Perhaps, it may be useful to note that the President proposed 7 percent for the UBE because the federal government would control the fund. Following the judgment of the Supreme Court on primary education, it is not the responsibility of the federal government. The passing into law of the proposed bill would have meant that the 7 percent allocation of the Federation Account would go to the state governments. Of course, this is not the intent. Therefore, one may be inclined to conclude that the UBE, a cardinal programme of the PDP-led federal government, remained one major casualty of the Supreme Court's ruling on revenue allocation. Needless to say that the Supreme Court's decision threw the federal budget for the fiscal year in disarray; and for these reasons the judgment meant a *cul de sac* for the federal government!

Table 7: **Vertical Revenue Allocation Scheme in Nigeria Share (%)**

Level of Government	Current Formula	Proposed Formula
1. Federal Government	48.5	41.5
2. State Governments	24.0	31.0
3. Local Governments	20.0	16.0
4. Special Funds	7.5	3.5
5. Universal Basic Education (UBE)	–	7.0
6. Federal Capital Territory	–	1.0
Total	100.0	100.0

Notes: Under the current formula, the allocation of the 7.5 percent is as follows: Federal Capital Territory, 1 percent; Development of mineral producing areas, 3 percent; General ecological problems, 2 percent; Derivation (applied to minerals and this is now 13 percent of mineral revenue), 1 percent; and Stabilisation Account, 0.5 percent.

Soon after the judgment, there were state-organised protests in some oil-producing states, indicative of the general despondency and dissatisfaction with the ruling of the Supreme Court on the resource control. It was reported, for instance, that impress accounts in government offices were put on hold in Akwa Ibom state[16]. On the basis of this, it should not be a surprise that top government officials were involved in the sensitisation of the various interest groups on the adverse implications of the verdict. It should be recalled that the Supreme Court delivered its judgment at the time when the clandestine moves and subterranean campaigns for the second term bid of the elected officials were in top gear. Expectedly, the protests against the Supreme Court's ruling were spearheaded by the state governors of the south-south zone – in particular, Governor Attah of Akwa Ibom state (states in this zone produce more than 85 percent of Nigeria's crude oil) – so as to brighten their chances of re-election. There is little doubt that strict adherence to the legal interpretation of the Supreme Court's judgment has grave implication for the ruling party, PDP, in the 2003 general elections.

Largely influenced by the premeditated negative reactions to the judgment by the

people of the Niger Delta region, the federal government decided to set up a small committee headed by the Attorney-General of the Federation and Minister of Justice, Mr. Kanu Agabi, who was an indigene of one of the oil-producing states, to examine the implications of the ruling. Following the total rejection of the onshore-offshore verdict and the recommendations of the Agabi Committee, the federal government sought a political solution. As a result, a six-man committee with the Works and Housing Minister, Chief Tony Anenih, who was a powerful leader in the south-south zone and a close ally of President Olusegun Obasanjo, as head was appointed to build political consensus on the issue. Consultations were still on by the Anenih committee when the federal lawmakers muted the idea of impeaching President Obasanjo. Of the numerous impeachable offences listed against him, the onshore-offshore dichotomy issue was one of them. The federal lawmakers did support the abrogation of the onshore-offshore dichotomy. This, together with pressure from the oil-producing states, led the President to sponsor a bill seeking the abolition of the onshore-offshore dichotomy. It was difficult for the federal legislators to reject the bill since it had been listed as one of the impeachable offences of the President. Expectedly, the bill was passed with a sense of urgency. However, before passing the bill, the federal legislators changed "contiguous zone" to "continental shelf". President Obasanjo withheld his assent to the bill as a result. The reason for this was that continental shelf takes up to 200 nautical miles as against the contiguous zone that is within 24 nautical miles. Fears were expressed by the presidency that the use of continental shelf could lead to conflict between Nigeria and her neighbours.

The northern leaders generally opposed the substitution of "continental shelf" for "contiguous zone". They advised the federal lawmakers not to override Obasanjo's veto of the bill as it threatened the corporate existence of Nigeria. The argument put forward was that the use of "continental shelf" tended to extend the territorial boundaries of the oil-producing states without going through the proper constitutional procedures. For this reason, passing the bill into law would be detrimental to the economies of the non-oil producing states. Indeed, the northern elders persuaded the federal legislators from the northern zones against supporting any move to pass the bill in the interest of security, peace and stability. President Obasanjo did veto the bill. A bill abrogating the onshore-offshore dichotomy was recently passed into law, however, in order to douse tension in the oil-producing states.

Concluding Remarks

This enquiry has focused on some important aspects of Nigeria's fiscal federalism. The specific issues examined include the features, inter-tier revenue allocation and macroeconomic management. There is the problem of intergovernmental fiscal conflict, which intensified with the return to civil rule. The judgment of the Supreme Court of Nigeria on revenue allocation and the key socio-political developments thereafter were articulated. A few points are discernible.

There is both vertical and horizontal fiscal imbalance in Nigeria. The internally generated revenue varies widely across the states. Also, there is wide disparity in the revenue allocated to the states. This means that service delivery varies significantly from one state to another. The principles used to allocate revenue are, to some extent,

to ensure that there is equality among states. Horizontal revenue imbalance is dealt with through the grant system. The federal government is yet to explore this avenue.

The public expenditure management of the different tiers of government is weak. The minimum public expenditure management infrastructure is lacking in most states. Many local governments do not have the personnel with the requisite qualifications. Thus, they lack technical competence for project design and management. As with the states, the local governments are dependent on centrally shared revenue. There is asymmetrical relationship between the internally generated revenue of the states and revenue from the Federation Account, since any increase in the revenue received from the Federation Account is associated with a decrease in the relative contribution of the internally generated revenue. Put more explicitly, efforts to generate more revenue from internal sources tend to wane whenever there is an increase in the revenue shared in the Federation Account. On this account, the conclusion is drawn that the revenue allocated to the sub-national governments inevitably has strong income effect. Without the shared revenue from the Federation Account, both the states and local government can hardly carry out their constitutionally assigned functions.

Macroeconomic management is generally considered the sole responsibility of the federal government. Public sector managers at the state level hardly consider their actions or inactions as affecting the national economy. Therefore, it is the federal government that should carry the blame of economic failure. Arising from this is the difficulty in coordinating the activities of the state governments and bring them in line with the overall objectives of macroeconomic stability. In this respect, a fiscal responsibility bill is basic. Agreed legislated ceilings on expenditure of each level of government should be a basic element of such a bill.

The agitations over resource control and revenue allocation over-heated the polity. It was noted that the various views expressed are a confirmation that federalism is characterised by the political power struggle between the different interest groups; and that the issue of revenue allocation remains the life-blood of federalism. The judgments of the Supreme Court emphasise transparency and accountability, and strict adherence to constitutional provisions on the matter of revenue collection and allocation.

Endnotes

1. The derivation principle was first introduced in 1948 (Phillipson, 1948). Derivation has been severely criticised by the "Ibadan School", used in two senses, locational and generic. Notable figures of the 'Ibadan School' and there works are Aboyade, who was the Head of the Technical Committee on Revenue Allocation (1977), Teriba (1966), Phillips (1971; 1975; and his Minority Report on revenue allocation in Nigeria. That is, *The Report of the Presidential Commission Revenue Allocation, Volume IV)*. On the 'Ibadan School' itself, *see* Adebayo (1990). A counter-critique of the derivation principle is pursued in Mbanefoh and Egwaikhide (1998) and Egwaikhide (1996). However, Rupley (1981) and Isumonah (forthcoming) have argued that the position of the 'Ibadan School' is purely economistic and that the issue of fiscal federalism is in the domain of economics of politics.
2. The weight attached to population was later reduced to 30 percent. The use of population assumes that development must be people-centred. Total population is what is used. This is crude. The demographic characteristics of population are more relevant in

determining the needs of a people. However, the use of population for revenue allocation has made it very difficult to have credible census figures in Nigeria. Although, the states may be equal in terms of the constitutional functions rendered, they may, in fact, not be equal in terms of their fiscal capacity. For a critique of these principles, *see* Phillips (1971; 1975; and *The Report of the Presidential Commission Revenue Allocation, Volume IV*, 1980)

3. On the fiscal solution to the negative environmental effects of oil production, *see* Egwaikhide and Aregbeyen (1999). *See also,* Hutchful (1970) on the environmental pollution of oil companies.
4. Part of the story here is the concentration process. The concentration phenomenon in Nigeria's fiscal federalism has been thoroughly examined by Mbanefoh (1986; 1993) and Egwaikhide and Ogunkola (forthcoming). The fiscal concentration process was also examined in Onimode (2000).
5. This has to do with the misunderstanding between the federal and sub-national governments concerning the allocation. Several hypotheses can be advanced for the mushrooming intergovernmental fiscal conflict. A major factor is the scope of government activities, which vastly expanded at the state-local level since the oil boom of the 1970s. As a result, the traditional sources of revenue became grossly inadequate for the state and local governments to provide social services to the desired levels.
6. *See* the report of the Budget System Review Committee headed by 'Dotun Phillips. This report was submitted to the federal government in 2000.
7. Derivation (with a weight of about 20 percent) is one of the principles used to allocate the VAT revenue among the states. Thus, states that are relatively industrialised – Kano and Lagos – are allocated more of the VAT revenue. There is double standard in the use of derivation.
8. Huge deductions are made from oil revenue before derivation is applied to the balance. When compared with what obtained between the late 1940s and the mid-1960s, the deductions make derivation nominal, derisory and ludicrous.
9. See *The Diet*, 11 March 1998, front page.
10. On this, *see* Phillips (1995).
11. Perhaps, due to the delay in budget approval by the lawmakers, the use of supplementary budget characterised the period between 1999 and 2003.
12. This statement is based on the submission of Tanzi (1995) on the situation in Argentina. On the implications of intergovernmental fiscal relations for macroeconomic stabilisation, *see* de Callatay and Ribe (1994).
13. The most vociferous of the governors about the need to share the excess oil revenue was Chief Olusegun Osoba of Ogun state. When the money was eventually shared, the Central Bank of Nigeria (CBN) issued certificates, a money market instrument, with attractive interest, in order to control domestic liquidity. Statistics showed that a total amount of ₦3256 billion was offered for sale by the CBN in 2001.
14. This is the situation in the United States. On this, *see* Stotsky and Sunley (1997:377).
15. A statement on the link between fiscal federalism and the development of local democracy can be found in Norrgaard (1995:247-48).
16. See *The Guardian,* 29 April 2002, p.17

References

Adebayo, A. G. (1990) "The 'Ibadan School' and the Handling of Federal Finance in Nigeria", *The Journal of Modern African Studies*, vol. 28, No. 2, pp. 245-264

Burkhead, J. and J. Miner (1971) *Public Expenditure*, London: Macmillan.

de Callatay, E. and F. Ribe (1994) "How Intergovernmental Fiscal Relations Affect Macroeconomic Stabilisation: An overview", International Monetary Fund, Fiscal Affairs Department, Washington, D.C.

Egwaikhide, F.O. (1996), "The Distributional Pattern of Revenues from the Federation Account and the Principle of Derivation in Nigeria". *Administrative Change,* vol. 23, nos. 1-3, pp. 106-116.

Egwaikhide, F.O. and O. Aregbeyen (1999) "Oil Production Externalities in the Niger Delta: Is Fiscal Solution Feasible?", *Proceedings of the 1999 Annual Conference of the Nigerian Economic Society*, pp. 101-115.

Egwaikhide, F.O. and E. O.Ogunkola (1998) "Fiscal Centralisation in Nigeria: Recent Trends and Implication for Fiscal Federalism", Mimeograph, Department of Economics, University of Ibadan, Nigeria

Federal Republic of Nigeria (1980) *Report of the Presidential Commission on Revenue Allocation, Volume IV*, Lagos: Federal Government Press.

Hutchful, E. (1970) "Oil Companies and Environmental Pollution in Nigeria", in C. Ake, (ed.) *Political Economy of Nigeria,* London: Longman, chap. 7.

Isumonah, V. A. (forthcoming) "The Fallacy of States' Dependence on the Centre".

Mbanefoh, G.F. and F.O. Egwaikhide (1998), "Revenue Allocation in Nigeria: Derivation Principle Revisited", in Amuwo, K., A.A. Agbaje, R.T. Subaru and G. Herault (eds.) *Federalism and Political Restructuring in Nigeria.* (Ibadan: Spectrum Book Ltd. and IFRA), chap. 14.

Mbanefoh, G.F. (1986) "Military Presence and the Future of Nigerian Fiscal Federalism", *Faculty of the Social Sciences Lecture Series*, no. 1

Mbanefoh, G.F. (1993) "Unsettled Issues in Nigeria's Fiscal Federalism and the National Question". *Proceedings of the 1993 Annual Conference of the Nigerian Economic Society*, pp. 61-77.

Norregaard, J. (1995) "Intergovernmental Fiscal Relations", in Shome, P. (ed.) *Tax Policy Handbook*, Washington, DC: International Monetary Fund, pp. 247-253.

Onimode, B. (2000) "Fiscal Federalism in Nigeria: Options for the 21st Century", a research report submitted to the Ford Foundation of New York

Phillips, A.O. (1971), "Nigeria's Federal Financial Experience", *The Journal of Modern African Studies*, vol. 9, no.3, pp. 389-408.

Phillips, A.O. (1975), "Revenue Allocation in Nigeria, 1970-1980", *The Nigerian Journal of Economic and Social Studies,* vol.17, no.1, pp. 1-28.

Phillips, A.O. (1995) "Fiscal Impact of Government on Business", a paper presented at NISER's Executive Policy Seminar, Ibadan, 14-16 February.

Phillipson, S. (1948) *Administrative and Financial Procedure Under the New Constitution: Financial Relations Between the Government of Nigeria and the Native Administration,* Lagos: Government Printer.

Rupley, L. (1981) "Revenue Sharing in the Nigerian Federation", *The Journal of Modern African Studies,* vol. 19, no.2, pp. 389-408.

Stotsky, J. G. and E. M. Sunley (1997) "United States", in Ter-Minassian, T. (ed.) *Fiscal Federalism in Theory and Practice*, Washington, DC: International Monetary Fund. Chapter 15.

Tanzi, V. (1995) "Fiscal Federalism and Decentralisation: A Review of Some Efficiency and Macroeconomic Aspects", *Annual World Bank Conference on Development Economics 1995.*

Teriba, O. (1966), "Nigerian Revenue Allocation Experience", *The Nigerian Journal of Economic and Social Studies,* vol. 7, No.3, pp. 361-382.

2

Constitutional and Institutional Basis of Intergovernmental Relations (IGR) in Nigeria

E. Remi Aiyede

Introduction

Federalism is a project. It can be likened to a tool for performing specific tasks in a constituted society. The tool, being a human invention, always needs to be improved upon in order to make it more effective and efficient to carry out the specific tasks. In the process, of work problems are encountered. These problems provide ideas for improving on the design of the tool in order to improve performance in achieving set-goals.

The literature on comparative federalism has shown two important points relating to the essence of federalism. The first is that although there is a theoretical model of federalism, in practice, federalism reflects the context in which it operates. Second, factors that inform the adoption of the federal model may differ from context to context, or vary in degree. The reasons for the adoption of the federal formula is oftentimes attributed to pressures for larger political units, capable of fostering economic development and improved security, while at the same time providing for smaller political units that hold the opportunity for the expression of local distinctiveness. In other instances, its adoption is informed by the dire need to strike a balance between unity and diversity, as solution to instability in most strife-torn multi-ethnic societies, by allowing the component units of a political organisation to participate in sharing powers and functions in a cooperative manner in the face of the combined forces of ethnic pluralism and cultural diversity that tend to pull their people apart (Tamuno, 1998; Frankel, *et. al.*, 1979). Thus, federalism is a relational concept. The health of the federal state is seen in the character of the relations between the various layers of government. Hence, Bryce (1995:175) states that "the problem which all federalised

nations have to solve is how to secure an efficient central government and preserve national unity, while allowing free scope for diversities, and free play to the members of the federation". Quite naturally, arising from the interface between the layers of government are several problems concerning juridical allocation of powers and responsibilities, areas of commonality in development and outlook as well as areas of divergence and difference, especially as they relate to access to resources.

Institutions are very important to achieving the goals of a federal project as well as sustaining its viability. Indeed, the hallmark of federalism is the constitutionalisation of the relations between the various levels of government. Since the constitution defines the existence and responsibilities as well as the interface between and amongst the various tiers of government, it constitutes the essential structural foundation of the relations between the governments. This is not to deny the fact that intergovernmental relations can take several forms with varying degrees of formalisation and institutionalisation, but to emphasise the importance of constitutionalism to effective intergovernmental relations and thereby the need to pay attention to this foundation in the effort to understand and deal with conflicts and problems that straddle the interface between and among governments in any federation. This is particularly the case, because federal systems usually operate a rigid constitution which reinforces the fact that the rule of law is critical to the survival of federalism. The need to revisit the constitutional and institutional foundation of intergovernmental relations in Nigeria in particular is underscored by the fact that the return to civil rule after almost two decades of unconstitutional rule has witnessed several intergovernmental conflicts that raise questions concerning the use and relevance of intergovernmental institutions and processes, the extent to which governmental actors are apprised of them and/or are willing to resort to them in dealing with conflicts. More than this there is a need to see positive possibilities of the intergovernmental structure envisaged by the 1999 Constitution unfold, as stakeholders in the Nigerian federation utilise it. This is the only meaningful way this structure can be assessed and improved upon.

Unfortunately, some intergovernmental actors have betrayed limited capacity to engage and utilise them, leading to needless protracted publicised intergovernmental hostility that serve to unnecessarily heat up the polity. For instance, the problems Dr Chris Ngige, the governor of Anambra state, has been having with the police after his reported abduction in July 2003, and the intermittent calls for state police by the Governors of some states in southern Nigeria, do not show that they understand the role of the Nigeria Police Council, their privileged position within the Council and possibilities of determining the policy on policing in Nigeria. The 1963 Republican Constitution adopted the National Police system and the 1999 Constitution provide for an intergovernmental Nigeria Police Council where the Governors constitute a majority of membership of this policy-making body and ultimate authority over the operations and administration of the Police. Such problems should have been directed to this body as forum of intergovernmental decision-making. Admittedly, unconstitutional rule under the military rendered intergovernmental institutions moribund as they were abused, re-designed and manipulated to serve régime sustenance. However, rejuvenating subsisting institutions requires practical engagement with them, in order to understand them, utilise them and operationalise them as a part of the larger effort to promote

intergovernmental cooperation and enhance the health of the Nigerian federation (Aiyede, forthcoming).

The Constitution defines the purpose and objectives of the Nigerian federal project, the existence, powers and interface among the various tiers of government, federalises certain national institutions, provides certain intergovernmental bodies to facilitate interaction and fosters intergovernmental cooperation among these governments.

Theoretical Framework: Understanding the Nature and Structure of IGR

The metaphor for federalism has moved from one of a layer cake to that of a marble cake. The first metaphor looks at federalism in the dual sense of tiers of government with distinguishable jurisdiction of powers and responsibilities with little or no need for interaction. In our contemporary world, there " is a complex inter-mixing of powers and responsibilities between central, regional and local governments" (*see* Opeskin, 2001:129). Thus,

> The classical concept of federation which envisaged two parallel governments of coordinate jurisdiction, operating in isolation from each other in watertight compartments, is nowhere a functional reality now. With the emergence of the social welfare state, the traditional theory of federalism completely lost its ground. After the First World War, it became very much a myth even in the old federations by the middle of the Twentieth Century; federalism had come to be understood as a dynamic process of cooperation and shared action between two or more levels of government, with increasing interdependence and centrist trends (Justice Sarkaria, as cited by Eliagwu, 2000:41).

Reagan (1972:3) declares: "Federalism old-style is dead. Yet, federalism new-style is alive and well and living in the US. Its name is Intergovernmental relations". The point these scholars have tried to assert is the increasing importance of intergovernmental relations in the working of federal systems, whether in the US or India. In fact, Cameroon (2001:121) describes intergovernmental relations as "the workhorse of any federal system: it is the privileged instrument by which the job – whatever the job – gets done". Thus, the management of the increasing interface among governments in federal systems has endowed intergovernmental relations with a strong salience. As far as federalism is concerned intergovernmental relations operates at the interface between what the Constitution provides and what the practical reality of the country requires. The essence is to regulate competition and foster intergovernmental cooperation.

Anderson, who is reputed to be the originator of the concept, used it to refer to "an important body of activities or interactions occurring between (or among) governmental units of all types and levels within the United States' federal system". He thus conceives of intergovernmental relations as practically existing within federal systems alone. But others, like Wright (1982:26), maintain that intergovernmental relations (IGR) "involves a range of activities and meanings that are neither explicit nor implicit in federalism". Bamidele (1980:207) clarifies further that "the concept of IGR is often associated with federalism because the study of federalism at its most empirical level heavily stresses the study of intergovernmental relations". And Walker

(1980:1) writes that "federalism old-style may be dead, as an authority puts it . . . Intergovernmental relations old-style is also dead". What Walker points out here is that federalism and intergovernmental relations represent the two sides of a dually express phenomenon, the reality of ambivalence, involving centralising and decentralising, co-optive and collaborative, and constraining tendencies (1995:3).

Adamolekun defines intergovernmental relations as "the interactions that take place among different levels of government within a state". Similarly, Olugbemi (1989:113) defines it as a "system of transactions (behaviour patterns) among managers of a hierarchically structured levels of government in a state". Olugbemi (1989:116) argues further that the objectives of intergovernmental relations is the achievement of the purposes of the state through the division of work, authority, resources sharing and harmonious working relationship among levels of public and sometimes extra-governmental authorities in a state.

Intergovernmental relations refer to an "array of structures, processes, institutions and mechanisms for coping with the inevitable overlap and interdependence that is a feature of modern life (Cameron, 2001:127)". It takes various forms. Some are structured while others are not. It may take the form of interactions among politicians or administrators. It may be conducted informally by phone, at meetings, by fax and e-mail. Some are structural with permanent or ad hoc bodies for specific purposes. In other words, the degree of institutionalisation may vary from country to country and from issues to issues even within a country, depending on the circumstances and the choices of political actors. It may also vary to the extent to which it involves decision-making. It may be no more than information sharing. Some of the forums of intergovernmental relations may be merely advisory, but others may be the site where authoritative choices concerning key federation matters are made. Intergovernmental processes may be open to public knowledge or embedded in processes that are open to the public view. The mechanism for intergovernmental relations may be intra-jurisdictional; that is, arrangements that federalise the centre by bringing the regions into federal institutions, like the National Assembly in Nigeria. This may also apply to the Houses of Assembly where localities are brought in at the state level. It may be inter-jurisdictional; that is, it may involve all or few of the units in a federation, evincing the following patterns of relationships: federal-state, federal-local, federal-state-local, inter-state, state-local, and inter-local depending on the existing tiers of government.

Olowu and Ayo (1996:309-310) identify three machineries of intergovernmental cooperation in Nigeria: constitutional bodies (National Assembly, Supreme Court, Council of States; statutory bodies (National Primary Health-care Development Authority (NPHLDA), National Planning Commission, Federal Ministry of States and Local Government Affairs); and ad hoc bodies (meetings of Accountants-General of the states of the Federation, Meetings of Governors of the northern states, of the old Western regions and the former Eastern region, Meetings of Local Government officers (NALGON).

In this chapter we group intergovernmental agencies into constitutional and non-constitutional. Within these broad groups we have the structure of intergovern-mental relations as well as institutions of governmental relations. These institutions may be

permanent, ad hoc, formal or informal. Needless to say that our engagement in this chapter is specifically with two critical elements that embody the structure and nature of intergovernmental relations. These are the constitutional régime (this sets the framework of intergovernmental relations), and institutions of government, (which express these relations). These elements which constitute the structural matrix of intergovernmental relations are themselves shaped by several factors, including the number and relative size of the units in a federation; the degree of asymmetry among them, whether the country possess a common law or civil law system, whether the government is organised according to parliamentary or presidential/congestion principles, the political party system, and political history.

Our approach is to examine how these structures evolved in Nigeria, paying attention to the values underlying them, emergent problems in politics, economy and society; and how these evolved structures have fared so far. The aim is to identify the various institutions, their evolution, collapse or sustenance and point out constraints, challenges and opportunities for promoting positive cooperative intergovernmental relations through structural re-invigoration, paying attention to experience from practice. In reviewing the constitutional basis of intergovernmental relations, we shall deal with the three Constitutions of post-independence Nigeria. The first is the Republican Constitution of 1963, the 1979 Constitution and the 1999 Constitution. We chose to begin with the 1963 Constitution because it signalled the constitutional autochthony of the Nigerian state. The 1979 constitution unlike the preceding ones (1989, 1995) before 1999 which were never fully used, was the constitution operated during the second republic. Thus, the 1989 and 1995 Constitutions are not being considered here, not because they were produced by the military but because they never really had the chance of being used as the de facto groundnorm in a context of the rule of law. The 1999 Constitution is the body of law that undergird the current process of democratic renewal and return to the rule of law in Nigeria that began in 1999. From 1963, Nigeria became a republic and, with exception of the period of military intervention in politics, sovereignty is vested in the Constitutions.

Constitutional Framework for IGR in Nigeria

Defining the values of government

Nigeria is a creation of British imperialism; hence, the common reference that it is an arbitrary unity of diverse peoples, which is commonly mouthed by those who are aggrieved about the scheme of things in the Nigerian federation. To support this, they refer to statements by early Nigerian nationalists who represented sections of the country at the pre-independence conferences where federalism was debated and adopted as a formula for retaining and sustaining the colonial contraption called Nigeria. The first statement refers to Nigeria as "the mistake of 1914", and the second refers to it as a "mere geographical expression". The truth is that the values or objectives of the Nigerian federation and foundation of intergovernmental relations were debated and, in fact, constitutionalised in the post-independence era; these values derive from the challenges and experiences of the country since 1914. The 1963 Constitution established the foundation of the Federal Republic of Nigeria in its Preamble:

> Having firmly resolved to ensure the unity of our people and faith in our fatherland, for the purpose of promoting inter-African co-operation and solidarity, in order to ensure world peace and international understanding, and so as to further the ends of liberty, equality and justice both in our country and in the world at large, we, the people of Nigeria give to ourselves the following Constitution.

The Preamble to the 1979 Constitution took this further. The purpose being to promote "inter-African solidarity, world peace, international co-operation and understanding, promoting the good government and welfare of all persons in our country on the principles of freedom, equality and justice, and for the purpose of consolidating the unity of our people". The 1999 Constitution carries this over *verbatim*. In addition, the Preamble to both the 1979 and the 1999 Constitutions carry a chapter each on the Fundamental and Directive Principles of State Policy. The Nigerian state is to be based on the principles of democracy and social justice, sovereignty of the people and security and welfare of the people which shall be the primary purpose of government. The Constitution shall ensure participation by the people in government.

The commitment to ensure the consolidation of the unity of groups that constitute the country was emphasised by the provisions of s. 14 (3 and 4). Sub-section 3, for instance, contains the following:

> The composition of the Government of the Federation or any of its agencies and the conduct of its affairs shall be carried out in such a manner as to reflect the federal character of Nigeria and the need to promote national unity, and also to command national loyalty thereby ensuring that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in that government or any of its agencies.

This principle, which is popularly referred to as the Federal Character Principle, according to ss.4 of these Constitutions, is to be applied to the conduct of government business in other tiers of government as well. As we shall see presently, the 1999 Constitution went further to provide for a Federal Character Commission. The reason for the setting up of a permanent commission on federal character is the protest of marginalisation or discrimination that surrounded appointments into government positions as well as spread of social and infrastructural amenities, which fail to observe the Federal Character principle of equity, especially during military régimes. The Commission was a product of the Constitutional Conference established by the General Sani Abacha régime which sat between 1994 and 1995. The Federal Character Commission and the rotational presidency formula were a part of the innovations by the Constitutional Conference to deal with the failure to observe this principle, or to ensure that every segment of the Nigerian elite has equal access to critical public offices, including the office of president. Unlike the Federal Character Commission, the rotational presidency formula was not considered important enough for inclusion in the 1999 Constitution.

The 1999 Constitution followed the 1979 Constitution's elaborate economic, social, educational and foreign policy objectives of the Nigerian state. The 1999 Constitution, however, gives priority to national interests regarding foreign policy and the promotion

of African integration and unity, and then, of course, international cooperation and universal peace. Thus, the Nigerian constitutions make elaborate provisions in terms of the normative foundation of federalism and intergovernmental relations. As we have already pointed out the effort to reflect these ideals in governance can be gleaned from the framework of intergovernmental relations. Even more importantly, challenges and problems arising from experience and practices have informed the mutations in the constitutional and non-constitutional structures of intergovernmental relations across time.

The tiers of government

At independence, Nigeria was a federation of three regions and a federal capital. In 1962, the MidWestern region was created out of the Western region, making Nigeria a four-region federation. The Constitutions of Nigeria have always identified the tiers of government. Section 2 of the 1963 Republican Constitution states that Nigeria is a federation comprising regions and a Federal Territory. It went on to identify the four regions. The 1979 Constitution on its part declares Nigeria as a "federation consisting of states and a Federal Capital Territory". The 19 states of the federation were not only listed, the respective areas and capitals or headquarters of the states were set out in the ss.2 of the First Schedule. The 1999 Constitution contains similar provisions reflecting the 36 states of the federation. In both the 1979 and the 1999 Constitutions, s.7 (1) one recognises a third tier of government with identical wordings:

> The system of local government by democratically elected local government councils is under this constitution guaranteed; and accordingly, the Government of every State shall ensure their existence under law which provides for the establishment, structure, composition, finance and functions of such councils.

The 1999 Constitution went beyond the 1979 Constitution in listing not only the states and their capital cities but also the names of the 774 local governments in Part One of the First Schedule of the Constitution. This renders the creation or the adjustment of boundaries of local government a matter of constitutional amendment. The Constitutions merely reflects the structural challenges that the country has had to contend with from independence. In the First Republic when Nigeria was made up of three regions and later four regions, there was a debilitating imbalance: the size and population of the Northern region. This put the rest of the country under its perpetual domination, which had more than half of the seats in Parliament. Second, the number of federating units was too few, leading to perpetual face-to-face conflicts (Osaghae, 1998:36). One way the Nigerian élite under military rule tried to resolve these contradictions was territorial fragmentation. Thus, Nigeria has moved from four regions under the 1963 Constitution to a federation of 36 states under the 1999 Constitution (for the politics of territorial fragmentation in Nigeria, *see* Suberu 1991, 1994, 1998, 1999).

Responsibilities of each levels of government

The three post-independence Constitutions of Nigeria allocated jurisdictional powers to the various tiers of government. In all cases, there are two legislative Lists: the Exclusive and the Concurrent. The Exclusive Legislative List is for the federal

government, while the Concurrent List is for both the federal and state governments. These Lists constitute Parts One and Two of the 1963 Constitution and Parts One and Two of the Second Schedule of both the 1979 and 1999 Constitutions. The allocation of items, however, differs; reflecting different levels of non-centralisation. In addition, the 1979 and the 1999 Constitutions contain in their Fourth Schedules the functions of local government. Again, showing the recognition of local councils as a third tier of government, thereby defining Nigeria's three-tier federal structure.

Generally, as in all federal systems that adopt the dual List system, federal legislative actions take precedence over the legislative action of a state government on the matters in the Concurrent Legislative List. But matters not found in either the Exclusive or Concurrent Lists are residual to the regions/states as in all federations. Even so, s.69 (3) of the 1939 Constitution qualifies this principle. This section contains certain items, which although are not mentioned in the two Lists, the federal government could legislate on. These include a situation where a new region is established out of other territories or parts of other territories, Parliament is empowered to make laws for the peace, order and good government of that region for a period of six months after the establishment of the region, situations of emergencies, administration of trusts and estates, evidence and establishment of further Courts. Both the 1979 and 1999 Constitutions take a similar approach. In both instances, s.11 gives the National Assembly overriding powers to make laws for public safety and public order for the federation or any part of it.

In addition, the 1979 Constitution empowers the National Assembly to make laws for any state House of Assembly that is unable to perform its functions, due to situations that make it impossible for it to hold meetings or transact business. The Constitution, however, bars the National Assembly from removing the Governor or Deputy Governor of a state from office. The latter provision seems to have been informed by the experience during the First Republic when the federal government intervened in the crisis in the Western region in a manner that deepened the crisis and eventually led to the collapse of the republic. The role of the federal government in such circumstances is further expanded in the section on emergencies.

The 1979 Constitution departs from the 1963 Constitution by spelling out the functions of local governments in the Fourth Schedule. This provision emphasises state-local relations, the intergovernmental relations provision in this schedule being that the local governments should participate in a state's economic planning and economic development activities. This Schedule is reproduced in the 1999 Constitution.

The Exclusive Legislative List of the 1963 Constitution contains 44 items while the Concurrent List contains 29 items. The 1979 Constitution has 65 items in the Exclusive Legislative List with 12 items in the Concurrent List. The 1999 Constitution gives the federal government powers over 68 items, while the Concurrent List has only 12 items.

This analysis reflects the increasingly centrist nature of federal practice in the post-independence era, especially during military rule. Four factors account for the increasing accretion of responsibilities to the central government. The first is the belief that the regions in the First Republic were too strong vis-à-vis the centre, thereby making it possible for one region to hold the country to ransom; hence, the

subsequent territorial fragmentation as a way out of this problem. Second, territorial fragmentation led to the emergence of smaller and weak states. The third is the military command structure that is antithetical to the non-centralised character of a federal state. The fourth is the oil economy that has led to the dependence of sub-national units on revenue from oil which is disbursed from the centre, endowing it with control over huge resources. This centrist trend in Nigeria's federalism has thrown up series of debates about the structure of the federation, especially as it relates to the viability and autonomy of the states and local governments, and a form of sectional domination (*see*, Amuwo, *et. al.*, 1998).

Constitutional interface of Governments

All three Constitutions under review provide several areas of interface between and amongst the various tiers of government. As we shall show presently the area of interface have increased with each succeeding Constitution, showing the growing interface of governments and thereby increasing the importance of intergovernmental interaction in Nigeria's federal system. Key areas of interface are delegation of functions, fiscal issues, states/local government creation and boundary adjustment, emergencies, population census, economic planning, implementing international treaties, and the police. Most of these areas are viewed to be of much fundamental importance that the 1999 Constitution provides permanent institutions for dealing with them in the effort to foster cooperative intergovernmental relations in those areas. We shall make a brief review of some of these institutions later in this chapter.

Delegation

The most significant provision of national-regional government interface in carrying out certain functions within the federation under the 1963 Republican Constitution which is not carried over into subsequent Constitutions is the provision for delegation in ss.99 and 100. The first allows the President, with the consent of the Governor of a Region, to "entrust either conditionally or unconditionally to the Governor or to any officer or authority of that Region functions in relation to any matter to which the executive authority of the Federation extends falling to be performed within that Region: Provided that the consent of the Governor shall not be required during any such period as is referred to in s.70 or 71 of this Constitution" (that is, under emergencies).

Correspondingly, the governor of a region is empowered to, with the consent of the President, entrust either conditionally or unconditionally to the President or to any officer or authority of the federation functions in relation to any matter to which the executive authority of the region extends. In addition, the legislature of a region may enact laws "conferring powers or imposing duties, or authorising the conferring of powers or the imposition of duties, upon the President or any officer or authority of the federation: provided that no provision made in pursuance of this sub-section shall have effect unless the President has consented to its having effect". Subsequent Constitutions have not included these provisions on intergovernmental delegation.

Fiscal issues

The 1963 Constitution envisaged several areas of interface between the national

government and regional (later state) governments on revenue allocation. Section 140 refers to the mining royalties and rents that are collected by the federal government. The federation was to pay a sum equal to 50 percent of proceeds of any royalty received by the federation in respect of minerals extracted from a region. Sub-section (2) required that 30 percent of such proceeds be credited to the Distributable Pool Account. Section 141 then described the formula for sharing the revenue in the Distributable Pool Account among the regions.

Although s.143 allowed the federal government to collect customs duties, the regions were to pay the cost of collecting the duties proportionate to their share in proceeds of those duties received by the regions in respect of each financial year.

The 1979 and 1999 Constitutions have made similar provisions, however, reflecting the flexibility that characterised the revenue allocation formula and structure of the Nigerian federation from the 1970s on. Indeed, under the military régimes between 1966 and 1979 and between 1984 and 1999 the revenue allocation formula was changed several times on the initiative of the federal government, sometimes after receiving the advice of a Technical Committee set up for the purpose.

Sections 149, 150, 151, 152 and Item A of the Concurrent Legislative List of the 1979 Constitution provide for revenue allocation and a Distributable Pool Account "to be distributed in terms, and in such manner as may be prescribed by the National Assembly". Similar provisions are made in ss. 162, 163, 164 165 and Item A of the Concurrent List of the 1999 Constitution. But the 1999 Constitution outlines basic principles to be taken into account in revenue allocation. These include population, equality of states, internal revenue generation, land mass, terrain and population density. Furthermore, it requires that the Principle of Derivation be constantly reflected in any approved formula as being not less than 13 percent of revenue accruing to the Federation Account directly from natural resources. For this purpose a permanent Revenue Mobilisation, Allocation and Fiscal Commission was set up to advise the President.

Section 7(6a) of the 1979 Constitution empowers the National Assembly to provide for statutory allocation to local governments. Section 7 (6b) empowers a State House of Assembly to provide for statutory allocation of public revenue to local government councils within the state. The same provision is made in s.7(6a and b) in the 1999 Constitution. This section, like the 1979 version, requires the National Assembly and the state House of Assembly to "make provisions for the statutory allocation of public revenue to local government councils" in the federation and within the state respectively. But, of course, the National Assembly is to determine the proportion of state revenue to allocate to local governments within a state.

Each state is to have a special account – the "State Joint Local Government Account" – into which allocation from the Federation Account to the local governments in the state is paid. Both the 1979 (s.151) and the 1999 (s.164) Constitutions, in addition, have permitted the federal government to make grants to a state to supplement its revenue.

Concerning the remuneration of public officers, the 1963 Constitution (s.133) lists certain officers of the federation whose remunerations should be determined by Parliament and charged to the Consolidated Revenue Fund of the federation. The remunerations for officers of the regions were provided for in their Constitutions. The

1979 Constitution makes provisions for the remune-ration of the President and certain other public officers of the federation, and other provisions for a Governor and certain other officers of a state. The National Assembly is to determine remuneration of the former, while the House of Assembly of a state is responsible for the latter.

The effort to implement this provision that the National Assembly should determine both remuneration of certain public officers and the revenue allocation formula was mired in controversy during the second republic. In the first case, there was the challenge of who should determine the remunerations of members of the legislature, as the National Assembly awarded themselves salaries rejecting those suggested to them by the executive against the run of public opinion (Olukoshi, 1999: 183). The second case involved the periodic adjustment of the revenue allocation formula. The effort to introduce a new revenue formula was not successful under civil rule. The first effort to revise the revenue allocation formula in 1981 by the Shagari administration failed as the Supreme Court nullified the Act because of some procedural defects. In 1982, another Revenue Allocation Act was made on the recommendation of a Presidential Commission on Revenue Allocation (the Okigbo Commission). But aspects of this Act was also reviewed by the Supreme Court as they were challenged by the Governors (Osaghae, 1998 :136, Adamolekun, 1989:61).

The 1999 Constitution makes the remuneration of public officers an intergovernmental issue. According to the Constitution, the Revenue Mobilisation Allocation and Fiscal Commission (RMAFC) is to make recommendation to the National Assembly and the Houses of Assembly, as the case may be. While the legislature at the centre and the states will determine the actual remunerations of the relevant public office holders, such a salary should not exceed the amount recommended by the RMAFC.

It important to emphasise that RMAFC was not set up only for the purpose of remuneration of certain public officers. Indeed, challenges and controversies that have trailed past efforts to revise the revenue allocation formula, easily the most controversial issues in fiscal intergovernmental relations in Nigeria, is the central reason for the establishment of the RMAFC as a permanent body. Since 1999, efforts to revise the revenue allocation formula has been bugged down by intrigues. At first, on the recommendation of the RMAFC, a bill to adjust the formula was sent to the National Assembly by the President in 2002. This bill was later withdrawn. No other bill for that purpose has been presented to the National Assembly since then.

Local government affairs

Section 7(1) of the 1979 and 1999 Constitutions empower the states, subject to s.8 of the Constitution (which deals with states and local government creations) to "ensure the establishment, structure, composition, finance and functions" of democratically elected local government councils. Section 7 requires the local governments to collaborate with the states in the economic planning and development of their respective areas. The states take responsibility for conducting elections into the local governments. This point was emphasised in a Supreme Court's ruling on the 2002 Electoral Act on 28 March 2002, which clarified the limits of the powers of the federal government over the local governments. In the judgement, the Court declared that no law by the National Assembly could validly increase or alter the tenure of elected officers of the local

governments. The Court further ruled that "all residual legislative powers with respect to local government councils are subject to the Constitution, vested in the House of Assembly".

State/local government creation and boundary adjustment

The 1979 Constitution requires a more elaborate federal-state-local interface where an amendment involves the creation of more states, local councils or boundary adjustment than the 1963 Constitution. Section 8 of the 1999 Constitution carries over the provisions of the 1979 Constitution on state creation and boundary adjustment. But it also includes more elaborate provisions on local government creation than was made in the 1979 Constitution. It thus represents in effect a deepening of interface between the tiers of government. It not only includes provisions on the creation of new local governments councils but also requires a federal-state-local interface in the process of boundary adjustment as well as local government creation.

Section 7(1) of the 1999 Constitution which guarantees a system of elected local government council, declares that the state shall provide law for the "establishment, structure, composition, finance and functions" of local councils. According to s.7 (2), in delineating a local government area, regard should be paid to:

(i) the common interest of the communities in the area
(ii) traditional association of the community, and
(iii) administrative convenience.

The process of local government creation involves the passage of a bill for such an exercise by two-thirds majority of members (representing the area demanding the creation of the new local government) in the House of Assembly and local government councils in respect of the area.

Thereafter, the proposal must be approved in a referendum by at least two-thirds majority of the people of the local government council council where the demand for the proposed local government council originated. The result of the referendum is subsequently to be approved by a simple majority of the members in each local government council in a simple majority of all the local government councils in the state. Finally, at the state level, the referendum is supported by a resolution passed by two-thirds majority of members of the House of Assembly. Section 8(5,6) empowers the National Assembly to legislate concerning the names and headquarters of local governments. To enable the National Assembly to play this role, the state House of Assembly is to make adequate returns to each House of the National Assembly.

These provisions which involve the National Assembly as the apparent final authority, in local government creation gave the "false impression that the National Assembly enjoys concurrent powers" over local government. This was why during the larger part of the first term of the fourth republic local government became mired in intergovernmental power struggles between the national and the state governments. The battle between the state Houses of Assembly and the National Assembly was fuelled by the failure of the Independent National Electoral Commission (INEC) to prepare the ground for election into local government councils before the expiration of the three-year term of elected local government officials in 2002.

Indeed, the Association of Local Governments of Nigeria (ALGON) lobbied the National Assembly to extend the tenure of local government chairmen from three years to four years. This was going to be effected through the Year 2001 Electoral Act before the Supreme Court in a landmark judgement on 28 March 2002 declared that:

(1) No law enacted by the National Assembly can validly increase or otherwise alter the tenure of office of elected officers or as chairmen and councillors of local government councils in Nigeria except in relation to the Federal Capital Territory alone.

(2) The National Assembly has no power except in relation to the Federal Capital Territory alone to make any law with respect to the following matters or any of them, to wit:

(a) the division of local government areas into wards for purposes of election into local government councils in Nigeria;

(b) the qualification or disqualification of a person as a candidate for election as chairman, vice-chairman or councillor or member thereof vacates his seat in the local government council; and

(c) the prescribing of the event upon the happenings of which a local government stands dissolved or the chairman or vice-chairman of a local government council vacates his office or a councillor or member thereof vacates his seat in the local government council.

These pronouncements by the Supreme Court gave the states a leeway and confidence to assume full control of the local governments, many of which went on to create additional local governments. But the National Assembly refused to recognise these new local governments for the purpose of revenue allocation. After offices in the local governments were filled through the local government elections in early 2004, the federal government withheld their allocations on the grounds that they had engaged in an unconstitutional act. While the Ebonyi state government re-designated the new local governments as development centres and promptly secured the release of the seized funds, the Lagos state government sued the federal government, challenging its right to withhold its allocation (*see,* Eze, 2004:1-2).

Implementing international treaty

Both in the 1979 and 1999 Constitutions, s.12 requires a bill passed by the National Assembly for the purpose of implementing a treaty on matters not included in the Exclusive Legislative List to be ratified by a majority of all Houses of Assembly in the federation. The 1963 Constitution in s.74 merely requires the consent of the governor of a region for such a treaty to become operational in a region. There is no evidence that this has been a matter of serious intergovernmental engagement.

Emergencies

Section 70 of the 1963 Constitution is devoted to emergencies. Section 70(3) defines a

period of emergency to mean any period during which

(a) the federation is at war;

(b) there is in force a resolution of each house of Parliament declaring a state of emergency; or

(c) there is in force a resolution of each house of Parliament supported by the votes of all members of the house declaring democratic institutions are threatened by subversion. According to the Constitution, Parliament could make laws in respect of any subject matter whether included or not in the legislative list in so far as it appears to Parliament to be necessary for the purpose of maintaining or securing peace, order and good government during any period of emergency.

Emergency powers under the 1963 Constitution may also be exercised by Parliament when s.86 of the Constitution has been contravened; that is, when there is in force a resolution of each house of Parliament supported by the votes of not less than two-thirds of all members declaring that the executive authority of a region is being exercised in such a way that "impedes or prejudices the exercise of the executive authority of the federal government of Nigeria".

The 1979 Constitution reflecting the presidential system empowers the President to declare a state of emergency. It provides seven conditions of emergency during which the President may declare a state of emergency. These are, when

(a) the federation is at war;

(b) the federations is in imminent danger of invasion or involvement in a state of war

(c) there is a national breakdown of public order and public safety in the federation or any part thereof to such an extent as to require extraordinary measures to restore peace and security;

(d) there is clear and present danger of actual breakdown of public order and public safety in the federation or any part thereof requiring extraordinary measures to avert the same;

(e) there is an occurrence of imminent danger, or the occurrence of any disaster or natural calamity, affecting the community or a section of the community in the federation;

(f) there is any other public danger which clearly constitutes a threat to the existence of the federation; or

(g) the President receives a request to do so from the governor of a state (with the support of a resolution supported by two-thirds majority of the house of assembly) when situation c, d, and e, exist within but does not extend beyond the boundary of the state.

Indeed, to emphasise the autonomy of the state tier of government, s.265 (5) bars the President from proclaiming a state of emergency in any state unless the Governor of that state failed within a reasonable time to make request to the President to issue

such a proclamation. The life-span of a state of emergency is reduced from the twelve months under the 1963 Constitution to six months, but may be extended by the National Assembly. The subsistence of a state of emergency will depend on a resolution of the National Assembly, supported by two-thirds majority of all the members of each house of the National Assembly approving the proclamation. The National Assembly may also revoke a state of emergency by a simple majority vote of all members of each house. In s.305, the 1999 Constitution makes identical provisions with the 1979 Constitution on emergencies. No state of emergency was declared during the Second Republic. In early 2000, President Obasanjo threatened to proclaim a state of emergency in Lagos if the state government did not check the violent clashes involving the police and the Od'ua Peoples Congress (OPC) (Aiyede, 2001:28). The President proclaimed a state of emergency following protracted ethno-religious violent conflicts in Plateau state. The President suspended the governor and the house of assembly and appointed a sole administrator to run the affairs of the state for the six months of emergency rule, which was upheld by the National Assembly. While the justification for the declaration of the state of emergency has not been contested, controversies have trailed the extraordinary measures taken by the President. In particular, there are debates in the media concerning whether the President enjoys the power to suspend an elected officer, especially the governor of a state (see *ThisDay*, 23 May 2004:40).

Constitutional Mechanisms/Institutions of Intergovernmental Relations

By intra-jurisdictional institutions we refer to constitutional arrangements that federalise the centre. Such institutions have brought the states into the institutions of the federal government. By inter-jurisdictional we refer to relations between one, some or all sub-national units and the national government; and relations among some or all sub-national units themselves, without the participation of the federal government.

The Legislature

Under the 1963 Constitution, Nigeria operated a parliamentary system of government. The Parliament was made up of two houses: a house of representatives and a senate. The house comprised 312 members, directly elected under majoritarian principles from constituencies designated within the regions, based on population. Naturally, some regions had more representation than others. The membership of the senate was also by direct election but was based on equal representation for all regions regardless of size and population of each region. There were 12 senators from each of the four regions. Thus, the senate was designed to ensure equal, elective and effective representation of the states within the federal government structures.

Under the 1979 Constitution, there were 5 senators from each of the 19 states. Like the 1963 Constitution, the senate provides opportunity for equal representation from all the states of the federation. The same holds under the 1999 Constitution which provides for 3 senators from each of the 36 states of the federation. Positions into the senate and house of representatives are also filled by direct elections from constituencies in the various states. It was expected that this national representative bodies would

review federal legislation from the perspective of the states and minorities. The state houses of assembly also plays similar roles with reference to localities and wards.

There is increasing evidence that this is working in the Fourth Republic, after the initial preoccupation of members of the National Assembly with their own personal comfort and solidification of their political base. During the first term of the Fourth Republic, the legislature had a long-drawn conflict with the presidency over constituency projects (Aiyede and Isumonah 2003, Aiyede 2003). On 9 May 2001, Temi Harriman of Delta state and 13 others presented a bill (the resource control bill) before the house of representatives requesting the amendment of the Petroleum Act to:

(i) compel oil companies to site their headquarters in their main areas of operation,

(ii) vest the ownership and control of petroleum resources in the oil-producing states, local governments and communities, thus reversing the spirit of the extant laws,

(iii) reserve 70 percent of the employment opportunities in the oil companies for Nigerians,

(iv) encourage local businessmen and investors to participate in all aspects of oil operation, and reduce tension, poverty and violence in the oil-producing communities through the provision of better living conditions (Abati, 2001:10).

Although, the bill threw the house into a tempestuous session and was thrown out with an 81 'No' votes against 64 'Yes' votes along a sharp north-south divide, the case was resolved politically through a series of mediated meetings between the federal government and the relevant state governors and lobbying moves in the National Assembly, culminating in the signing into law an offshore–onshore dichotomy abolition bill in early 2004. In other matters, the National Assembly's effectiveness was doubtful considering its vulnerability to executive manipulation and its consequent subordination.

The Judiciary

At independence, Nigeria remained a full member of the Commonwealth. The Independence Constitution was enacted by an Order-in-Council of Her Majesty the Queen of Great Britain and Northern Ireland, and was passed by the British Parliament. The judiciary was regionalised. There was a federal Supreme Court with original jurisdiction in disputes between the federation and the regions or among the regions. But appeals from the Supreme Court are made to the Judicial Committee of the Privy Council in London. But the 1963 Constitution made Nigeria a republic; sovereignty became vested in the Constitution. The Supreme Court became the final Court for Nigeria. The President on the advice of the Prime Minister or premier appointed justices of the Supreme Court. The appointment of four of these justices would have to be done on the advice of the respective premiers to reflect the broad sections of the country. The Judicial Service Commission in the 1960 Constitution was abolished and the judges could be removed after two-thirds majority of each house of Parliament or of the regional legislatures passed an address to that effect presented to the President or premier.

Under the 1979 Constitution, the Supreme Court remained the apex Court. Appointments of persons to the position of justices of the Court were made by the President on the advice of the Federal Judicial Service Commission and subject to approval of the senate.

The Court had original jurisdiction on intergovernmental disputes between the federation and a state or between states. At the state level, the state governors appoint persons to the position of judges of the High Courts on the advice of the State Judicial Service Commission and subject to approval of the House of Assembly. The same applies under the 1999 Constitution. Even so, Nigeria has a single hierarchy of courts. The Supreme Court is the apex court in the land. It sits with five judges including the Chief Justice of Nigeria or without him. When it is sitting on a constitutional matter its membership must be seven. The Court immediately below the Supreme Court is the Federal Court of Appeal. Both Courts are not Courts of first instance. They can, however, hear cases in the first instance when such cases involve two or more states. Below the Court of Appeal is the High Court in each state. The High Court is an appellate Court and also has unlimited civil and criminal jurisdiction. There is also a Federal High Court, which started as the Federal Revenue Court. It was set up to deal with matters of revenue. Its jurisdiction was later extended to other specialised areas. A High Court's decision is binding on itself but it is not binding on the High Court of another state. But the decision of the Court of Appeal is binding on a High Court. The Supreme Court's decision is also binding on the High Courts. The Constitution empowers the state to establish a Customary Court of Appeal or a Shar'ia Court of Appeal below the High Court. A Magistrate Court or Shar'ia Court comes below the Customary Court of Appeal. There is also the Industrial Arbitration Panel and the National Industrial Court set up specifically to deal with labour and industrial relations matters (Cap. VII of the 1979 and 1999 Constitutions).

In a marked departure from previous Constitutions, the 1999 Constitution provides for an intergovernmental National Judicial Council as the apex policy and administration organ of the judiciary. It plays an advisory role in the appointment, removal and disciplinary control of judicial officers at all levels.

The Supreme Court played active role in intergovernmental interventions in the Second Republic. Since 1999, it has made celebrated decisions on control over local governments, control over natural resources and general management of the Federation Account.

The Executive

All Nigerian Constitutions have always created what they refer to as federal executive bodies, to deal with issues of intergovernmental or national character. While a few of the bodies are established to deal with issues in the Exclusive Legislative List others relate to matters not included in the Legislative List. Most important are those that deal with issues that the Revenue Allocation Committee of the 1995 Constitutional Conference (Federal Republic of Nigeria, 1995:139) describes as "the most destabilising factors in the Nigerian body-politic". These include revenue allocation, general elections, population census and states creation.

National Council of State

The National Council of State was first established by the 1979 Constitution and has been retained by the 1999 Constitution with the same character and functions. According to the 1999 Constitution, membership of the Council of State shall comprise the President, who shall be the Chairman; the Vice-President, who shall be the Deputy Chairman; all former Presidents of the federation and all former heads of government of the federation; all former Chief Justices of Nigeria; the President of the senate; the Speaker of the house of representatives; and the Attorney-General of the Federation. The council is to advice the President in the exercise of his powers with respect to the following:

(i) national population census and compilation, publication and keeping of records and other information concerning the same,
(ii) prerogative of mercy,
(iii) award of national honours,
(iv) the Independent National Electoral Commission (including the appointment of members of that commission),
(v) the National Judicial Council (including the appointment of the members, other than ex-officio members of that council), and
(vi) the National Population Commission (including the appointment of members of that commission).

It is also to "advise the President whenever requested to do so on the maintenance of public order within the federation or any part thereof and on such other matters as the President may direct". This council has been very active under the current democratic dispensation. It proposed the on-going local government reform exercise when it set up a committee in 2003 to look into the condition of local government and suggest appropriate reforms.

National Economic Council

The National Economic Council is one of the intergovernmental relations bodies that debuted in the 1979 Constitution, which is carried over into the 1999 Constitution. The Council is composed of the Vice-President who is the Chairman; the governor of each state of the federation; and the Governor of the Central Bank of Nigeria established under the Central Bank of Nigeria Decree 1991, or any enactment replacing that decree.

A purely advisory agency, the National Economic Council is to advise the President concerning the economic affairs of the federation, and in particular on measures necessary for the coordination of the economic planning efforts or economic programmes of the various governments of the federation. It was in one of the meetings of this council that the governors agreed to re-install the "State Joint Local Government Account" against protests by Association of Local Governments of Nigeria (ALGON) (Onuorah, 2002:1).

Revenue Mobilisation, Allocation and Fiscal Commission

Even before the 1999 Constitution, revenue allocation had always been a constitutional

issue. However, as we have noted, the 1963 and the 1979 Constitutions provided for the occasional setting up of commissions to review the revenue allocation formula. The 1999 Constitution, however, constitutionalised this permanent body which was originally set up by the Babangida administration through a decree in 1992. According to the Constitution, RMAFC shall comprise a chairman and one member from each state of the federation and the Federal Capital Territory, Abuja who in the opinion of the President are persons of unquestionable integrity with requisite qualifications and experience.

The commission is to monitor the accruals to and disbursement of revenue from the Federation Account; review, from time to time, the revenue allocation formulae and principles in operation to ensure conformity with changing realities. Any revenue formula, which has been accepted by an Act of the National Assembly is to remain in force for a period of not less than five years from the date of commencement of the Act. The commission is also to advise the federal and state governments on fiscal efficiency and methods by which their revenue can be increased; determine the remuneration appropriate for political office holders, including the President, Vice-President, governors, deputy governors, ministers, commissioners, special advisers, legislators and the holders of other offices mentioned in ss. 84 and 124 of the Constitution. It is to discharge such other functions as are conferred on the commission by the Constitution or any Act of the National Assembly.

Since the return to civil rule this commission has not proven to be very effective, even though it submitted a revised revenue allocation formula to the presidency. As we have noted, the formula it worked out got lost between the presidency and the National Assembly.

The revenue formula in current use is the one received from the last military régime. There has not been a successful (not to talk of an acceptable) change of formula for the distribution of the revenue from the Federation Account to the various levels of government. There is persisting widespread dissatisfaction with revenue sharing, especially as the oil-producing communities remain the most neglected and least developed areas of the country. The state governments continue to argue that the proportion of the Federation Account that goes to the federal government is inappropriate. There are also conflicts between the state governments and the federal government over tax jurisdiction, and the distribution of the proceeds from VAT. In these critical areas, the commission has not displayed any capacity to deal with such questions.

National Population Commission

The National Population Commission is among the executive bodies recognised by the 1999 Constitution. It consists of a chairman; and one person from each state of the federation and the Federal Capital Territory. The commission has power to undertake periodical enumeration of population through sample surveys, censuses or otherwise; establish and maintain a machinery for continuous and universal registration of births and deaths throughout the federation; advise the President on population matters; publish and provide information and data on population for the purpose of facilitating economic and development planning; and appoint and train or arrange for the appointment and training of enumerators or other staff of the commission. This commission was first

constitutionalised by the 1979 Constitution. It remains a very important intergovernmental agency that holds the potential of de-politicising the national population census if it is made effective and efficient.

Federal Character Commission

The establishment of the Federal Character Commission was part of the initial response of the Abacha administration to the protest against exclusive northern domination of political power and its subsequent use to expand northern occupation of key political positions in contravention of the Federal Character principle as entrenched in the 1979 Constitution. The Federal Character principle is accepted as a potentially effective means of containing the fear or fact of ethnic marginalisation or domination. As an ideal, it seeks to promote inter-ethnic and inter-regional equity in the composition and conduct of public affairs.

The fear of northern domination was generated by the increasing monopoly of the position of the chief executive officer of Nigeria as well as strategic ministerial and service posts by the north from 1984 under military rule. The annulment of the 12 June 1993 presidential election about to be won by M.K.O. Abiola, a Yoruba from southern Nigeria, resulted in an explosion of opposition to northern domination. When Abacha ousted the interim government left by Babangida, and started a constitutional conference in 1994, the question of equity and fairness in the distribution of national resources took a centre-stage at the conference. It was argued that there was a need to redress all imbalances in appointments, reduce the powers of the central government, and carry out a program of national reconciliation. Accordingly, in 1996, the Abacha régime set up four commissions to achieve these objectives. These were Transition Implementation Committee (TIC), National Reconciliation Committee (NARECOM), the National Committee on Devolution of Powers (NCDP) and the Federal Character Commission (FCC).

Of all these commissions set up by decree only the Federal Character Commission made it to the 1999 Constitution in s.153. The Federal Character Commission was initially set up by decree No 34 of 1996. As a veritable institution for promoting the meaningful application of the Federal Character principle, it is saddled with the following responsibilities as stated in Part I of the Third Schedule of the 1999 Constitution

(a) work out an equitable formula subject to the approval of the National Assembly for the distribution of all cadres of posts in the public service of the federation and of the states, the armed forces of the federation, the Nigeria Police Force and other government security agencies, government-owned companies and parastatals of the states;

(b) promote, monitor and enforce compliance with the principles of proportional sharing of all bureaucratic, economic, media and political posts at all levels of government;

(c) take such legal measures, including the prosecution of the head of staff of any ministry or government body or agency which fails to comply with any Federal Character principle or formula prescribed or adopted by the commission; and

(d) carry out such other functions as may be conferred upon it by an Act of the National Assembly.

This institution did not achieve its stated objectives. This was because rather than redress the inequity in the distribution of federal opportunities, the commission itself became an embodiment of the vice of inequity in terms of sectional representation in the composition of its principal officers and staff (Isumonah, 2003:131). Thus, under the military the commission became one of the agencies of northern domination; thus, the retention of the body in the 1999 Constitution merely reflects the belief of the makers of the Constitution in the potential its holds for inter-sectional equity in a democratic and constitutional context rather than its role in the military era. The positive role of the commission was manifested in 2000 when it provided an analysis of political appointments in the face of northern claim of marginalisation and in response to a senate request. The report of the commission showed clearly that the north was not being marginalised by the Obasanjo (a southerner) presidency. The Federal Character principle has been widely interpreted to mean equal distribution of appointments, amenities, and opportunities among the states and localities of Nigeria.

Nigeria Police Council

The 1963 Constitution established a single police force for Nigeria, as part of the effort to ensure that the centre is able to move with despatch and force against attempted destabilisation of any part of the country, resulting from a breakdown of law and order. The choice of a national police was also underscored by the fear that complete regionalisation of the police carries with it the danger of the majority ethnic group in a region to use it to suppress its minorities. Thus used responsibly, a centralised police force was considered a potent force for national integration and stability (Ojo, 1989:44). Even then, the Constitution allowed regional assemblies to provide for the maintenance of local police by native or local government authorities in the localities.

The 1963 Constitution put control of the federal police under an Inspector-General of Police who was himself under the authority and power of the Prime Minister. Regional contingents of the force were under the command of the Commissioner of Police in each region. The regional Commissioner of Police was, however, subject to the authority of the Inspector-General. The Commissioner of Police of a region may obey the directive of the premier for the purpose of maintaining the peace. But he may request that the matter be referred to the Prime Minister or his designated minister before carrying such directives. In order to ensure that the police is not used by the federal government to the detriment of the regions, a Nigeria Police Council was also established (*see* s.106). The chairman of the Police Council was a minister appointed by the President on the advice of the Prime Minister. The governor of each region was also to designate a minister to represent the region in the council. While the chairman of the Police Service Commission of the federation was a member of the council, the Inspector-General or a representative of the police may attend meetings without the power to vote. The Nigeria Police Council according to s.108 of the Constitution was to supervise "the organisation and administration of the Nigeria Police Force and all other matters relating thereto (not being matters relating to the use and operational control of the force or the appointments, disciplinary control and dismissal of members of the force)".

The Prime Minister was to keep the Nigeria Police Council informed concerning matters under its supervision and furnish it with information as may be required to carry out its supervisory mandate. In the event that the government of the federation failed to utilise the recommendation of the Nigeria Police Council, the government was to make a statement before both houses of Parliament, stating its reasons for disregarding the recommendation of the Nigeria Police Council (s. 108 (3)). It is important to note that the Nigeria Police Council was the ultimate authority in the administration and operation of both federal and local police forces.

Indeed, in the build-up to the December 1964 elections, following the dangerous misuse of local police to intimidate, harass and persecute opposition leaders and supporters in the regions, the Nigeria Police Council met with the Prime Minister and the premiers in September 1964 and agreed to place local police under the control of the federal police which was reputed to be honest and impartial. But while some local police commanders of the federal police made an effort to restrain the use of local police in their areas for political objectives, others, because of inefficiency, overwork or partiality, allowed these to continue. Following the limited effect of this move, a conference of political leaders the following month agreed, among other things, that all local government and native authority police should be integrated into the Nigeria Police under the control of the Inspector-General. The various regional governments disregarded all of these agreements, leading to the election crisis and ultimate collapse of the First Republic (Post and Vickers, 1973:152-7).

While the 1979 Constitution retained the centralised police and abolished the local police altogether, it did not retain the Nigeria Police Council as well. The import of this was felt during the Second Republic when the National Party of Nigeria (NPN) government of President Shehu Shagari transformed the police into a quasi-military outfit, and sent trained commandos to man the special mobile field squadrons in the states. These special forces were used to disrupt party meetings, rallies and campaigns and were also used to secure victory for the NPN in the 1983 general elections (Osaghae, 1998: 132-3 and 150).

It is therefore wise that the Nigeria Police Council is resuscitated in the 1999 Constitution. According to Item L of Part I of the Third Schedule of the Constitution, the Nigeria Police Council shall comprise the following members: the President, who shall be the Chairman; the governor of each state of the federation; the chairman of the Police Service Commission; and the Inspector-General of Police. The functions of the Nigeria Police Council shall include the organisation and administration of the Nigeria Police Force and all other matters relating thereto (not being matters relating to the use and operational control of the police or the appointment, disciplinary control and dismissal of members of the police); the general supervision of the Nigeria Police; and advising the President on the appointment of the Inspector-General of police.

Political Parties

The party system is one of the critical elements that affect the nature of intergovernmental relations in any country. The number of political parties, their relative strength in regional and central politics, party discipline and cohesion, and the degree of integration at the national level, all impart on the nature of intergovernmental cooperation. Thus,

if parties are nationally integrated, intergovernmental relations may take the form of relations among fellow politicians, but if there are fairly distinct party systems at the national and the regional/state levels intergovernmental relations can be adversely affected. In the latter case, the arena of cooperation should be located outside the party system (Dare, 1989:109, Cameron, 2001:124). In Nigeria, the ethnic-oriented nature of political parties from the pre-independence period has been a major source of intergovernmental conflicts in Nigeria. Until the 1990s, political parties were created along the major ethnic lines. This has in no small measure complicated the effort at "consolidating the unity" of its peoples.

Thus, in the bid to ensure nationally integrative parties, the 1979 Constitution made elaborate provisions to affect the character of political parties. The goal of these provisions was to ensure that parties that qualified to field candidates for elective posts were nationally representative in their internal structures, symbols, and general outlook. For this purpose, they had to situate headquarters in the federal capital. Hence, s.203 (1b), requires parties to "ensure that the members of the executive committee or other governing body of the party reflects the federal character of Nigeria". Section 203 (2b) states that the members of the executive committee or other governing body of the political party shall be deemed to reflect the federal character of Nigeria "only if the members belong to different states not being less in number than two-thirds of all states comprising the federation". However, the goals of these provisions proved very difficult to achieve during the Second Republic. In the words of Ojo, "they were defeated by the forces of tribalism and political parties which rode to government on tribal factors" (1989:47).

In the aborted Third Republic, the Babangida administration created and funded two political parties in the hope that the parties would be national and free from hijack by moneybags or ethnic leaders. But the positive effects of these national parties were lost to the crisis that attended the annulment of the 12 June 1993 presidential election.

Thus, ss.221, 222, 223, 224 and 225 of the 1999 Constitution retain the major provisions relating to the formation of political parties in the 1979 Constitution. The problem of ethnic parties seem to have been overcome with the sweeping victory of the Peoples Democratic Party (PDP) in the 2003 elections. But this has been attended by the complaints that Nigeria is becoming a one-party state with the strong tendency towards centralisation in the internal party process of the PDP.

Ad hoc

Several bodies have been set up at the various governmental levels to deal with intergovernmental relations by the various Constitutions on an ad hoc basis. These include state creation and boundary adjustment and revenue allocation. However, under the 1999 Constitution a permanent Revenue Mobilisation, Allocation and Fiscal Commission is established to deal with such matters.

Non-Constitutional Agencies of IGR

These are mostly a variety of intergovernmental cooperation bodies or meetings, especially at the horizontal state-state level or local-local level, that are not directly backed by any specific provision of the Constitutions. Some of them are statutory and

permanent, while others are ad hoc. The most outstanding at the federal/vertical form is the defunct National Council on Intergovernmental Relations (NCIR) and the Federation Account Allocation Committee. We deal with this presently. Others, especially at the horizontal level, usually take the form of joint ventures by states that were offshoots of a common defunct state or region. These were sometimes pragmatic arrangement to run common businesses, educational or recreational institutions for mutual benefits in event of asset sharing. An example is the Interim Common Services Agency for the Northern States (later, Arewa Group) (for states that were created out of the former northern region) and Od'ua Investment Company (from states created out of the former western region), etc. There are other non-formal forums that date back to the First Republic, sometimes reflecting political alignments among the political parties in government, for example, the Progressive Governors' Forum of the Second Republic.

Statutory

The military was in the habit of dealing with intergovernmental issues by setting up by law certain intergovernmental bodies to deal with specific intergovernmental issues like states and local government creation/reorganisation, devolution of powers, revenue allocation, wages, etc. This usually takes the form of statutory/technical committees/councils/commissions. These include the Dasuki Committee on Local Government (Dasuki Committee), Panel on State Creation (Ayo Irikefe), Niger Delta Development Commission, Committee on the Reform of Local Government (Etsu Nupe Committee), etc.

Among the statutory intergovernmental organs, the National Council on Intergovernmental (NCIR) stands out as a central intergovernmental relations body. This council was established by Decree No. 89 of 1992 by the Babangida administration and was abolished in 1996 by the Sani Abacha administration. The council had the following objectives:

(i) to closely monitor the operation of the federal system and giving continuing attention to intergovernmental relations in the Nigerian federal system;

(ii) to study, conduct research and maintain data on intergovernmental relations;

(iii) to recommend solutions to problems of intergovernmental relations and provide necessary forms of improvements;

(iv) to play mediatory roles towards resolving conflicts between the federal, state and local governments; and

(v) to establish contacts with other organisations with similar objectives.

According to Isawa Elaigwu, who was its director, the council successfully mediated several inter-state conflicts across the country. It engaged in research, organised conferences, and dialogues amongst religious groups as part of the efforts to promote harmonious relations and cooperation amongst the constituents of the federation. But this agency was located in and dominated by the federal presidency and was eventually scrapped by the Abacha administration in early 1996 (see, Gboyega, 1999:260).

Niger Delta Development Commission

Section 159 of the 1963 Constitution established an intergovernmental board for the development of the Niger Delta as a special area. It was responsible for advising the federal government and the government of eastern and midwestern Nigeria with respect to the physical development of the Niger Delta. Each of these governments were to appoint a person each to the board, while others were to be appointed by Parliament from among the inhabitants of the Niger Delta. The specific activities to be carried out to ensure physical development of this area were clearly stated in the Constitution. Hence, the Constitution envisaged that this section should cease to have effect on the "first day of July 1969 or such a later date as may be prescribed by Parliament". Of course, the First Republic collapsed with the coup d'etat of 1966, three years into the life of the Constitution. By the 1970s, oil exploration in the Niger Delta became the major source of revenue for the federation, accounting for over 90 percent of foreign exchange and 70 percent of government revenue. Oil exploration eventually worsened the physical development challenge of the Niger Delta because of the massive environmental degradation it caused. The military completely ignored the role of the Niger Delta Board with the suspension of the Constitution and the descent into civil war. The 1979 Constitution did not return this board but left the fate of the Niger Delta in the hands of the National Assembly that became saddled with revenue allocation. As the people and governments in the Niger Delta continued to agitate for a better deal in an increasingly centralised control of natural resources successive governments, both military and civilian, responded by providing for ecological funds and special allocations in the revenue allocation formula in a context where the principle of derivation was downgraded and eventually removed as a factor of revenue allocation. Later on, the Oil Mineral Producing Areas Development Commission (OMPADEC) was established by law in 1992, to see to the development of the Niger Delta. But the organisation was mired in corruption and other crises. During Obasanjo administration, an intergovernmental Niger Delta Development Commission (NDDC) has been set up to develop the Niger Delta area by an Act signed into law in 2000.

The NDDC is a corporate body with perpetual succession with its headquarters in Port Harcourt, the capital of Rivers state. It has a governing board that manages its affairs and makes rules and regulations for carrying out the functions of the commission. Membership of the board includes a chairman who shall be an indigene of an oil-producing area, and the office is to be rotated among the member-states of the commission in alphabetical order. It includes a person from an oil mineral producing community representing each of the oil-producing states. There is also a representative of the oil-producing companies in the Niger Delta nominated by the companies, one person from the Federal Ministry of Environment, the managing director of the commission and two executive directors, and three people representing the non-oil-producing states in the federation. The functions and powers of the commission are contained in the Act.

Informal Forums of Intergovernmental Relations

There has been a series of informal forums involving several public office holders for the purpose of intergovernmental cooperation towards the achievement of specific tasks. In the Second Republic, such forums like the Progressive Governors Forum have

essentially been informed by ideological positions and political party alignments (see Osaghae, 1998:133-137). The return to civil rule in 1999 has witnessed the proliferation of informal horizontal intergovernmental meetings and consultations on a scale never witnessed in Nigeria before. Among these informal intergovernmental groupings are the Forum of 36 State Governors, Conference of Attorneys-General, the meeting of the 17 Southern Governors, Meeting of the 19 Northern State Governors, Southern Governors' Conference, The Summit of Governors and Members of the National Assembly from the South-South geo-political zone, National Conference of Speakers of State Houses of Assembly, Association of Local Governments of Nigeria (ALGON), and the National Councillors' Forum (NCF). These associations' concerns range from protecting their powers, cooperating to deal with common problems to those that seek to expand reward to individual office-holders.

The Summit of Governors and Members of the National Assembly from the South-South Geo-Political Zone

The Summit of Governors and Members of the National Assembly from the South-South geo-political zone, comprising largely oil-producing communities, have been very active in the movement for state control of natural resources since the return to civil rule in 1999. In several declarations and communiqués, it called for the abrogation of the Land Use Act 1978 and other laws which empower the federal government to control the natural resources found in their communities. They also contested the distinction between offshore and onshore oil in the implementation of the 13 percent derivation revenue allocation to the oil-producing states by the federal government, by insisting that offshore oil belongs to the states. After series of disagreements and challenges over resource control, the Supreme Court in an omnibus judgment on 5 April 2002, declared that the 8 littoral states could not legally seek to control natural resources located beyond their seaward boundary. The Court also declared unconstitutional the federal government's refusal to begin sharing of the 13 percent derivation formula from May 1999, and First Line Deduction System (FLDS), the latter a procedure whereby the federal government first deducts a percentage of funds credited to the Federation Account for the payment of debt before sharing the balance among the federal, state and local governments, among others. Dissatisfied with the decision of the Supreme Court, the parties resorted to a political solution. The first step in this solution is the abolition of the offshore-onshore dichotomy via an Act of the National Assembly signed into law in early 2004.

The Conference of Southern Governors

This forum is made up of governors from all the states in southern Nigeria. In 2001, they spearheaded a robust campaign for true federalism in which they rejected the direct allocation of revenues to the local governments, including the removal at source of salaries of primary school teachers. The conference called for the resuscitation of the "State Joint Local Government Account" provided for by the 1999 Constitution. It pressed to stop the continued federal government encroachment on the Federation Account. It demanded that all revenues, funds and income collected by the federal government on behalf of the federation be paid into the distributable pool account

(Federation Account). It also opposed the National Primary Education Commission (NPEC) and the State Primary Education Boards (SPEB) being run by the national government, and called for the establishment of state police. The conference questioned the legality of the action of the federal government reaching an agreement with the national labour union on the wage structure for state governments without consulting them (*see,* Aiyede, 2003). Most of these demands were achieved by unilateral actions taken by the federal government to address them (for example, the national government scrapped NPEC and handed over SPEB to the states) and by the Supreme Court's decision of 5 April 2002 mentioned above.

The Association of Local governments of Nigeria (ALGON)

The Association of Local Governments of Nigeria (ALGON) was formed in 1999 to promote and protect the interests, rights, privileges and autonomy of the local governments; provide a forum of discussion among members; promote inter-local cooperation/networking and joint ventures; express views of local governments on federal/state government policies and as well as local government issues of national and global concern. Its membership comprised all the 774 local governments in Nigeria. Its real membership comprised local government chairmen and vice-chairmen and councillors. ALGON has been one of the most prominent players in intergovernmental relations since 1999. Its popularity came with its supply of 1,000 PRADO jeeps to support the security efforts of the Nigeria police and its unsuccessful extension of the tenure of office of local government chairmen.

In the second case, the organisation went to Court to challenge the suspension of local government chairmen by state houses of assembly and lobbied the National Assembly to extend the tenure of local government from 3 to 4 years. Subsequently, the National Assembly passed an Electoral Bill, which was signed by the President in December 2001 to extend the tenure of local government chairmen from 3 years to 4 years. The speakers of the state houses of assembly went to court to challenge the constitutionality of this action of the national government.

In its judgment on the 2001 Electoral Act, declared on 28 March 2002, the Supreme Court pronounced that the National Assembly had no power to legislate on the tenure of local government council officials. The judgment gave the states the needed power to impress their vision on local governments. Thus, on 2 June when the tenure of the local governments expired many states set up caretaker committees to oversee local government affairs. Elections into local government were only conducted in 2004.

The National Councillors' Forum

The National Councillors' Forum is known for its efforts to assert the powers of councillors as the legislative arm of the local governments and the effort to achieve remuneration that they consider appropriate to their status. They became unpopular with the jumbo salaries they succeeded in achieving by pressurising their various chairmen and lobbying their state houses of assembly. In 2001, the federal government issued a circular requiring that all monies paid to councillors in excess of the ₦53, 803 approved by RMAFC be recovered from the beneficiaries in the public interest (Egede, *et. al.,* 2001:1,2). It was known generally that councillors in some local governments

had been able to extort a monthly salary of up to ₦125, 000 from their local governments, a sum that was considered outrageous considering the general wage levels in the country, the demands of the job, and the general level of the skills of the councillors. Indeed, the Conference of Speakers of State Houses of Assembly had decried this state of things but could only revise downwards the emoluments of local government political officials after the Supreme Court's judgments of 28 March 2002.

Conclusions

From the foregoing review, it is clear that the framers of Nigeria's Constitutions increasingly find use for intergovernmental interactions among the various governments in the bid to realise the objectives of the federation. Each successive Constitution has multiplied the arenas of intergovernmental interactions, not necessarily by increasing the number of governmental units that has grown in number from four regions under the 1963 Constitution to 36 states under the 1999 Constitution. Each Constitution has also increased the number of mechanisms/institutions for intergovernmental engagement and cooperation. The question is, How have these mechanisms performed in terms of Opeskin's criteria for evaluating intergovernmental mechanisms: efficiency, promotion of federal values and rule of law?

Olowu and Ayo (1996) note that while there are certainly varying levels of effectiveness recorded by these institutions, on the whole they have not made remarkable impact on intergovernmental cooperation. The reason being that constitutionalism has been undermined by military rule. As we have argued elsewhere, military rule frittered away opportunities for crystallising and legitimising intergovernmental institutions. Under the military, the Constitution is usually suspended and federal decrees become the supreme law of the land. States lose the constitutional guarantees of their rights. Furthermore, as Tamuno (1998) notes, these institutions suffered from rapid creation of new states and localities, the resultant frequent changes in the personnel of federal, state and local governments, the changes in the division of powers and functions and unstable policy environment that follow such régime changes.

One additional factor that accounts for the weakness of intergovernmental institutions is the behaviour of the political elite. As put by the Political Bureau of 1986, 'there was considerable unwillingness to accept the operational requirements of federalism'. This is because the primary concern of the politicians has been power and the advantage it carries in a situation in which the state is everything. With little concern for the working of the system towards the achievement of the stated goals of the Nigerian federation, intergovernmental relations became an arena of party competition and the generally fierce struggles for power. This was clearly the case during the First and Second Republics (Dudley, 1982, Osaghae, 1998).

It is also important to note that Nigeria's Constitutions have not made significant provision for horizontal intergovernmental cooperation. Indeed, with the exception of the Niger Delta area there is no provision for horizontal relations. Considering the territorial and linguistic heterogeneity of the country such cooperation is important for promoting inter-state cooperation for national integration and development. On the other hand, it can be argued that it is better left to voluntary informal processes. Anyhow, one of the more positive aspects of intergovernmental relations since the

return to civil rule is the emergence of several informal horizontal intergovernmental forums. There is a need therefore to promote this kind of cooperation in the efforts to shore up the economic viability of the states.

For sure, it is not necessary to constitutionalise mechanisms for managing every major issue of intergovernmental relations. Reviewing the number and character of institutions provided for by the 1999 Constitution, one observes a clear need to have an overall coordinating body like the defunct National Council on Intergovernmental Relations, even if as a transitional organ. Such a body will operate like a think-tank but should be independent of all tiers of government, although each level of government will be represented on its governing board. This should help streamline the mechanisms of intergovernmental relations, particularly by taking on the functions of such bodies as revenue allocation and Federal Character. The National Planning Commission, which is currently a non-constitutional body, should be strengthened and federalised to take on the responsibilities of the National Economic Council. This is important when it is recognised that the National Assembly makes the final decision on such matters.

Another emerging problem relates to the status of the Independent National Electoral Commission (INEC). As presently constituted, INEC is essentially a federal government agency. This has affected its character and effectiveness, especially with regard to the legitimacy of its conduct of elections into positions in the state governments. The influence of the party in government at the centre is very strong. This body should be federalised to reduce federal government influence on electoral outcomes in the states.

Finally, it must be stressed that the formal constitutional provisions concerning intergovernmental relations provides only a partial impression of the reality on the ground. Thus, as Conlau (1997) notes about the situation in the United States, intergovernmental relations "reflects the policy objectives, philosophical assumptions, pattern of politics and policy outcomes of reform of federalism". Indeed, the success or otherwise of realising the goals of the constitutional provisions depend on the behaviour of the central actors, and their attitude towards the rule of law. Thus, there is a challenge of positive leadership that promotes constitutionalism, moderation and patience with due process. This factor has been responsible for the problem of de-institutionalisation of politics so much so that politics in Nigeria has been described as warfare. The rule of might does not admit of effective institutions.

References

Abati, Reuben (2001) "The Mistake of 1914," *The Guardian*, 13 May.

Adamolekun, Ladipo, (1989) "The 1979 Constitution and Intergovernmental Relations," in Peter P. Ekeh, Patrick Dele Cole, and Gabriel O. Olusanya (eds), *Nigeria Since Independence Volume V: Politics and Constitutions*, Ibadan: Heinemann Books, pp.57-67.

Aiyede, Remi E. (2001) *The Travails of Leadership and Democracy in Nigeria: A Review of the Unfolding Fourth Republic*. Development Policy Centre (DPC) Working Paper Series No. 33. Ibadan: DPC.

Aiyede, Remi E. (2002) "Decentralising Collective Bargaining and the Contradictions of Federal Practice in Nigeria," *African Study Monograph*, 37 (2): 11-29.

Aiyede, E.R. and V. Adefemi Isumonah (2002) *Towards Democratic Consolidation: Executive-Legislative Relations and the Budget Process in Nigeria*. Development Policy Centre (DPC) Research Report No. 52, vi +28 pp.

Aiyede, E.R. (2003) "Legislature-Executive Relations in Nigeria's Emergent Presidential Democracy," paper presented at the *19th Triennial World Congress of the International Political Science Association,* Durban, South Africa, 29 June – 4 July 2003.

Aiyede, Remi E. (forthcoming) ''Intergovernmental Relations and the Strengthening of the Nigerian Federation,'' in Ebere Nwudiwe, Rotimi Suberu and Ray Ekpu (eds) *Federalism and the State in Nigeria*.

Amuwo, 'Kunle; Adigun Agbaje, Rotimi Suberu and Georges Hercult (eds) (1998) *Federalism and Political Restructuring in Nigeria,* Ibadan: Spectrum Books.

Amuwo, 'Kunle (1998) ''Federal Systems: A Theoretical Perspective,'' in Tunde Babawale, Kola Olufemi Funmi Adewumi, (eds). *Re-inventing Federalism in Nigeria: Issues and Perspectives*, Lagos: Friedrich Ebert Foundation.

Aremu, L.O. (1989) ''Intergovernmental Relations in Nigeria: A Legal Overview,'' *Quarterly Journal of Administration,* xiv (2): 133-140.

Bamidele, S.A. (1980) ''Federal-State Relations in Nigeria (IGR) System: What it should be,'' *Quarterly Journal of Administration,* (xiv (2).

Banovetz, James (1989) ''Federalism and Intergovernmental Relations: The American Experience,'' *Quarterly Journal of Administration* xiv (2): 141-156.

Cameron, David (2001) ''The Structures of Intergovernmental Relations,'' *International Social Science Journal* 167: 121-127.

Conlau, Timothy. (1997) *From New Federalism to Devolution: Twenty-Five Years of Intergovernmental Reform*, Washington DC: Brookings Institution Press.

Dare, Leo (1989) ''The 1964 Elections and the Collapse of the First Republic,'' in Peter P. Ekeh, Patrick Dele Cole, and Gabriel O. Olusanya (eds) *Nigeria Since Independence Volume V: Politics and Constitutions*, Ibadan: Heinemann Books, pp.106-122.

Dudley, Billy (1982) *An Introduction to Nigerian Government and Politics*. London: Macmillan.

Egede, Prisca; Niyi Bello and Kola Alade, (2001). ''Govt Orders Councillors to Refund Excess Pay'', *The Guardian*, 6 August.

Elaigwu, J. Isawa (1994) ''Towards More Harmonious Federation,'' in J. Isawa Elaigwu, Isawa P.C. Logams and H.S Galadima (eds): *Federalism and Nation-Building in Nigeria: Challenges of the 21st Century* Abuja: National Council on Intergovernmental Relations, pp. 1-4.

Elaigwu, J. Isawa (2000) ''Federalism, Institutionalisation and Political Stability in Nigeria in the Context of Vision 2010,'' *African Journal of Federalism Studies* 1 (1): 34-64.

Eze, Chinedu (2004). "Ebonyi Suspends New Councils, Gets Seized Funds". *ThisDay* May 23, pp. 14.

Federal Republic of Nigeria (1963) *The Constitution of the Federation 1963*. Lagos: Federal Government Press.

Federal Republic of Nigeria (1987) *Report of the Political Bureau*. Lagos: Government Printer.

Federal Republic of Nigeria (1995) *Report of the Constitutional Conference Containing the Resolutions and Recommendations Vol. II*. Lagos: Federal Government Press.

Federal Republic of Nigeria (1979) *The Constitution of the Federal Republic of Nigeria 1999*. Lagos: Federal Government Press.

Federal Republic of Nigeria (1999) *Constitution of the Federal Republic of Nigeria 1999*. Lagos: Federal Government Press.

Frankel, Max (1979) "The Viability of the Federal Formula for New Nations" in A.B. Akinyemi, P.D. Cole and Walter Ofonagoro (eds) *Readings on Federalism*. Lagos: Nigerian Institute of International Affairs.

Gboyega, Alex (1996) ''Intergovernmental Relations'', in Oyeleye Oyediran and Adigun

Agbaje (eds). *Nigeria: Politics of Transition and Governance 1986-1996* Dakar: CODESRIA Books, pp. 237-262.

Isumonah, Victor (2003) "Planned and Unplanned Outcomes: Uneven and Unsteady Pathways to Democratisation in Nigeria", in John Mbaku and Julius Ihonvbere (eds), *Political Liberalisation and Democratisation in Africa*. New York, pp. 113-139.

Olowu and Ayo (1996) ''The Machinery of Intergovernmental Cooperation in Nigeria'', in Elaigwu and Akindele (eds). *Foundations of Nigerian Federalism*, 1960-1995, Abuja: NCIR.

Olugbemi, S.O. (1989) ''A Systems Approach to Intergovernmental Relations,'' *Quarterly Journal of Administration*, xiv (2): 111-118.

Olukoshi, Adebayo (1999) "The Legislature", in Oyeleye Oyediran and Adigun Agbaje (eds). *Nigeria: Politics of Transition and Governance, 1986-1996*. Dakar: CODESRIA Books.

Onuorah, Madu (2002) "Govs Dismiss Council Chiefs' Opposition to Joint Account'', *The Guardian*, 15 March.

Opeskin, Brian R. (2001) ''Mechanisms of Intergovernmental Relations in Federations'', *International Social Science Journal*, 167: 129-144.

Osaghae, Eghosa (1998) *Crippled Giant: Nigeria Since Independence*, London: C. Hurst and Co Publishers Ltd.

Post, K.W. J. and Michael Vickers (1973) *Structure and Conflict in Nigeria 1960-65*, London: Heinemann.

Suberu Rotimi T and Adigun Agbaje (1999) ''The Future of Nigeria's Federalism'', in 'Kunle Amuwo, Adigun Agbaje, Rotimi Suberu and Georges Hercult (eds) *Federalism and Political Restructuring in Nigeria,* Ibadan: Spectrum Books, pp. 335-349.

Suberu, Rotimi T. (1991) "Recent Demands for New States in Nigeria", *The Nigerian Journal of Federalism* 1(2).

Suberu, Rotimi T. (1994) ''1991 State and Local Government Reorganisations in Nigeria,'' *Travaux Et Documents*, No. 41.

Suberu, Rotimi T. (1998) ''States Creation and the Political Economy of Nigerian Fedralism'', in Kunle Amuwo, Adigun Agbaje, Rotimi Suberu and Goerges Herault (eds). *Federalism and Political Restructuring in Nigeria,* Ibadan: Spectrum Books Limited and IFRA. pp. 276-296.

Suberu, Rotimi T. (1999) *Public Policies and National Unit in Nigeria*, Ibadan: Development Policy Centre, Research Report No. 19.

Tamuno, Tekena (1998) 'Nigerian Federalism in Historical Perspective', in Kunle Amuwo, Adigun Agbaje, Rotimi Suberu and Goerges Herault (eds). *Federalism and Political Restructuring in Nigeria,* Ibadan: Spectrum Books Limited and IFRA, pp. 13-33.

ThisDay (2004) "The State of Emergency", Sunday Comment. 23 May, p. 40.

Walker, David B. (1980). *Towards a Functioning Federalism*, Cambridge: Cambridge University Press.

Walker, David B. (1995). *The Rebirth of Federalism; Slouching Toward Washington*, Chatham and New Jersey: Chatham House Publishers.

3

Federal-State and State-State Relations in Nigeria: A Case Study of Lagos State

SOLOMON AKHERE BENJAMIN

Introduction

In most federal systems, the relationship between levels /units of government is problematic. This is so because of the general tendency of federal states becoming heavily centralised. This has been partly so because of the varieties of interests that cut across the various units, coupled with the usual multi-ethnic character of most federal states. Also, the massive transfer of oil wealth from the southern minority states of Nigeria to the other parts of the federation had over the years heightened intergovernmental relations (IGR) conflicts in Nigeria. Sometimes, it is due to the multi-party systems that most federal states are usually noted for. This in turn often derives from the nature of the assignment or allocation of functions and powers between the component states/units of government. Thus, a central question in the study of federalism is the formal allocation of jurisdictional powers between the federal and state levels. This subject is thus widely regarded as a major issue in the analysis of any IGR system (Adamolekun, 1989:58). However, most IGR students extend the study of the allocation of jurisdictional powers beyond the federal and state levels to cover the local level, which is outside the scope of this study.

At the level of national-state intergovernmental relations, three possible approaches are feasible, by way of assigning powers and functions. The first consists of an exclusive federal list with residual powers vested in states. The second approach consists of an exclusive list for state legislatures. The third approach consists of two lists: an exclusive federal list and a concurrent list consisting of subjects upon which both the federal government and states have authority to make laws. Under this arrangement, any matters that are not contained in exclusive and concurrent legislative lists are regarded

as ''residual'' subjects and are assigned to state governments. In spite of these clearly articulated approaches, conflicts and frictions persist in a federating state.

Although IGR can be practised in all systems of government, it is most common in federal systems and, indeed, it originated from a federal society. IGR involves all the interactions that take place among different levels of government within a state. Generally, the relationships between levels of government are formally spelt out in the Constitution. Hence, the existence of an intricate relationship between the Constitution, federalism and IGR (Roberts, 1999). These interactions are invariably in terms of jurisdictional powers and functions of the federal, state and local governments. Experience in other federal systems has shown that it is usually difficult for any of the three levels of government to unilaterally alter the constitutional provisions. For instance, the nature of interactions that exist between the British central government and its local governments (and likewise in Nigeria) is one of master-servant relationship.

Thus, IGR in a federal system can be very complex, because the relationship that exists among the different units of government is one based on "combination and permutations" (Olowu, 1991; Ikotun, 1990:16-29). Some scholars have come up with about a dozen of the various types of relationship that could exist among the various levels of government (Olugbemi, 1979:1). A complete analysis of IGR in a federal system therefore needs to cover, at least, the following six sets of relations: central-state; central-state-local; central-local; state-local; state-state; and local-local.

For years, the pattern of IGR in Nigeria has remained essentially the same; namely, the coordinate (or separated) authority, inclusive authority and overlapping models. This came about because of the changes in the form of government (military or civilian), number and powers of the constituent units of the federation (regions or states and local governments) and the fiscal fortunes of the nation (the incidence of oil boom). Again, since independence, Nigerian federation has changed from a two-tier arrangement of three or four regions and federal centre government units in 1960/63 to a total of 811 government units in 1996 consisting of one central government, 36 states and 774 local governments. In essence, since 1996 there have been IGR among 811 government units. Therefore, the main concern of policy analysts is the extent to which constitutional provisions will enhance meaningful IGR within the framework of federalism (Roberts, 1999:61). However, our focus in this study is on federal-state and state-state relations in Nigeria.

The rationale for this study can be situated from the perspective that in Nigeria not enough is known about the conduct of IGR because of lack of systematic studies of the subject. Yet, such knowledge is imperative for one to be able to understand adequately the factors that conduce to either cooperation or friction in IGR. The moment such insight is gained, it becomes less problematic to achieve cooperation and minimise conflict through appropriate action.

Further, Nigeria has in recent years entered into a period of intergovernmental activities. Many new policies have recently been initiated which require intergovernmental cooperation and coordination for their maintenance and success. The most prominent of these are the poverty alleviation programme; the Universal Basic Education (UBE) programme and National Orientation Agency programme. These programmes are purposely conceived to embrace the three levels of government

in cooperative fiscal and administrative relations to achieve their goals. It may be assumed that since these programmes involve fiscal transfer from the federal to the state and local levels, they have inherent inducements for maintaining the cooperation of the latter. Importantly, too, in almost every major public policy issue, the elements of power, money and responsibility are always bargaining components. This is the essence of the federal system. The difficulties of running the federal system in Nigeria derive mainly from departures from this essence and this study will promote greater awareness of the problems.

The main objectives of this study include:

(i) to identify and describe institutional arrangements for effectively managing federal-state relations as well as state-state interactions;

(ii) to examine the dynamics of IGR at the federal-state and state-state levels;

(iii) to examine the patterns of federal-state and state-state relations by focusing on a number of specific issues that reflect the trends and demonstrate the need for more attention to interstate relations; and

(iv) to examine the impact of party politics in federal-state and state-state relations in Nigeria.

Statement of Problem

Although Nigeria officially became a federal system in 1954, we acknowledge that elements of intergovernmental relations (IGR) did exist prior to 1954. For instance, intergovernmental fiscal relations became an issue immediately after World War II. Between 1954 and 1966, the various Constitutions that existed recognised the equal power of the federal and the regional governments. The local governments were the creations of the regional governments. A phenomenon of this period was the clear superiority of the regional governments over the federal administration. This situation was made possible by the following stated three factors (Ikotun, 1990).

First, the deliberate refusal of the leaders of the three dominant political parties to leave their regional bases for the centre, a phenomenon which denied the centre the much needed regional support. Second, the inconsistency of political parties on national power versus states' right. Advocates of national power and states' right have hardly agreed on a common line of action in their argument and policies. Few persons ever turn first to the Constitution to determine what stand they ought to take on states' right or national power. Practical considerations have always been important motivating forces in determining the attitudes of people towards centralised or decentralised government which has had implications for intergovernmental relations. Third, the ability of the regions to rely on self-sustenance, a situation made possible by increased wealth derived from the export of such produce as cocoa, groundnut and oil. The reality here had been the superiority of the administrative machineries of the regional governments over that of the federal (Benjamin, 1999a, 1999b, and 2002). Thus, the combination of a strong political leadership with dynamic administrative machinery made the regional governments the equals of the federal government on one hand, and father figures for the weak and inchoate local governments. The local governments were used as outposts by the regional governments for development purposes. They

also used the local governments as spoils and political patronages. In a nutshell, the local governments were out of the mainstream of intergovernmental relations that featured between 1954 and 1966. It was more of a relationship between the regions and the federal government (Ikotun, 1990).

Between 1966 and 1976, Nigeria practised the inclusive authority model of IGR. Therefore, given the monolithic and centralised nature of military bureaucracy, IGR among the three levels of government became centralised, with the state and local governments in subordinate positions to the centre. Other factors, which contributed to the supremacy of the centre over the states and local governments, include the creation of additional states between 1967 and 1996 (the creation of more states weakened the powers of the states vis-à-vis the federal); the Civil War succeeded in transforming the federal government into a colossus of sorts over the state governments; and the oil wealth, which since 1973 put the federal government in a position of *primus inter pares* in relation with the states (Benjamin, 1999a; 2000; and Asobie, 1998).

All these factors combined to make the federal government a "Father Christmas" to both the state and local governments. The first impact, which the restructuring has had, is to obviate the fear and potentiality of any one state dominating the federation. There is no single state large enough to threaten the stability of the country or become the source of fear of domination to other states. Second, as the states have become smaller in size, so have their resources diminished and, consequently, all of them have become dependent upon the central government. Thus, their progressive weakening has led to the increasing strength of the federal government (Gboyega, 1990; Benjamin, 1999a, 1999b).

The increase in the number of component units of the federation has done more good than harm in maintaining some balance between the various units composing the federation. Federal decision-making now has greater appearance of coalition-building than before, when the categorical demands of a section prevailed in all circumstances. Also problematic is the division of power between the centre and the states. The adoption of a federal constitution in 1954 was the result of a compromise reached by the three regions through the political parties dominant in each of them – the Northern People's Congress for the Northern Region, the National Council of Nigeria and the Cameroons for the Eastern Region and the Action Group for the Western Region. For their selfish interests, "the leaders of the three major parties advocated not only retention of existing regional boundaries, but also expansion of the functions and powers of the regional governments" (Awa, 1964, 1976).

Thus, the division of powers between the centre and the component units emphasised centrifugal forces and the autonomy of the states. The federal government had jurisdiction over subjects on the exclusive and concurrent legislative lists, while the regions' jurisdiction covered the concurrent and residual lists. The regional base and orientation of the main political parties and their leaders as a result of which the most powerful party leaders were content to stay in the regions as regional premiers reinforced the excessive centrifugality of the constitutional structure. Although it was believed that, with time (as it has happened with most federal systems), the centre was bound to grow in strength, the path towards greater centralisation of powers and resources has been anything but easy (Gboyega, 1990:9).

The federal government was strengthened only reluctantly and very slowly from 1954 to 1966, when the First Republic collapsed. A significant landmark in this process was the appointment of a federal prime minister in 1959. Although the appointment meant an important political and constitutional advancement, since an attempt to pass a motion in support of the creation of the office had failed in the House of Representatives only two years previously, it was indicative of the low-status and relative powerlessness of the office that the appointee was not the leader of his political party. However, in the 1960s economic factors began to point towards the inevitability of federal leadership or even domination of public affairs (Dudley, 1963: 272).

Indeed, dramatic shift in the distribution of powers between the states and the federation began under military rule between 1967 and 1979. It is against this backdrop that Nwabueze (1982:220) opines that: "a strict federal division of powers would seem incompatible with the unified command structure of the armed forces". Thus, the logic of the organisational structure of the armed forces was bound to lead to greater centralisation of authority under military rule. Moreover, the political conflicts which culminated in the declaration of secession by the Eastern region, provoked the assumption of greater powers by the centre.

Also, with the suspension of the Constitution and the proclamation of the supremacy of federal decrees, juridically the states lost constitutional guarantees of their rights; this facilitated a steady flow of centralising legislation from the centre. Consequently, as far as law-making powers were concerned, federalism under military rule was unitarism, except in name. Inevitably, the changing status of the federal government vis-à-vis the state governments was also "reflected in the relative status of federal and state civil services" (Asobie, 1998). In essence, one of the major consequences of the breakdown of the political system as a result of constitutional and other defects has been major restructuring of the federation through fragmentation and a trend towards centralisation of powers and resources (Benjamin, 2000).

In federal systems, the usual practice is that the Constitution regulates the interactions between the centre and sub-national units such that both the national and state levels of government are co-equal in their respective spheres of operation. The relationship is influenced by independence or interdependence, while the authority structure is defined by autonomy and the process of bargaining (Roberts, 1999:65). In reality, these considerations act as stepping-stone for analysing IGR. They have provoked a number of unanswered questions, which include the definition and scope of the enumerated powers, the exclusive or concurrent nature of these powers, the ends to which they may be put and the consequences of conflict in the assertion of the different powers (Engdahl, 1974).

Unfortunately, the skewed intergovernmental distribution of powers in Nigerian Constitutions tends to generate crisis in national-state relations. Nevertheless, where there is conflict over who should exercise a given power, the Supreme Court without bias arbitrates [s.232(1)]. A number of the federal executive bodies entrenched in the 1999 Constitution provide opportunities for national-state relations; for example, the participation of state governors in the National Council of State, as well as the National Economic Council (Roberts, 1999: 65). The provisions of the 1999 Constitution notwithstanding, there are implications for national-state relations. By provisions of the

Constitution, the centre has come to a position of consistent economic dominance over the states, a phenomenon which has continued to intensify the fierce struggles for the control of the centre since the last two decades. Also, the polity has become over-politicised and conflict prone with the IGR having only little room for cooperation (even as experienced during the Second Republic). This is further complicated by the sectional pattern of political party control of the federal and state governments (Roberts, 1999). Our experience in the last five years indicates that there have been ramblings between the Peoples Democratic Party (PDP) centre and Alliance for Democracy (AD) on one hand, and the Peoples Democratic Party (PDP) and All Nigerian Peoples Party (ANPP) on the other, over programme implementation. Both in the past, and now, there had been resistance by "oppositional" states to the wide constitutional mandate of the central government. This is becoming more problematic in view of the state's zero-sum game nature of Nigerian politics as against the win-win strategy. Under such conditions, national-state relations become essentially negative in character.

Other provisions of the Constitution that tend to over-empower the centre to the detriment of the state governments include the contingency clause and the power of the chief executive to declare a state of emergency in any part of the country. Moreover, a frequent resort to these provisions would deepen the distortion of the federal character principle of the 1999 Constitution. The repugnancy and supremacy clauses could also have this effect. These provisions, which are subject to abuse by central political actors against their opponents at the state level, when frequently resorted to, could deepen the distortion of the federal character principle. Difficulties in operationalising the emergency clause also pose similar problems (Roberts, 1999).

A closely related problem is the monopolistic control of the state police by the central government. A glaring example is the infamous abduction of Governor Chris Ngige of Anambra state by his political godfather through the use of Nigeria police force. In short, between 1999 and now, several security matters have arisen in some states, when the state government could not have effective control over them because of a constitutional clause on the use of police.

The effects of the constitutional provisions could be compounded by the behaviour of the people who run the governments at both levels. In the past, there had been demonstrable reluctance to accept the operational requirements of federalism, with the federal government even behaving as if it had more stake in some states than others (Gboyega, 1990).

The foregoing points to the fact that one of the fundamental problems that exists in federal-state relations today derives from the nation's Constitution. The provisions of the 1999 Constitution have emphasised vertical interactions among the three levels of government rather than horizontal relations. This attitude obviously limits the extent to which cooperation can be achieved among the levels of government. Besides, it tends to promote a dependency structure that would promote the inclusive authority model of IGR which implications may include the promotion of oppositional politics and unhealthy IGR between the centre and the states. (Roberts, 1999:68).

Theoretical/Conceptual Considerations

Wright (1995) defines intergovernmental relations (IGR) as comprising all the

permutations and combinations of relations among the units of government in a federal system. He observes that (IGR) includes the activities and attitudes of persons occupying positions in all the units of government under consideration – federal, state, local, political, administrative and judicial, legislative or executive branches of government. Thus, IGR, which originated (in the 1930s) in the United States, encompasses several facets of governance that are different from and supplemental to federalism. The federal-state and state-state relations belong to the category of IGR that have been described as vertical and horizontal respectively. Vertical relations take place when the central government interacts with the states or localities, or when the states interact with the localities. Horizontal relations take place when governments at the same level in the political structure interact, for example, inter-state or inter-localities interactions (Roberts, 1999:60).

There are certain features of IGR that distinguish it from federalism and they include:

(i) prominence of policy (rather than mainly legal) issues;

(ii) inclusion of all governmental entities – local units in addition to national-state (federal) relations;

(iii) importance of officials' attitudes (perspectives) and actions;

(iv) regular, continuous day-to-day interactions among officials; and

(v) inclusion of all types of public officials, especially administrators in addition to elected officials (Bogdanor 1991: 296-297; Wright, 1995:103).

These features and the concept of IGR have had several constructive consequences. The concept has served useful purposes not only in other federal systems (e.g., Australia, Canada and Germany), but also in unitary systems such as Japan, Spain, and the United Kingdom (Wright, 1995:103). In short, IGR has demonstrated some cross-national applicability and utility. The concept of IGR describes the series of activities or interactions that take place between and among the different levels of government within a state. It is subject to changes and encompasses the combinations and permutations of relationship among them.

Wright (1988) is the first to identify the three models of IGR; namely, coordinate authority, inclusive authority and overlapping authority. Scholars have contended that the inclusive authority and coordinate authority models of IGR have not sufficiently and appropriately describe how the bulk of governmental operations are conducted in most of the existing federations. It is more or less a constitutional definition in determining how states and local governments fit into existing federal system. It is also conditioned by judicial interpretation and practice (Wright, 1988; Bingham and Hedge, 1991). For a long time, the coordinate authority model of IGR came closest to approximating the patterns of governance in the US. That is, national-state contacts were relatively modest and the powers of the two levels were exercised in a rather separated, independent, and autonomous fashion. Further, the amount of local autonomy, sometimes called "home rule," in state-local relations was generally modest or minimal. In some states it was non-existent. Thus, governance during the 20th century in the US

has been marked by the emergence of the overlapping pattern of IGR, which involves three intersecting, and overlapping circles. In cases where the circles do not overlap, it is proper to infer an arena of autonomous action by the respective jurisdictions (Wright, 1995).

The third or "inclusive" depicts a model of hierarchical and dependent relationships among national, state, and local jurisdictions. This pattern of concentric circles is so named because it implies no arenas of state or local autonomy outside the sphere of control by the national government. Similarly, no local autonomy exists outside the sphere of complete state control. This model of IGR is probably best approximated by what is commonly described as a unitary system such as Japan or the UK. For example, in the UK the radical revision of local government structure and functions under the Thatcher administration represents a prime illustration of this model (Wright, 1988, 1995).

In Nigeria, the highly centralist character of the country's federalism which has been put in place by protracted military rule and fundamental shifts in the distribution of power between the centre and the states, provides a significant framework for analysing national-state and inter-state relations. Since the last two decades in Nigeria, the National Assembly, the Supreme Court, and the National Council of State have become much relevant in national-state relations. As practice, Supreme Court has thus been a significant actor in permitting and facilitating movement(s) in the direction of the inclusive model of IGR in not only the US but in other federal states. There are multiple ways or dimensions by which the shape of IGR (and federalism) in the US, India and Nigeria can be expressed. In short, the Nigerian federal experience has vacillated from a situation where the regions enjoyed substantial autonomy to the current condition, where the states and local governments have become little more than agents of the central government. In the country, the overlapping model seems to be more dominant than any other model, which informs our theoretical framework in this study.

Federal countries require both formal and informal institutions of intergovernmental coordination. In some federal countries, areas of potential conflict among different levels of government are minimised through clear separation of national and sub-national responsibilities (the so-called layer-cake model of federalism as practised in Australia, Canada, India and Pakistan) and the two levels interact through meetings of officials and ministers (executive federalism) and in Australia, India and Pakistan through federal unilateralism (Shah, 2004). Some countries place a greater premium on a common response through shared or joint tasks such as Germany, a federal country and the Republic of South Africa, a pseudo-federal country. In these countries, in addition to executive federalism, the upper houses of Parliament (Bundesrat and the Council of Provinces) play a key role in intergovernmental coordination. In countries with overlapping responsibilities (the so-called marble-cake model of federalism), such as the United States and Brazil, state lobby of Congress and inter-state relations serve coordinating roles. In China, where growth concerns have imposed a federalism structure on a unitary country, regional Communist Party bosses/ governors exercise a moderating influence on otherwise monolithic orientation of the state council.

Constitutional provisions per se can also provide coordinating influences. For example, in some federal countries, constitutional provisions require that all legislations

recognise that ultimate power rests with the people. For example, all legislations in Canada must conform to the Canadian Charter of Rights. In Switzerland, a confederation by law but a federal country in practice, major legislative changes require approval by referendums. There is also in Switzerland a strong tradition of coordination through consensus initiatives by cantons (Shah, 2004).

Overview of IGR in Nigeria: 1954-29 May 1999

From 1954, when federalism was formally put in place, Nigeria was composed of the Northern, Eastern and Western regions, the quasi-region of southern Cameroons and the Federal Territory of Lagos. During this period, regionalism was very strong in terms of exercise of powers and functions. In other words, they were autonomous in exercising their powers, functions, and generation of revenue, thereby less dependent on the centre. This factor constrained most of the regional leaders from becoming enthusiastic to be at the centre. Invariably, each of the major political parties formed government of its region – the Northern Peoples Congress (NPC) for the Northern region, the Action Group (AG) and the National Council of Nigerian Citizens (NCNC) for the West and East respectively. In view of the foregoing, vertical interactions was less problematic as most of the political leaders were contented being at the regional level, while the IGR at the horizontal level was rather conflictual and explosive.

The conflictual and its explosive nature led to political conflicts across the country, especially in the Western region, which fact accentuated to the final breakdown of the First Republic. Serious efforts to alter this structure only came into being after the first military coup d'etat in 1966, when the military government at the federal level created new states to correct the lopsided federal structure in 1967 (Gboyega, 1999: 240). Since then, as already observed, more states have been created four times to reach the present structure of 36 states, a Federal Capital Territory and 774 local government areas in the federation. Interestingly, the division of powers between the centre and the component units emphasised centrifugal forces and the autonomy of the states. The considerable centrifugality of the constitutional structure was reinforced by the regional basis and orientation of the main political parties and their leaders. Although it was believed that, with time, the centre would become stronger at the expense of the regions as it is the usual pattern for most federal states, this only manifested after a long period of time.

Nigeria began to witness a major change in the distribution of powers between the states and the centre with the advent of military rule. Of course, this is only normal because of the unified command structure of the military. This implies that the organisational structure of the armed forces as it is universally known is bound to lead to greater centralisation of authority under military rule. Moreover, the political crisis that led to the declaration of secession by the Eastern region provoked the assumption of greater powers by the centre (Gboyega, 1999). Thus, with the suspension of the Constitution and the proclamation of the supremacy of federal decrees, juridically, the states lost constitutional guarantees of their rights, a phenomenon which accelerated the centre becoming dominant over the states in virtually all aspects of governance. Under the military, state governors were merely selected and appointed by the central government and instructions were dictated to them from the centre, which could not be

challenged. To this extent, the states became mere appendage to the federal government. During this period, IGR was practised as a unitary system, with little or no conflict; more so, there was no room for opposition.

IGR in the Second Republic was slightly different from what it was between 1954 up till the end of the first 13 years of military rule. The change can be attributed to military influence and the constitutional change, which gave more powers to the centre (as contained in the 1979 Constitution), and the multi-party system that came into operation during the Second Republic, which made it possible for different parties to control the centre and the states. The fundamental change in the Second Republic was that IGR became crisis ridden, especially between the federal and the state governments. It was not only confrontational and conflict-oriented between the centre and the states, but also among the states, especially between states that belong to different parties. The confrontation was so much that the states that did not belong to the ruling party failed to tolerate one another even in purely official matters. For instance, some states that belonged to the opposition parties hardly received the President on official visits to their states. Political officials belonging to the ruling party, the National Party of Nigeria (NPN), such as the political liaison officers (PLOs) who were posted to non-NPN states were not only rejected and ignored but were equally confronted by the state governments and their agents. Federal government programmes such as the low-cost housing scheme and federal roads maintenance were refused to be implemented in such states. In most states' media, a high level of negative propaganda against the programmes and policies of the central government were highly propagated.

Also, in the implementation of party programmes a lot of conflicts arose in most of the states. In the oppositional states, non-indigenes were denied such benefits especially in the states under the Unity Party of Nigeria (UPN), where the free education policy and health welfare were being executed. In the same vein, admissions of non-indigenes into all levels of academic institutions in most of the states became very discriminative and selective. According to Osaghae (2002), these events were "largely shaped by the historical legacy of regionalism and patterns of party control", and thus, by extension, the discrimination against non-indigenes by the state governments in the provision of social goods and services. Importantly, most of the states that behaved this way apparently did so essentially to achieve cheap political point. It was also to bring to focus the practice of the zero-sum game politics, which most African leaders had imbibed from time immemorial.

Additionally, the military legacy has impinged on the centre so much that there continues to be center-induced competition, which involves struggles by the states to influence the determination by the central government of who gets what, when, and how. As Osaghae (1994: 84) observes, centre-inspired competition usually arises over the allocation/distribution of national resources controlled by the central government. These resources can be in form of revenue allocation, the determination of where a federal venture or establishment could be located, allocation of state quotas in federations having quota systems, and the like.

However, these forms of competition are common to most federations, though in Nigeria centre-inspired competition is very pronounced because the federal government has continued to be the chief determinate government in the last three decades. Although,

Nigeria's old powerful regions engaged in horizontal competition and even carried it to a negative point by keeping separate diplomatic missions abroad and imposing tariffs on inter-regional trade, the seemingly present-day weak states have too little relative autonomy to engage in meaningful horizontal competition (Osaghae, 1994).

Although a new Constitution came into operation in 1999, not much was done by the makers of that constitution to curb the powers and functions of the powerful federal government. In the area of allocation of powers, for instance, there are the federal exclusive legislative list [Second Schedule, Part ll], plus the exclusive functions of local government councils and the participatory state/local governments' functions (s.4(5)); (ii) the federal *contingency [or elastic/ coefficient] clause* which empowers the centre to legislate on any matter incidental or supplementary to any matter mentioned in the exclusive list (item 68); and (iii) the emergency clause which allows the federal government to ignore jurisdictional autonomy in taking ameliorative actions in periods of emergency (s. 305).

Again, the 1999 Constitution provides for revenue sharing arrangement, which has implications for federal–state-local relations. The arrangement allows for statutory allocation of public revenue from the Federation Account held at the centre to the states and local governments [ss. 7(6); 162 (1)-(8)]. Ironically, because the states are being created by the central government coupled with the fact that they have been unduly proliferated, they have in recent years become highly dependent on their creator. For this reason, only Lagos and, perhaps, to some extent Kano, can generate between 45 percent and 58 percent of their total revenue from internal sources. The rest, more often than not, depend on the federal government for over 70 percent to 90 percent of their revenue needs (Osaghae, 1994).

The aforementioned provisions and others such as s. 215(4) on the governor's powers vis-à-vis the police have some clear implications for IGR. Ordinarily, we should expect the coordinate authority model to be at play. However, with the lopsided concentration of power in favour of the centre, there is the danger that, in practice, IGR could assume the inclusive authority model. This would be associated with such derogations from the favoured model of classical federalism as:

(i) erosion of powers of the federating units;
(ii) over-burdening of the centre;
(iii) incidence of dependency syndrome, which will impede the ability of the federating units to develop their potentials;
(iv) ruinous intergovernmental struggles for jurisdictional autonomy and control of economic resources;
(v) vicious sectional (ethnic) struggles by politicians for control of the commanding heights of the centre and for consolidation of centralism (*cf.* Esajere, 1994;
(vi) authoritarian (unitary) tendencies in federal administration and governance with the threat of a central rolling over vulnerable and supine states and local governments; and
(vii) an uncertain status of local government given the important political and economic (financial) relations it has with state and national government (Roberts, 1999).

Nevertheless, it is imperative to note that both the 1979 and 1999 Constitutions have a number of provisions (some of which have already be mentioned) which have generated some conflicts among the tiers of government, thereby creating adverse effect on centre-state relations. In such circumstances, the states tend to deny the local governments any iota of autonomy as was experienced during the Second Republic, including the present dispensation. Also, some of the provisions of the Constitution have created some logistics problem for most of the states' inability to adequately and efficiently maintain security in their domains (because police in the states are not answerable to the governor but to the Inspector-General of Police). This provision did not in any way ignore the fact that the 1999 Constitution provides for two national councils, which are assigned functions of an intergovernmental character: the Council of State and the National Economic Council. The views of the states of the federation are represented on the Council of State by virtue of the membership of all state governors. The council also has power to advise the President whenever asked to do so on the maintenance of public order and security within the federation.

The National Economic Council was established as a mechanism for intergovernmental coordination in respect of economic matters. The council comprises the Vice-President (as chairman), the governor of each state, and the governor of the Central Bank. The council has power "to advise the president concerning the economic affairs of the federation, and in particular on measures necessary for the coordination of the economic planning efforts or economic programmes of the various governments of the federation".

Some national agencies established in the Constitution, which perform IGR roles, include: the National Youths Service Corps (NYSC), the Public Complaints Commission (PCC), now known as Public Complaint Bureau (PCB), the Universal Basic Education (UBE) programme, National Directorate of Employment (NDE) and Joint Admissions Matriculation Board (JAMB). The NYSC was established by a decree in 1973 and the purpose has been to promote national unity, loyalty and the spirit of national service in Nigerian youths. The programme is organised and administered by the federal government but the vast majority of the participants are posted to spend 12 months with the state governments. In this area, there have been quite some levels of tolerance and accommodation not only between the centre and the states but also among the states, which, indeed, have so far helped to sustain the scheme since its inception. It is widely agreed that the NYSC scheme has helped to promote national loyalty among the youths. The PCC, too, has performed reasonably satisfactorily in assisting citizens to obtain redress for their grievances against the various levels of government. On the whole, the state governments cooperated with both agencies between 1979 and 1983. It is, however, less active in contemporary times for lack of confidence on the part of the public in view of the pervasive corrupt practices in the country.

The structure of the courts in the country provides for one Supreme Court of Nigeria and a number of federal courts of appeal, which serve the entire federation. Appeals go from the state and federal higher courts to the federal courts of appeal. The Supreme Court is the final court of appeal for cases from the federal court of appeal. Appeals go to the federal courts of appeal from the federal and state high courts, from the shar'ia courts of appeal in the states and from the customary courts of appeal in the states.

The two IGR issues worth emphasising here are the overlapping structure of the federal and state courts and the critically important role assigned to the Supreme Court in providing solutions to legal conflicts, that is, between the federation and a state. The legal "battles" over the Revenue Allocation Acts of 1981 and 1982 testify to the key role that the judiciary played in IGR between 1979 and 1983. Similarly, the recent landmark Supreme Court judgement on the issue of onshore-offshore dichotomy is a testimony on the significant role the law court can play in IGR.

Institutions and Processes of Intergovernmental Coordination in Nigeria

In federal systems, there are several institutional bodies through which IGR can be carried out. In their study of the subject, Olowu and Ayo (1997) identify and classify the machinery for promoting intergovernmental cooperation in Nigeria. It includes constitutional, statutory and ad hoc bodies.

Constitutional Bodies

Several of these bodies are entrenched in the 1999 Constitution and they include the National Assembly, Supreme Court, Council of State and other federal executive bodies such as the Federal Civil Service Commission, Independent National Electoral Commission, National Defence Council, National Population Commission, National Economic Council, National Security Commission, National Police Commission, Nigeria Police Council. Others are Code of Conduct Bureau, National Primary Education Commission, Revenue Mobilisation, Allocation and Fiscal Commission, National Boundary Commission and Public Complaints Commission. Notably, most of these bodies perform intergovernmental relations functions.

At the state level, there are similar bodies which possess constitutional status and some of which perform or are supposed to perform functions which are intergovernmental in nature. These state institutions, to a large extent, run parallel in some ways to those at the federal level.

Statutory Bodies

Examples of statutory institutions set up for promoting intergovernmental cooperation are the National Alleviation of Poverty Eradication Programme (NAPEP), the National Planning Commission and Federal Ministry of Budget and Planning.

Ad hoc Bodies

Here, we have the meetings of accountants-general of all the states of the federation, the 36 speakers of the 36 houses of assembly in Nigeria, the 19 northern governors, the 17 southern governors, the zonal meetings through their representative governors, as well as the council meetings of diverse federal and state ministries on key subjects such as personnel, education and finance. Also, it includes the meetings of the local government chairmen.

In Nigeria, while the states see that emphasis needs to be placed on states' rights,

the federal government thinks that since it has to play the unifying role, and possess all the necessary resources, it has to conserve all power to itself (Olowu and Bamidele, 1997). While on strictly "national" issues the federal government should be allowed a free hand, the states should be seen to be acting in consonance with the wishes of their people. Diversification is therefore necessary at this stage of our history of political and constitutional development. So far, in the Nigerian experience, the Constitution clearly stipulates some responsibilities to the central government; other powers are reserved to the states; while other powers yet, are shared by the central and state governments (Kpaki, 1987:50). It will only border on illusion to envisage a problems-free society with the federal system of government in operation and especially in Nigeria, where the new system is under experimentation.

Nevertheless, an examination of IGR in a given federal polity would invariably specify the constitutional status of the tiers of government and the method of allocation of power among them. In most federations, the state forms the primary unit of government, while the functions and powers of both the central and local governments are derived from the state by delegation (Engdahl, 1974). Since 1979, the "fundamental principles", which define the "new federal system" in Nigeria have emerged. They include:

> "the coexistence of three tiers of government (federal, state and local) each of which operates in a coordinate and cooperative manner with sphere of authority and functions allotted to it and enshrined in the Constitution. This implies that each tier of government is, and should be a replica of the other" (Babangida, 1991:3).

Scope and Methodology

This study focuses on federal–state and state-state relations with Lagos state as a case study. The choice of Lagos state cannot be more justified, given its strategic position in terms of party affiliations, and as one of the oldest states in the federation. Besides, its population, its being a seaport, the home of the busiest international airport, the possession of numerous federal agencies that are critical to promoting IGR and as once a federal capital, all combine to inform our choosing Lagos as a case study. The study covers the period 1999 to 2003.

Essentially, two basic methodological approaches were adopted in carrying out this study. These were the use of secondary and primary data through interviews and questionnaire methods. Our secondary sources of data are mainly textbooks, journals, newspapers and magazines.

We conducted interviews with the officials of the Lagos state government (LASG). Interviews were meant to be conducted with a number of government officials in the ministries, but for the failure of the Governor's Office and that of the Chief of Staff to give appropriate directives, we could only hold interview with the few officials that were willing to speak with us within the limited time. Besides, the questionnaires that were sent to the Governor's Office and that of the head of service were never answered but were returned. In all, we made six trips to the Government Secretariat, Alausa, Ikeja for the purpose of conducting interviews with the relevant officials and also retrieving our questionnaires left with them at the Governor's Office. To overcome the

shortcoming from the government's indifference, we have to rely on rigorous in-depth secondary data sourcing especially from the newpapers.

Main Findings

Contemporary IGR in Nigeria: 1999 to 2003

One of the earliest areas of confrontation between the federal and states pertained to diversion of funds and payment of debts by the states. In particular, the federal government alleged that some states engaged in diverting funds remitted through them for the payment of primary school teachers' salaries to other uses (*The Punch*, 23 September 1999: 1-2), following the scrapping of the National Primary Education Commission. However, the role of the central government regarding the funding of primary schools was not without criticisms from the states, especially during the nationwide strike (October-December, 1999) by primary school teachers for non-payment of their salaries. The attitude of the federal government was condemned on grounds of lopsidedness and for the fact that it is centrally controlled. Besides, some state governments insisted, quite correctly, (at a time the federal government threatened to deduct local governments funds at source), that funds meant for their local governments should be routed through them. Likewise, there were confrontations between the federal and states over repayment of foreign and domestic debts owned by the states, a legacy left behind by their military predecessors. Whereas, the federal government did not only want the states to pay their loans back to their creditors but also insisted that such debts be paid back through deduction at source. On the other hand, the states wanted the central government to pay the loans on their behalf, because the present state governments were not party to the loans that they were being asked to pay. Some argued that since the federal government has the means to pay, it should not hesitate to pay.

Also, there has been disagreement between the federal government and the states over an acceptable revenue sharing formula. Over the years, the federal government has enjoyed the lion's share of the Federation Account, with over 55 percent, leaving the rest for the state and the local governments to share. It is against this backdrop that the states through their governors have since 1999 been demanding for a new formula, a struggle which has since resulted to proposition of a new formula by RMAFC. The proposed formula, which is with the National Assembly for consideration, prescribed 46.63 percent share of the revenue for the central government, while the state and local governments are to have 33 percent and 20.73 percent respectively. Like its predecessors, the federal government consistently tried to increase revenue allocation formula in its favour, while on the other hand, the governors have vehemently resisted the move and continue to insist that the new formula should remain as worked out by the RMAFC.

The control of the local governments and the authority to create new local governments is an area that has been controversial between the central and the state governments since the advent of the new civilian administration. The controversy was initially over the status of the local governments and later it became the question of creation of new local governments, an issue that went on for quite some time until the Supreme Court held that the council areas in the respective states are mere appendages

and their existence or otherwise is at the mercy of their state governments. The implication of the Supreme Court decision in favour of the states has been the creation of numerous new local councils especially between 2002 and 2003. The federal government has since rejected and refused to recognise the new councils and it has, indeed, declared them illegal and unconstitutional. Indeed, the reaction of the federal government to the creation of the new councils has been somehow lukewarm (having considered the action of the states as engaging in futility) until the 27 March 2004 local government elections, when five states disregarded the order of the central government that states should not conduct elections into such new councils.

In the area of security, peace, law and order in the federation, conflicts have arisen between the central and the state governments times without number (between 1999 and 2003) and sometimes among some states, especially in the area of cross-boarder conflicts. In short, a number of ethno-religious crises have occurred in several states of the federation between 1999 and up till date (2004). In virtually all the cases, the affected states could hardly have effective control of the situations to the extent that many lives and properties were lost in the crises. Again, most of the affected state governments blamed their inability to effectively control such conflict situations on the absence of a state police, an issue which was constantly raised by some of the state governments. Ethno-religious crises have been so pervasive in recent times that the federal government has at different occasions threatened a state of emergency in turbulent states that fail to maintain peace and security. Lagos, Delta, Kano and Kaduna states have at one time or the other received such threats. Indeed, the threat by the central government has been invoked given that the President declared a state of emergency in Plateau state on 18 May 2004, for the inability of the state government to maintain law and order. Thus, the events of 1962/63 during the First Republic are again being repeated in Nigeria's Fourth Republic.

In short, Year 2000 was a very turbulent one in many states of the federation as some northern states began to imbibe Islamic legal system. It provoked a public outcry, particularly for non-Muslims both in the north and south of the country. The adoption of Islamic legal system in some northern states invariably invoked series of riots, which resulted in the deaths of some non-indigenes of the affected states. There were reprisals in some southern states (Abia, Ogun and Ebonyi) and in view of this, most southern states became apprehensive in allowing their children to serve in the northern states for their National Youth Service Corps (NYSC). For instance, the Ebonyi state government asked the state indigenes affected in the exercise to return home and take part in a new youths service scheme it has established. The crisis created a physiological warfare in the minds of the southern youths corps participants especially those of them who were posted to what came to be known as the shar'ia states. The same issue of shar'ia legal system brought conflicts between the central and the state governments in the area of sharing of proceeds from VAT. The southern governors argued that the shar'ia states should be excluded from the allocation since alcohol, which the shar'ia code forbids, constitutes a reasonable proportion of the VAT's revenue.

For the southern governors, their common goals had been in the areas of resource control, the emergence of true federal system, the issue of onshore-offshore dichotomy, the struggle to amend the Niger-Delta Development Commission (NDDC) bill, and

the demand for complete payment of the 13 percent derivation. For Lagos, specifically, there was the revocation of land allocations granted some influential Nigerians most of whom are retired top military officials. The affected lands were acquired during the Abacha administration in choice places in Lagos, (Osborne Area and Victoria Island). Lagos state attempted to reclaim the land from the federal government arguing that the land was in the first instance forcefully acquired from the state. To add more weight to its argument, the Lagos state government threatened to sue the federal government over the latter claims of ownership of choice lands within its boundaries.

Paradoxically, the southern governors and in particular those of the south-south zone who were once very active in the struggle for resource control and the restoration of true federalism in the country suddenly became apathetic to their course few months before the 2003 April gubernatorial and presidential elections. Thus, the people of this zone became disillusioned with the governors because they felt that the governors who were the political leaders of the zone by virtue of their office, soft-pedalled in their agitation for resource control for fear of the federal authorities at Abuja having to deny them their tickets for second term over such strident clamour for total control of resources in their zone and true federalism for the nation. In a sense, the governors sacrificed the interest of the region for their second-term ambitions. Consequently, the battle for resource control incurred a setback as the various groups fighting for it did not have the political will to continue when the leaders decided to play hide-and-seek.

At the horizontal level of IGR, the 36 governors have virtually been unanimous in their pursuit of a new and favourable revenue allocation formula to states as earlier stated; on the question of the states being the right tier of government to control local governments, while on many other issues, states are either divided on the way forward, or they resort to fighting such issues on the zonal perspective.

Lagos State: Background Information

Lagos state was created on 27 May 1967 by the military administration of Lt. Colonel Yakubu Gowon. Since then it has not been affected by subsequent state creation exercises. It is unique amongst the states for a number of reasons in addition to being a city-state. From the beginning of Nigeria's foundation as a nation-state, Lagos served as capital, the centre of diplomatic activities and the home of commerce and industry until December 1991 . It is located within the plain coastal belt of south-western Nigeria and stretches west of Nigeria's international border with the Republic of Benin. It lies approximately between longitudes 2° 42¢E and 3° 42¢, and latitudes 6° 22¢N and 6° N. Its southern boundary is defined by a stretch of 180 km of Atlantic coastline.

Lagos state has dense population of heterogeneous character in terms of its ethnic diversities and social strata. The population of Lagos grew from 266,407 in 1953 to 665, 246 in 1963; and the estimated population of greater Lagos rose from 1.14 million in 1963 to 3.55million in 1976 and 5.69 million in 1991. The metropolis constitutes about 30 percent of the state's landmass and for decades now, about 89.4 percent of the total population of Lagos lived in the metropolitan area (Olowu: 1990, 1991). Lagos is, therefore, peculiarly sophisticated in blend of African and "Western" influences, which create a concentration of socio-political forces in one compact area (Roberts, 1993:88).

The city of Lagos is a metropolis. It is the main commercial hub of the Nigerian

federation. It houses most of the financial institutions and insurance firms in the country. For instance, of the 150 banks in the country, over 100 have their operational headquarters in Lagos, while all have their branches in Lagos Island. Moreover, over 75 percent of insurance companies in Nigeria have their head offices in Lagos metropolis (Oyesiku, 1994:368). For the effective mobility of the large number of workers concentrated in the city, there is an organised mass transit and public transport system. Lagos has the most expensive network of roads in Nigeria for the promotion and sustenance of the increasing rate of industry and commerce in the city. Despite the fact that the city has the highest investment in the public transport system in the country, it is also notorious for its transport related urban crimes such as aggravated assault, in-vehicle fighting, armed robbery, extortion and molestation. In short, in the area of crime, Lagos is outstanding because it exceeded the national average of cases reported to the police by 198 percent in 1980 (Mukoro, 1993). Even now (2004), the picture seems to be growing worse.

Administratively, Lagos at various times was administered as a township within the Colony, as part of the Western region, and later as a municipality directly responsible to a federal ministry. As already mentioned, it became one of the twelve coordinate states in 1967 as part of a major restructuring of Nigeria's federal polity. At that time, the state had two different systems of local government, namely, the Lagos City Council in the city of Lagos serving a population of about 665,000 and second, the three-tier local government which existed in the Colony and Province of the former Western region but which then formed part of Lagos (Roberts, 1993). Today, Lagos state consists of 20 local government areas (LGAs) which has since 2003 been increased to 57 LGAs (this is still contextual).

As a metropolitan centre, Lagos serves important economic, political and socio-cultural roles in the country. All the same, it suffers serious physical, economic, social and administrative drawbacks. Politically, Lagos started first as the centre of political activities in Nigeria. In short, the formation of political parties did not only begin from Lagos but also the elective principles started from there in 1922, when the colonial Governor, Hugh Clifford, put in place the election of members into the legislative council. However, since the post-independent period, Lagos state has always been in the opposition party that had been under the grip of the Yoruba political elite. Thus, Action Group (AG), Unity Party of Nigeria (UPN), Social Democratic Party (SDP) and Alliance for Democracy (AD), which have all been controlled by Yoruba leadership, have remained essentially the political parties that have ruled Lagos state between 1960 and now.

Intergovernmental Relations in Lagos State

Apart from the already stated institutional mechanisms for intergovernmental relations (IGR) operations, Lagos state operates its IGR through virtually all the established government ministries and other agencies, but more specifically through the Governor and his special advisers. However, there is a department of IGR which was established in the Governor's Office in 2000 with limited functions but which became more effective from 2001. The Department of IGR exists in the Ministry of Special Duties and it does

not concern itself with issues pertaining to IGR alone. In short, much of what they do in the department fall outside IGR. As the Director of Intergovernmental Relations Department puts it:

> In this department, there are many areas of concern but for now we are focusing on emergency matters, accidents, collapsed buildings and flood. We are in serious business with the federal agencies in charge of environmental issues, and the rest of issues I have already mentioned. In this case, the National Environmental Management Agencies (NEMA) has been of tremendous assistant to the state, especially in the areas of flooding, pollution and accidents which include the Ikeja Cantonment bomb explosion issue, and fire incident at Ebute Metta area of the state. In the case of the Ikeja bomb blast, NEMA supplied relief materials which came very handy. Also, the federal government directly provided some relief materials and funds to the affected victims.

Unfortunately, none of the spokespersons could tell us the exact number of states which Lagos state is dealing with. However, from experience, Lagos state has more businesses with the south-west states, a factor probably influenced by reason of their belonging to the same political party at one time, and because of a common ethnic background and geographical location (south-west) of the country. Besides, the same officials were unable to tell us the critical issues involved in LASG interaction either with the federal or other states in the federation.

Some pertinent questions to address include the following: In the last five years, how many IGR-related organisations were established? How many are viable in the area of IGR? What has been their mode of operation? To answer these, we may begin by referring to those institutions that hitherto were in existence. As it is, IGR agencies anywhere can be classified into three main categories; namely, constitutional bodies, statutory bodies (that operate in executive capacities) and ad hoc IGR bodies. However, in view of the large number of these IGR coordinative institutions, we attempt to simply list them here, some of which we have already mentioned. But it suffices to say that some of them promote intergovernmental cooperation directly or indirectly. The underlisted bodies are provided in Cap. VI Part I s.153 of the 1999 Constitution. With respect to the National Assembly, it is contained in Cap. I Part II and Cap. V Part I.

It would be recalled that one of the fundamental reasons for the coming together of the southern governors on one hand and the south-south zone governors on the other, was the need to have a strong voice for the realisation of a true federal system in Nigeria and states having to control resources from their respective domains, as against the existing trend of federal control. Paradoxically, the six governors of the south-south zone and, indeed, the entire southern governors actually abandoned the struggle for resource control and true federalism by arbitrarily putting a halt, first to the Southern Governors' Summit and second, the South-South Peoples Conference (SSOPEC – the gathering of the governors in the zone and notable members of the political elite) at the verge of the 2003 general elections, because of their desire for a second-term mandate. With this, they destabilised the conference by luring SSOPEC leaders from the crusade with financial inducements. After successive meetings, some SSOPEC leaders who were working for the governors started to withdraw from the pursuit of this common interest. Besides, by their antics, they discouraged and attempted to blackmail those pursuing the legitimate aspirations of the south-south zone. Thus, the momentum with

which the zonal/group meetings started died down.

It was only recently that the south-south governors and members of the National Assembly from the zone decided to call President Olusegun Obasanjo's bluff in their new resolution to actualise resource control and true federalism. The attempt to meet since the second term of the present administration to streamline their strategy has not come to fruition. Governor Obong Victor Attah of Akwa-Ibom state is expected to lead the way in presenting a novel framework for the fresh meeting. Part of what would be their focus this time can be inferred from Governor Lucky Igbinedion of Edo state in one of his recent public statements. According to him, "we are going to talk to the National Assembly by ourselves. They will see reason with us. The people of the south-south zone are still insisting on resource control and true federalism and it is only through the National Assembly and State Assemblies that we can get the desired constitutional changes". (See *Vanguard*, Monday, 29 December 2003, pp. 1-2). Governor Igbinedion noted that since the governors had got a second-term mandate, there was nothing stopping them from fighting to achieve the interest of their people because they would not be seeking re-election in 2007. The foregoing connotes that the governors were being selfish in the first instance, by abandoning the struggle. For the same reason, there is no guarantee that the south-south zone governors will not abandon the project in the immediate future should the presidency or the PDP threaten to impeach any of them who would be involved in the campaign for resource control.

It is important to observe that between 1999 and 2003, Governor Ahmed Bola Tinubu proved to be the only outstanding governor to take some steps towards operationalising IGR both at the vertical and horizontal levels. He had severally dared the federal government by positively challenging some of the policies that tended to hamper IGR practices in the federation. The first of such actions occurred when he led the governors of the south-west zone to declare 12 June of every year as "democracy day" (this marks the day the generally acclaimed winner of 12 June 1993 election, M.K.O. Abiola, was supposed to have been elected President of Nigeria during the aborted Third Republic). The action was contrary to the federal government's declaration of 29 May, which represents the date the Fourth Republic began. Also, he was the first governor to host the meeting of the southern governors in October 2000. Besides, he was in the frontline among those governors who kicked against the state governments having to pay the debt of their predecessors through deduction at source by the central government. Similarly, Tinubu did not only create new local government areas (LGAs) but went ahead to conduct the 27 March 2004, local government elections in defiance of the federal government's directive that no state should conduct elections in the new councils in so far as they have not yet be ratified by the National Assembly. Among the five states affected by the federal government's directive, it was he alone who decided to pursue the matter at the Courts. He had also been the chief protagonist against the federal government's unsatisfactory control of the revenue from VAT.

More importantly, Tinubu always argued for his actions based on the principle of federalism. In other words, Nigeria being a federal state, sub-national units have autonomy to take some decisions without reference to the centre. For instance, with reference to the democracy day declaration, his argument was (and still): "Considering my attitude about federalism, I want the option to be given so that any state can either

adopt 29 May or any other date. As far as my own state of Lagos is concerned, I would adopt 12 June as democracy day for the state" (*The Punch,* 1 June 2000, p.1, 6.). Even as a lone governor in terms of party affiliation, he did not relent in his efforts to ensure that true federalism was practised in Nigeria. A similar argument was advanced as basis for both creating the new LGAs and the conduct of 27 March 2003 election. One thing is certain, Governor Tinubu's good success can best be attributed to his ability to tap the available resources in his state, which greatly enhanced his internally generated revenue. In spite of the seemingly confrontational attitude he remained a fine diplomat in his relationship with the President. Unlike past governors who for the reason of confrontation would never receive the President of the federation while on official visits nor accord him respect, Governor Tinubu had severally received President Obasanjo in Lagos, even while on unofficial visit to the state, his apparent confrontation notwithstanding.

IGR and Political Parties (1999-2003)

Nigeria is a multi-party state, which invariably has impacted on the pattern of IGR. It has been so in view of the nation's preference for the winner-takes-all syndrome. In 1999, three political parties, the People's Democratic Party (PDP), All Peoples Party (APP) and Alliance for Democracy (AD) participated in the general elections and at the presidential context, APP and AD agreed to produce one (Olu Falae) candidate. Olusegun Obasanjo on the platform of PDP won the election, with 62.8 percent, having defeated Olu Falae who scored 37.2 percent. With this victory, the PDP controlled the centre, and formed government in 23 states, while the APP and AD controlled seven and six states respectively.

From the time of elections up till a few months later, both the APP and AD were very hostile and confrontational against the PDP. In short, the APP contested the victory of PDP in Court, but failed. The hostility of the two parties was such that the AD, for instance, never wanted any of its members to serve in the PDP's central government and to this extent Bola Ige's acceptance to serve in President Obasanjo cabinet of ministers was initially vehemently criticised and opposed by the AD leadership. Also many, both inside and outside the country saw Obasanjo as the individual most likely to provide effective leadership in the post-military state. In spite of this, some of those active in the various human rights and democracy movements were doubtful that a former authoritarian ruler was an appropriate President for a democratic state, and his northern backing raised doubts among many southerners (Mundt and Aborisade, 2000:719).

The first initial moves in 1999 by Obasanjo in restructuring the armed forces and other essential sectors of the polity highly impressed the Yoruba people and many other Nigerians. Be that as it may, the AD states changed their confrontational and oppositional attitude towards Obasanjo and the PDP to one of cooperation and compromise to the extent that AD policy programmes became the PDP's programmes to be pursued. Likewise, Bola Ige became the best associate of President Obasanjo amongst the ministers before he was assassinated in December 2001. In view of the above, national-state relationship during the first term of Obasanjo administration was warm. The AD states could approach the PDP central government for help and receive

it without friction. During this period, some of the states got special grants from the PDP central government to meet their obligations such as payment of huge salary arrears of workers, which most of the states inherited from their predecessors. This made vertical IGR less conflictual and less problematic. Consequently, the south-west zone virtually became one-party state in practice in the sense that one could hardly distinguish between the AD and the PDP in this part of the country.

It was this that partly led to the AD not fielding any presidential candidate during the 2003 general elections as the south-west governors had a gentleman agreement to support and vote for Obasanjo at the presidential election, while in other elective posts the AD would be voted in. This arrangement became the greatest mistake of the AD as the PDP did not only win the presidency but also won overwhelmingly in both the governorship and house of assembly elections. During the elections, the PDP gathered all the machineries at its disposal to ensure more overwhelming victory in the 2003 general elections that brought back Olusegun Obasanjo for a second term. Although, about thirty political parties participated in the April 2003 elections it was only the three old political parties [PDP, ANPP (formerly APP) and AD] that had any visible performance. In this second term, the PDP won in 28 states, while the ANPP and the AD won in 7 and 1 states respectively. In short, AD lost out as it could only hold on to Lagos state; this has since changed the politics of the south-west zone of moving from being perpetual opposition group into mainstream politics in Nigeria.

But for inter-state IGR it has resulted to some negative influences in the south-west zone and the rest of the country. Before the PDP victory here, it was neatly one united group in terms of party politics. Relations between the states was well and in the spirit of one homogeneous ethnic group, and thus, by extension, cooperation and accommodation was common among the states. At the moment that bond of oneness was broken conflicts became rife among the states especially the relationship between Lagos state and the rest of the states in the zone. In particular, Lagos and Ekiti states can hardly interact, as conflicts have coloured their erstwhile good relationships, to the extent that the governors of the two states openly confronted each other. The result of this conflict was such that Governor Fayose of Ekiti was not free to travel to Lagos presumably without an official guarantee from the governor of Lagos state.

In the ANPP states, the vertical IGR has been very turbulent because of the stiff oppositional posture the leadership of the party has adopted towards the PDP government. Similarly, the horizontal IGR between the PDP and ANPP states is also conflict-oriented in nature. Apart from party influence, perhaps the personality of the President is another factor in the IGR milieu in the country. It is for this reason that even in PDP states, conflicts of great magnitude exist between the central and the state governments as have severally been experienced in Delta, Anambra and Plateau states. This fact explains the paradox behind the state of emergency declared in Plateau state, which belongs to the ruling political party at the centre. Likewise, the personality attribute of Governor Tinubu, including his popularity in the state, coupled with his relative success in his ability to generate internal revenue have all contributed to his survival from the hostilities of the ruling party, which also explains why a state of emergency has not been declared in the state in spite of the series of ethnic conflicts that occurred there in the last five years.

Party directives from all fronts have been hazardous towards the operation IGR in the country, particularly in the last five years. For instance, the political turbulence that has been raging in Anambra state is due to PDP's actions or inactions in the state. The interference of political godfathers in the state, which had the tacit approval of the PDP central government, was largely responsible for the protracted conflict in Anambra state. The same problem has been experienced in Oyo state, though it has been less turbulent. In the same vein, PDP's directives to the state governors prevented them from creating new local governments and also from conducting the 27 March 2004 local government election, a function statutorily due to the councils. For the fear of what the party may do to them, the four states that conducted elections in their new councils have refused to challenge the PDP federal government for withholding their local governments allocations since April 2004. For this reason, the Lagos state government has been left alone in the battle to restore the resources that was denied the local governments in the state.

The Shar'ia Legal System and Ethnic Crisis

This is one area where states have been able to exercise their rights with little or no interference from the central government, since the present democratic system in the country. The plan to adopt shar'ia started from Zamfara state. Governor Ahmed Sani had on 27 October 1999 publicly declared the adoption of shar'ia as State Law whose implementation finally took effect on 17 January 2000 (Benjamin: 2002, 148). Soon after, a number of other northern states (Niger, Kaduna, Sokoto, Yobe and Kano) also adopted shar'ia. For a long time, the federal government did not make any serious pronouncement on the issue. Although it made some comments much later, such comments did not portray antagonism against the shar'ia states. Not even pressures from the lawmakers and some members of the public could persuade the President or the federal government to intervene. The call on the Supreme Court by some members of the public to interpret the relevant sections of the 1999 Constitution was also ignored by the federal government. As the President would later comment, if what Zamfara state declared was a state religion, it was unconstitutional, but he added that shar'ia would fizzle out soon and so it was not worth the trouble. But on 3 December 1999, the Attorney-General of the Federation, declared shar'ia unconstitutional but with limited application, though the Chief Justice of the Federation insisted that it was constitutional (Benjamin, 2002:149).

The expression of democratic freedom in Nigeria, particularly the proclamation of shar'ia and the initial deliberate silence of the government over the controversial issue, was in part motivated by the delicate position of the leadership, the sensitivity of the needs and the constraints imposed by the principles of the new democracy. Indeed, many believed that the move was political and had the backing of the now fading northern oligarchy, who felt sidelined in the scheme of things. Government's belief that the issue would "fizzle out" could be a deference to the sentiments in the southern parts of the country, but the killings that followed in Kaduna, Aba and other towns clearly demonstrated the validity or otherwise of the statement by the government.

Thus, following the painful killings of Igbo and some other southern indigenes in the north as a result of the shar'ia crisis in Kaduna, the south-east governors held a

two-day meeting at Enugu on 6 March 2000. It focused on their position on the killings of non-indigenes in Kaduna state. The meeting ended with a communiqué with the words: "We hereby endorse the principle of confederation as the basis of corporate and continued existence in Nigeria" (*The Punch*, Thursday, 16 March 2000:13). For deliberate reasons, the details of their discussion were not revealed. All the same, it was known that some of the governors threatened to retaliate if immediate action was not taken by the central government to halt the killings.

The Question of Federal Government's Deduction of Payment of Foreign Loans at Source

For years, finance has always been a problematic issue between the federal and the state governments. In the new dispensation, the problem persists in several ways. For instance, the federal government (FG) commenced the deduction of foreign loans' obligations from state government's statutory allocations from the Federation Account through the Federal Ministry of Finance in January 2004. The implication of this development is such that the affected states are hindered from performing their statutory functions. This compelled some states to call on the FG to endeavour to pay on behalf of the states loans that were taken during military rule, more so, since the FG has the capability of doing so. It should be acknowledged that the FG did take similar action against the local governments in the federation, when for months "zero allocation" was made to them in order to pay the salaries of primary school teachers.

For instance, the Edo state commissioner for finance, Bright Omokhodion, actually called on the FG to revisit the issue of the deductions of foreign loans to allow the people to get the benefits of democracy. He said the governor of the state had not taken any foreign loan. Omokhodion argues thus: "If the FG wants democracy to survive, it must be able to come up with a policy in which all obnoxious acts of the military, including the loans taken by them should be inherited and taken care of by the FG". (*See Vanguard*, Monday, 5 January 2004,p.7).

The Question of Taxation

Another problematic issue in the finance sector is the question of taxation especially as it relates to sales tax. One of the essential features of a federal system of government is the allocation of functions between the constituent units (levels or tiers) of government. Also, it forms the basis for the determination of revenue rights and the delimitation of tax powers which constitute the genesis of intergovernmental fiscal relations (Adewale, 2003:11). As already noted, most constitutional arrangements in federal systems adopt the classification of powers and responsibilities into exclusive, concurrent and residual legislative lists, as is the case in Nigeria. The basis of this classification can be historical, political or economic, among other considerations. Whatever are the peculiar circumstances in any country will, however, depend on the respective levels of competencies and comparative advantages in the performance of specific functions by each level of government.

One indication of the fact that revenue allocation in Nigeria is largely a matter of political compromise is the ongoing controversy over the mobilisation and allocation

of sales tax in Nigeria. Since 2001, when the prevailing democratic environment in Nigeria seemed to have provided a good atmosphere for the re-introduction of the Sales Tax Law, enshrined in the 1979 Constitution but was abrogated by the Sales Tax Decree No.7 of 1986, intense politicking and vitriolic contestations by some stakeholders have stalled its implementation. In October 2003, following strict opposition to the introduction of sales tax by the Lagos state government, the issue of mobilisation and allocation of the tax became a matter of litigation. Although, the case is still pending (at the time of submission of this report), the Lagos state government said that the sales tax law would be implemented and enforced very soon (*The Comet*, 19/3/2004:13). It is instructive that the recognition of the potential of sales tax as a steady and important source of revenue in such a commercially-oriented state as Lagos, adds to the volatility of the issue of sales tax in contemporary Nigeria. It is instructive to note that LASG's insisting on the imposition of sales tax on companies within the state is against the background that although she contributes more to value added tax (VAT), yet she only reaps a little benefit from it. So, to get back what she is losing from VAT she is insisting on sales tax levy.

It will be recalled that in 1982, the Lagos state government signed into law a bill proposing sales tax in the state (*The Financial Punch*, 9/8/1982:3). The law, which was in operation in Lagos until the promulgation of the sales tax Decree No. 7 of 1986 on the 14 March 1986, empowered the state government to legislate and impose tax on the supply of goods and services within the state. No doubt, this decree improved the financial situation of many state governments, including Lagos during the period. However, the introduction of uniform sales tax in Nigeria, which was a direct consequence of the promulgation of the sales tax decree by the military, was not only undemocratic, it significantly ran against the practice of true federalism. Thus, the imposition of a federally promulgated tax law to be operated by the states under the umbrella of maintaining uniformity only amounted to the weakening of state power and an erosion of their ability to generate revenue without having to be at the mercy of the centre all the time.

The pertinent question to ask is: Who should, indeed, impose sales tax: the states or the federal government? Sales tax is a legitimate source of revenue for state governments under constitutional federalism. In fact, the VAT that the FG is collecting should be imposed and collected by the states. It goes back to the issue of Nigerian constitutional history. Are we in a federation or a unitary state? If existing laws allow the FG to do some of the things it is doing, it should be worrisome to true democrats that the letter of the law is being allowed to vex the spirit of federalism. The proper response is not to endorse and exploit such laws but to review them in the interest of democracy and harmonious coexistence between the centre and the component parts (*Newswatch*, 5 April 2004, p. 8).

Even the attempt by the FG to introduce the fuel tax (levy) of ₦1.50 per litre failed as the general public kicked against it through the mobilisation by the Nigeria Labour Congress (NLC). The government tried to provide explanations for its introduction to the effect that government was guided by the primacy of national interest coupled with President Obasanjo's abiding passionate quest to transform the deplorable state of federal roads (Ogunlewe, 2004: 11). Besides, the National Assembly did not

support the introduction of such unpopular tax. However, what the National Assembly could not do in terms of compelling the President to rescind its decision, the NLC did through trade union protest and dialogue. The legislature as it is today has not played the role of being a check on the executive; it has not done that and we are all witnesses to the several constitutional breaches by the executive that the legislature has overlooked in the interest of peace.

While accepting the reality of deregulation as an inevitable choice for the economy, Senator Bello, however, reprimanded the administration's ad hoc approach to its economic ideas. He said that the introduction of the fuel tax like several other initiatives of the administration was rushed as more time should have been allowed the public to prepare for the tax (*Vanguard,* Monday, 5 January 2004, p.12). It is callous in the sense that it only goes to impoverish Nigerians. Ideally, tax as a fiscal policy is intended to regulate the economy to achieve stated objectives, and it was unlikely to achieve its desire result by the introduction of this particular tax. Meanwhile, following the continued withholding of statutory allocations due to its local governments, Lagos state has been making deliberate efforts towards meeting the challenges in the area of internally generated venue. Towards this end, the Lagos state government has set up a liability recovery committee to recover some alleged huge debt (₦11 billion) owed it by tax defaulters, which include FG parastatals and their agencies in the state. The latter is alleged to be owing the state about ₦5 billion (*Vanguard,* Friday, 30 April 2004, p.4.).

State-Federal Relations with Reference to Maintenance of Federal Roads by State Governments

Constitutionally, the function of road construction and maintenance is under the concurrent legislative list. This means that roads construction and maintenance functions can be performed by all tiers of government in the country. As it is, there are three categories of roads in Nigeria; namely, trunk 'A', 'B', and 'C' roads, which belong to the central, state and local governments respectively. Trunk 'A' which consists of federal roads, runs across the states hence the room for interactions between the states and the federal governments.

In the area of road maintenance, the common front through which the states and the FG interact is the Council for Works, which comprises all state commissioners for works and the federal minister for works, including all permanent secretaries and directors in the relevant departments. This body is headed by the federal minister for works. It is through this council that decisions pertaining to federal roads construction, rehabilitation and maintenance are carried out. The Council of Works is also responsible for monitoring and maintenance of standards of federal roads. In this sphere of IGR only, Lagos state has probably initiated some moves to interact with the FG, though the moves have not yielded favourable outcome by way of receiving back the expenses incurred in rehabilitating the federal roads within her domain. Usually, the Council of Works rotates its meetings amongst the states annually and more often than not, such meetings are held once a year. As at the month of February 2004, the Lagos state government has foreclosed further rehabilitation of federal roads in the state owing to a debt of ₦6.6 billion by the FG on the already rehabilitated roads. This is because the state felt that it could continue to use taxpayers' money to fund federal projects, which

would not be refunded. The crux of the matter is that the state evaluated the roads she rehabilitated on behalf of the FG at ₦7 billion, which was reduced by federal ministry of works officials to ₦6.8 billion. Up till February 2004, only ₦200 million was paid by the FG, leaving a balance of ₦6.6 billion outstanding[1] (*Vanguard,* Wednesday, 11 February 2004, p.5). One of the directors in the Lagos State Ministry of Works and Infrastructures during an interview with him in mid-March 2004 puts the matter thus:

> Before the advent of the present Minister of Works (Ogunlewe), we had good cooperation with the former Minister, Chief Tony Anenih. The problem lies in the reimbursement of the money expended by the Lagos state government as the federal government through the current Minister of Works began to question the state on whose directive it went into rehabilitating the roads. To retrieve our money, the state has written several letters to the FG with explanatory notes on how the roads were rehabilitated and which roads are involved. In spite of this the state is yet to be reimbursed.

Whereas the FG insisted that the Lagos state government should leave all federal roads, the Lagos state government argued that it would continue to be concerned with such roads within the state's territory, especially to meet with the yearnings and aspirations of the people of the State. It is difficult to support the FG, more so when it is the state government that feels the impulse of the people whenever there is any problem emanating from bad roads. Moreover, whenever there is problem of obstruction on federal roads such as broken down vehicles and trees falling across federal roads, it is the state authority that often takes responsibility. Also, when the case of the Ikeja Military Cantonment explosion occurred, the state government came to the rescue of the FG[2]. Sometime in 2003, a number of bad federal roads in Lagos had bold signposts proclaiming that the roads belonged to the FG and that the citizenry should bear with the state government. Similar signposts were displayed in Ibadan, Oyo State, towards the campaign period for the 2003 general elections. It is imperative to note that controversies over road maintenance only arose in states outside the control of the ruling party, the PDP. Thus, party control on the question of road maintenance has negatively impacted on the nature of IGR that had existed between the states and FG from 1999 to 2003.

In short, since the beginning of Tinubu's second term, the FG has given him no respite. It has been confrontation from all fronts. In this regard, the state began to witness uncooperative attitude from the federal agencies in the state; first, from the Federal Road Safety Commission (FRSC), when it barred the state government tariff management agencies [such as the Lagos state Traffic Management Authority and Kick Against Indiscipline (KAI)] officials from operating on federal highways. Although the FRSC hinged its decision on the Constitution, state government officials reasoned differently. The general belief by the Lagos state government was that the FRSC was being used by the powers – that – be in PDP to frustrate the state government. Also, the Federal Ministry of Works gave another directive stopping the LASG from embarking on any beautification project at intersections and roundabouts on the federal roads. Also, it ordered banks and other corporate organisations not to embark on any beautification projects on the federal highways. The truth is that the beautification and landscaping projects by the Lagos state government has brought about a sour relationship

between the state and the FG. LASG started this project in conjunction with some banks and organisations in a bid to change the landscape of the state. Already, the FG has dismissed the projects as shoddy and have therefore given Lagos state a 7-day ultimatum to stop the projects[3]. The ministry went further to instruct the police to arrest officials of the State Traffic Management Authority and Kick Against Indiscipline found operating on the federal roads in the state.

This decision is based on the argument that many of the ongoing and completed landscaping and beautification works being carried out by the state government are below the permissible standards allowable on federal highways. The ministry's argument that most of the projects do not follow laid down designs and regulations seems untenable not only to the LASG but also to the general public (*The Guardian*, Monday 19 April 2004, p.80; *Vanguard,* Tuesday, 20 April, 2004, p.31). The response of the Lagos state government was that the FG order was very rude and contemptuous. After all, the responsibility to protect and preserve the environment and property is that of the states (as stated under Cap II and the Oath of Office of governors, ministers, commissioners, which includes the promotion and defence of that cap. II as stipulated under the relevant Schedule of the 1999 Constitution).

The reaction of Governor Tinubu had been that:

> The Minister of Works, Senator Seye Ogunlewe uses his position to frustrate some development efforts of the government. Instead of using his position to better the lots of the people in the state, he was busy playing politics with issues bothering on infrastructural development of the state. He frustrates the moves by the state to get federal government guarantee for a ₦10 billion first phase loan package from the World Bank to develop its roads and transport infrastructure under the auspices of the Lagos Metropolitan Area Transport Authority (*Sunday Tribune*, 30 May, 2004, p.10).

Apart from the minister, the governor and the vice-chairman of PDP in south-west zone, Bode George, were at loggerheads. The matter got to a peak, when the governor raised an alarm that George wanted him killed.

One other problem has to do with whether or not the FG responsibility should accept certain roads in the Lagos metropolis. In this regard, the FG has since disclaimed ownership of Awolowo Road in Ikoyi, as it argued that it belonged to Lagos state. In short, the controversies yielded some positive results. For instance, the setting up of the Federal Roads Maintenance Agency (FERMA), which has embarked on immediate repairs of some federal roads all over the federation, is one of the benefits.

Not too long ago, FERMA got a presidential mandate to begin to perform its role. According to the President, "We are good at building new roads, but regrettably, we are not so good in maintaining them. This attitude must change and change fast and with the creation of this agency, we have no excuse not to succeed. Formation of the agency should cover all the six geopolitical zones in the first instance, while adequate budgetary provisions should be made for the agency to function as envisaged".[4] If all intents were to manifest into action, the presidential mandate looks more like Nigeria's new road plan to self-discovery. Additionally, if the new revival on road maintenance is properly executed, the bad image in the country regarding road maintenance by the Obasanjo administration would have been redeemed. For this to be achieved, however,

FERMA must go further by setting clear standards for what qualities road repairs and maintenance should take all over the country to deserve taxpayers money or public funding (standards that would also discourage further unnecessary squandering of public funds).

At this juncture, it is pertinent to state that the argument from the Federal Controller of Works to the Lagos State Commissioner for Environment means more than meets the eye. Obviously, it has some political connotations. This borders on personality clash between the federal officials and those of Lagos state, coupled with the fact that Lagos state is being governed by Alliance for Democracy, which is different from the ruling party at the federal level. This probably explains why the federal agent did not give the same order to other states in the federation, where similar activities had been going on; or why has it not been concerned in other issues that Lagos state has been known to be very active, such as clearing of refuse, removal of dead bodies and broken down vehicles on a number of federal roads in Lagos?

As revealed during the interview with government officials[5], unlike other federal agencies, the Federal Ministry of Works seems to be dwelling too much in controversy, outside and within Lagos state, as it tends not to be cooperating enough with the Lagos state government especially since the second term of the Obasanjo administration. According to the officials, the Federal Ministries of Aviation, Housing and Environment have been very cooperative in working harmoniously with the state (Lagos). To this extent, the Lagos state government formed joint committees with the ministries and their respective ministers, to enhance meaningful development. So, good progress had been made on issues of common purpose like airport, roads, Macgregor Canal and water pollution in the state.

Commerce and Industry

In the area of commerce and industry, the state's interaction with the FG has also been fruitful, with the recent approval by the FG of the establishment of a free trade zone in the state as well as the immediate declaration of 1000 hectares of land for its development. The free trade zone is located at Lagos Island, and it is to be known as the Lekki Free Trade Zone. In spite of the foregoing, however, the state government expressed some disappointments[6] with the FG for declaring only 1000 hectres of land as against the 2000 hectares applied for, and thus plans to make a formal protest to the FG with a view to persuading her to grant the minimum land area for 5000 hectres, for the take-off of the free trade zone.

State Police

On the issue of state police, Governor Tinubu been the chief protagonist among those who desire it. To start with, he began to call for a constitutional amendment to make it a reality, moments after he took office in his first term. Since then, he has used every opportunity to give voice to its desirability. In spite of the criticisms that trailed the idea, he maintains that only a state-owned, controlled and equipped police force can rise to the challenge of crime in a fast growing mega-city like Lagos. His contention, like that of many Nigerians, is that the governor who is the chief security officer of the state should be the one to give orders to the police in every state, if he must be able to

maintain peace and order. This implies that the police commissioner of a state should be accountable to the state governor (*The Guardian*, Saturday, 13 March 2004:B3). Thus, the agitation for state police by some of the governors have always been well articulated; that in the face of the current security problems in the country and the pertinent need to improve security in Nigeria as a basis for making the country attractive to foreign investors, the governors feel that there is a need for a constitutional amendment that would empower the states to establish their own police.

However, in contrast to Governor Tinubu's opinion and that of his co-protagonists, some other Nigerians are of the opinion that states should not have their own police. For instance, the Plateau state governor, Joshua Dariye, warned that the call for a state police was an invitation to anarchy. He cited the experience of the Native Authority Police in the First Republic, where politicians used them to intimidate opponents as a result of which the unity of the country was undermined.

To Governor Tinubu, however, this argument is baseless; so he insisted that "I will not desist from agitating for state police. It is the only right thing to do. There are fears that I will use it to abuse my political opponents. What stops President Olusegun Obasanjo in the PDP from using the national police against me, an AD (Alliance for Democracy) man, to rig me out?" But in the aftermath of the recent killings which heightened the state of insecurity in the country, Tinubu no longer seems to be alone. Governors Chris Ngige of Anambra state and Orji Uzor Kalu of Abia state and the Nigerian Bar Association (NBA) supported the call for state police. The crux of the matter lies in the fact that the nature of Nigerian federalism is far from being a true federal system. This problem, partly results from the constitutional provision which does not guarantee state governors the control of police within their state. Otherwise, a state police is not alien to a federal system of government. In fact, it complements its federal nature as the experience was in the First Republic. Unfortunately, s.214 of the Constitution, which establishes the Nigeria Police Force (NPF), did not mention state police force. Rather, it says that no other force can be established for the federation or any part thereof. It is against this backdrop that the call for state police force becomes unconstitutional and antithetical to the spirit and nature of the Nigerian Constitution.

However, a police force as described in the 1999 Constitution is compatible with a unitary system of government; not a federal system. As a federating unit which has constitutional powers to make for good governance, peace and progress, a state should have powers for the enforcement of such laws. In other words, a state police is necessary for the Federal Republic of Nigeria. Each state of the federation should have the constitutional right to establish a police force (Benjamin, 1999b). This is important in order to promote "unity in diversity", which is the cornerstone of the Nigerian federalism. Thus, it is imperative to remark that if the NPF had been strengthened to successfully combat crime, perhaps the question of state police would have been a long forgotten issue. The FG in all sincerity has not focused appropriately on security despite the acclaimed huge allocations to the sector since 1999.

Local Government Area Creation

As it is, history repeated itself in the area of local government creation as many states

in the federation (including Lagos state) went ahead like their counterparts during the Second Republic to create local government councils. In most cases, such creations were arbitrary in terms of the number of councils created. In the Second Republic, the number of the local government councils were increased from 301 to about 1000, while in the present dispensation the number has risen to over 2000 as compared to the constitutional number of 774. The time and manner of creation of the councils in both republics took exactly the same pattern as they were created towards the expiration of their first tenure. Thus, it was planned on the eve of elections, when most of governors were seeking re-election for a second term, which means that it was a policy that was politically motivated.

Governor Tinubu argued that in creating local councils, his administration had followed all due processes as required by the Constitution which include conducting a referendum, delineating the boundaries and consequential approval by the state lawmakers before submission to the National Assembly. According to him, the National Assembly's responsibility in the matter is to "cause consequential" amendment to the Schedule listing councils. The Constitution does not give "it the power to review, evaluate, reduce or reject whatever has been sent to it by the state house of assembly. Their non-approval is of no consequence". Relatedly, many Lagosians, as it were, from the 57 councils staged a peaceful protest to government house, Alausa, Ikeja, on 16 March 2004 demanding that elections go ahead as scheduled in the new local councils (*Nigerian Tribune*, Wednesday, 17 March 2004; *Punch*, Wednesday, 17 March 2004). In the meantime, the federal government directed the Federal Ministry of Finance not to disburse funds to Lagos, Jigawa, Niger, Katsina and Ebonyi states which had conducted elections into the local government councils.[7] In reaction, the Lagos state government filed a suit at the Supreme Court to challenge the federal government's action. The government accused the federal government of illegally withholding its funds totaling ₦7.1 billion, which resulted in the inability of all local governments across the state to pay the primary school teachers. The states (Niger, Nasarawa, Ebonyi and Katsina) affected by the action of the federal government[8] indicated their willingness to support the Lagos state government in challenging the FG. As the representative of the Lagos state government further argued, the action of the FG was tantamount to unjustifiable abuse of power by the presidency, moreso when the state government had made no request for any additional funds in respect of the new councils.

In a situation where both the presidency and the states involved claimed to have acted constitutionally, it is difficult to determine precisely who is right in this matter. The painful thing about such situation is that when two institutions such as the state and federal governments engage in frivolous legality, it is the grassroots that suffer the consequences. The fact is that if some states decided to create LGAs and conduct elections in them against the law, this did not empower the President to hold back the monthly allocations to these states. Where does the President derive the powers from?

Education

At the beginning of 2004, the Lagos state government came up with a bill proposing to establish its own examinations board to perform the roles of the West African Examinations Council (WAEC) and the National Examinations Council (NECO). The new board is

expected to relieve students of Lagos state of the pains and inconveniences arising from the tardiness and bottlenecks associated with the operations of WAEC and NECO.

It is true that the previous monopoly of WAEC and the growing list of examination candidates exposed the operational and logistics deficiencies of the body. To relieve these inadequacies, the federal government set up NECO to meet the aspirations of students seeking tertiary education. This brings out the justification in the statement of intent made by the Lagos state government. Also, in a cooperative federalism, education should be on the concurrent list. This is what the 1999 Constitution prescribes. It allows both the component states and the federal government a leeway to establish educational institutions and regulatory bodies of their own. In line with this fact, the state government could not be constitutionally faulted. Perhaps, what needs to be emphasised is that the Lagos state government should exercise due care in its approach on the establishment of a new examinations agency. The idea is laudable, especially when weighed against the backdrop that Nigeria is a federal state that should promote variety and peculiarity of interests. As a *Vanguard* editorial puts it: "If the FG can recognise the SAEB, a foreign examinations board, there is no reason why Lagos state certificates would not be recognised. It should not lead to lowering of standards either" (*Vanguard*, Friday, 26 March 2004, p.14).

More importantly, the Tinubu administration has had mutual understanding perhaps till very recently, with the FG to ensure that salary arrears owed the teachers are paid. Besides, he paid within the first year in office the minimum wage fixed by his predecessor without retrenchment. Payment of the wage was made possible by a special grant of the FG totaling ₦1.2 billion, which enabled the state to meet the ₦2,000, 000 increase in the monthly wage bill for the six months (*The Punch*, Tuesday, 4 July 2000:12).

Power Generation

Soon after 29 May 1999 the Tinubu administration made deliberate efforts to fulfill its electoral promise and the need to find an enduring solution to the perennial problem of epileptic power supply in Lagos state. On Friday 13 August, Governor Tinubu signed a memorandum of understanding (MOU) with Messrs ENRON (Nigeria) Limited and Yinka Folawiyo Power Limited. The MOU provided for the establishment of an independent power plant (IPP) that would supply 650 megawatts of electric power into the national grid for the benefit of Lagosians. According to plan, this was supposed to be in two phases. The project, which ought to have taken off since October 2000, did not see the light of the day. As it is, intrigues and power-play characterised the ENRON project. Officials of the federal government have often couched their hostility against the project in economic terms. Unfortunately, ENRON, which is American based, had its own problem, having being discredited by the USA government. This home-based problem contributed immensely to its demise in the handling of the Lagos project, which in fact never took off. Therefore, the relative improved success in power supply in Lagos at the early period of the Tinubu administration was not due to the effort of the moribund ENRON company but the combined efforts of the National Electric Power Authority (NEPA) and LASG.

The foregoing notwithstanding, if there is any orgnisational monopoly that must be broken, it is that of NEPA. In this wise, the FG must endeavour to cooperate with

the states and, indeed, encourage them to go into their own power generation and distribution. It is in the same spirit with which Lagos wanted to boost power supply project that other states contemplated embarking on independent power project (IPP). For instance, Rivers state also decided to embark on gas turbine in order to boost power supply in the state. For any of the constituent units to succeed in this power generation project, it will definitely require the support of the federal agencies, in this case NEPA.

Lagos and the Rest of the South-West States

At the inception of the Fourth Republic, inter-group cooperation among the south-west states appeared to be very cordial as in the days of the old. In this regard, regular meetings were held by the governors on a number of issues, such as on what should be the minimum wage for public servants and the declaration of 12 June as democracy day as a public holiday in the entire south-west zone. The declaration raised a fundamental issue as to whether or not the governors had the power to declare public holiday, but the Lagos state governor insisted that there should be a holiday for that particular day, arguing that in federal systems, states have the power to do so.

The initial love, understanding and unity that existed amongst the south-west states for ages when they were under the same political party appears to be disappearing since the zone fell under the PDP, a party not controlled by the Yoruba ethnic group. Although from official perspectives, representatives of the Lagos state government claimed that there was still love and mutual understanding, but events in recent times especially since the second term of the Obasanjo administration, indicate otherwise. For instance, the widely reported strained relationship between Tinubu and Governor Ayo Fayose, remains worrisome, first to the Yoruba and other Nigerians. Both political leaders who belong to different political parties have drawn the battle line and vowed that the war would be prosecuted to logical conclusion.[9] Indeed, Governor Fayose wrote to the Inspector-General of Police and alleged plans by the Lagos state government to attack him if he dared visit Lagos (*Vanguard*, Thursday, 15 April, 2004, p.39).

The State-State (Inter-group) Relations

In Nigeria, experience has shown that relations amongst states are competitive and conflictual rather than cooperative. As Osaghae (1994:83) opines, there are several reasons for this unhealthy phenomenon, but the emergence of the central government as the master-government has virtually reduced inter-state relations to how states compete to maximise their shares of the federation's resources, which provides the key to any meaningful analysis of these relations. Before 29 May, 1999 when the Fourth Republic commenced, relations amongst states of the federation have essentially been at the group or block level in order to discuss issues that merely concern the balance of power, sharing of official positions and the ritual sharing of national revenue. Such meetings were hardly concerned with issues that pertain to concrete developments and inter-state unity. Indeed, from the beginning, state-state relations have been determined by ethnic cleavages and, to some extent, religious and political factors rather than serious economic and developmental issues. So, we could always have the meetings of the northern governors and the south-west governors, which major agenda centred

round the inherited New Nigerian Development Company, Bank of the North (jointly owned by the 19 northern states) and Odu'a Investments Company respectively.

However, since the new democratic dispensation, several of such meetings have started, which include among others, the meetings of the northern governors, the southern governors, the south-south governors, the south-west governors, the south-east governors, the speakers of the 36 states, the Middle Belt Forum. Others include the initial meetings of the six south-west Houses of Assembly, the councillors from the same zone, and the speakers' forum as well. Some of these meetings were not only chaired by the leader of the pan-Yoruba socio-cultural group (Afenifere), Abraham Adesanya, but were also associated with the group.

For the period 1999 till early 2003, these meetings were very regular and frequent; but prior to the 2003 elections and now, the meeting of these groups have remained either dormant or irregular and with less zeal as the case was. The idea of meetings by governors on regional basis appeared to have started from the north. Over the years, the northern governors have been rallying and holding meetings aimed at accentuating the unity of their geo-political zones. The activities of the governors had, however, been perceived generally as veritable steps towards solidifying the grip of the north on the nation's political power.

Other issues that often warranted such meetings surround the question of how to balance the political power with the south, how to attract the establishment of some of the nation's industries and other federal institutions and the management of northern investments. Importantly, less than four months into the new civilian administration, the northern elite began the cries of marginalisation by the Obasanjo administration. Essentially, the northern elite after reviewing their well-being within such a short period of democracy began to kick violently against the Obasanjo administration. The northern elements charged the administration of marginalising the north in favour of the south. They also alleged that the new administration was against the north in the implementation of state policies. In no time, shar'ia which practice had hitherto been latent in the country, suddenly became a weapon to be used to whip anti-government sentiments from the northern section of the country. In a similar manner, the northern elements in the National Assembly, who were opposed to Obasanjo, found themselves neck-deep in a ploy to effect his impeachment. The sequence of events had also caught on the northern elite, rallying under the aegis of Arewa Consultative Forum (ACF), an umbrella body raised for the purpose of strengthening opposition from the northern frontiers against the civilian administration and for constituting a powerful bargaining force with other ethnic groups in Nigeria.

Even within the north in the last five years, the Middle Belt Forum also emerged with much vigour, advocating for self-determination rights within the north. Although their demands seemed far-fetched in view of encirclement by their Hausa-Fulani counterpart, the developments had signposted the gradual collapse of one north, and the weakening of the absolute control of the northern oligarchy on Nigeria's political power.

In short, since independence, the question of northern domination has remained the country's anathema, oftentimes, fuelling agitations from the southern states for the dismemberment of the country on regional basis. Such agitations became trite throughout the military era, which political observers believed was used mainly to fatten the

superiority of the Hausa-Fulani over other ethnic groups in Nigeria. More importantly, the non-Hausa-Fulani ethnic groups have over the past two decades intensified agitations for the return of Nigeria to true federalism against the backdrop of beliefs that they were increasingly marginalised in all facets of socio-political and economic lives of Nigeria (Samuel, 2001:12). Oftentimes, the south has claimed that the Hausa-Fulani ethnic group had enjoyed more than a fair share in the power equation of Nigeria. The foregoing has formed the basis of the meetings of the 17 southern governors[10] as well as the south-south governors.

Other issues which have assumed frontline prominence in the meetings of the southern and south-south governors include the restructuring of the Nigerian federation, the question of resource control, establishment of state police, the shar'ia controversy, revenue sharing, national security, the national identity card project, universal basic education and local government issues. In the contention of the governors, the parameters for determining the nature of restructuring being advocated, revolves around key issues such as a measure of autonomy to the states and the component parts, resource control and derivation forming the basis for revenue generation and allocation and the creation of state police to enhance maximum security within each of the component units (Samuel, 2001:12).

However, the inauguration of the southern governors' and the south-south governors' meetings can be described as historic and a very significant development towards the cause of unity among the southern states of Nigeria. It serves as a common platform for these governors and their respective states to interact and if it is well organised and managed, it could bring about the balance of power between the south and the north. Thus, the rationale for the forum is premised on the fact that a similar meeting of governors has been in existence in the northern parts of the country.

Already, critics to the forum have argued that the meeting was convened at the instance of the federal government as a counter-balance to the forum of the northern governors, which suddenly became too critical of the Obasanjo administration as earlier mentioned. On the other hand, many Nigerians have equally argued in several quarters, that it was the President's *laisser faire* attitude in addressing the problems of the Niger Delta that fuelled most of the agitations, especially for resource control by the southern governors. For instance, at the commencement of the civilian administration on, there was no agitation for resource control[11] . It came into prominence when the Niger Delta Development Commission (NDDC) bill was treated with indifference. When the National Assembly amended the bill to suit agitation in the Niger Delta, the President was reluctant to implement it. It was frustration that led to the agitation for resource control. At a time, the governors in their resolve demanded from the FG that "in accordance with the provision of s. 62 of the Constitution, all funds, revenues and income collected on behalf of the federation should be paid into the distributable pool account, otherwise known as the Federation Account" (Samuel, 2001:12,).

Further, the inauguration of the southern states governors' meeting was predicated on the famous maxim of "handshake across the Niger". Governor Ahmed Bola Tinubu shared this view as back as October 2000. However, it was known that divergent positions on the interpretation of the concept of resource control threatened the very basis of the meeting. It was also reported that the Osun state governor, Bisi Akande

(from the south-west) issued a public statement a day before the third meeting, which was indicative of a division in the ranks of the southern governors (see *The Comet*, 30 March 2001, p.2). According to Akande:

> Resource control was (is) a 'jargon' used by the littoral states among them to cause confusion among their ranks because it is not right for these states to control what they have and control the resources on Nigeria's territorial waters. . . the question we need to answer is "who owns Nigeria's share of the Atlantic.

Again, one opinion that was adhered to at the beginning of the 17 southern governors' meeting was that they were out to give all it would take to ensure that political affiliations of individual governors would not derail them from their primary objective of fighting against injustice in Nigeria. Whereas, this view appeared to be real at the initial stage, but since the second coming of the Obasanjo administration in the new democratic practice, events seem to be pointing to the contrary.

Since the inception of the Fourth Republic, the south-south governors (comprising Delta, Edo, Rivers, Akwa-Ibom, Bayelsa and Cross River) have been meeting. The initial meeting began as early as 6 June 1999 when five out of the six governors met in Uyo in Akwa-Ibom state to present the problems of their area for proper consideration (*The Punch*, 9 June 1999:40). Since its inception, the forum has become a platform for the governors to review and present their common problems. The south-south states constitute the minority group which produce the highest proportion of the nation's wealth (oil), but are highly marginalised. So, their common problems include marginalisation, underdevelopment and poverty, environmental degradation such as pollution of various kinds. Essentially, it was the desire of the south-south governors to assume full control of their oil resources. This desire was further accentuated by the adoption of shar'ia in parts of northern Nigeria. Consequently, the south-south governors further demanded for derivation in the distribution of value added tax (VAT) proceeds. The argument was that if the shar'ia states want to keep that which is dear to them at the expense of others, then the south–south could equally keep their oil wealth for the benefit of their people. Coupled with this is the apparent unhappiness with the federal government when the process of actualising the vision of the Niger Delta Development Commission (NDDC) was becoming too dim. It was then reasoned by the south-south governors that it is better, after all, for them to finally take over what naturally belongs to them, rather than waiting in abeyance for a government that appears more interested in politics than delivery of democracy dividends. Meanwhile, it can be argued rightly that part of this struggle has been won with the implementation of the 13 percent derivation the for oil-producing states and with the coming into effect of the offshore-onshore dichotomy bill after a protracted debate on the matter.

Besides, the question of resource control is being addressed through tax laws amendments sponsored by the Obasanjo administration. The meetings of both the southern and south-south governors have not only afforded the southern states to interact both at the vertical and horizontal levels but also enhanced new alliances to be formed especially between the states and the FG. It is even becoming clear in the area of alliances towards 2007; in this regard, the southern states are becoming more relevant than ever before. There is no doubt that the governors' meetings would foster unity and enhance

economic cooperation among the people of the southern geo-political bloc[12]. It is a healthy development that would ultimately benefit Nigeria, if only the governors have the political will to forge ahead irrespective of their political leanings.

Again, it is important to observe the temporary withdrawal of the south-south governors from the struggle on the eve of political campaign for the 2003 general elections. As a result of this "unpatriotic" act of the governors, the people of this zone got disillusioned with them, because they felt that the governors who are the political leaders of the zone by the virtue of their office, soft-pedalled in their agitation for resource control for fear of losing their second term tickets. One immediate implication this singular act had caused is that it impacted on the southern governors' meeting, as the larger meeting of the governors from the southern parts of the federation also ceased to hold. Consequently, the resource control struggle died down.

The latest on state-federal relations was the recent meetings between President Olusegun Obasanjo and the respective governors of the six geo-political zones. The first in the series was that between the governors of south-east and the President. This was followed by the south-west, then the south-south which was truncated by the assassination of Aminasoare K. Dikibo, PDP National Vice-Chairman, on Saturday, 7 February 2004 at Ughelli, Delta state. The meeting of the President and the governors was an attempt to boost agricultural production and reduce unemployment in the country. The focus of the meetings was how each of the zones could perform actively in this direction. In the opinion of the President, the state governments could contribute significantly to national economic revival by encouraging increased agricultural production. He urged the governors of the south-west states to select at least two agricultural products and give priority attention to their development and production. The theme of the discourse was agriculture, small and medium enterprises and infrastructure development. The meeting was more or less an interactive session.

In recent times, young progressive elements in the Arewa Consultative Forum (ACF) challenged the group leadership. From the perspective of politics, they claimed that

> "the northern governors with their associates, subvert the prevailing democratic norms, coerce the legislature and the bureaucracy into subservience and strangle the judiciary. Ordinarily, people have become poorer as their rulers become visibly well faired. In the north, there are weak institutions and unemployment, use of subtle terror, deterioration of infrastructure, collapse of the health-care system, ethnic and religious conflicts, rise in crime and political violence, and marginalisation."

A pro-democracy activist, Shehu Sani, described the northern governors as "warlords of northern states who pillage and plunder without checks and balances, while development is lacking in their vision of the states. Likewise, chairmen of local councils are operating like serf lords as monthly subventions are shared among them and public well-being remain elusive" (*The Guardian*, Tuesday, 9 March 2004, p.8).

ACF chairman, Sunday Awoniyi, was more circumspect in his response to the criticisms against the ACF. According to him,

> "the greatest challenge is that so much hope has been raised as to what the ACF can achieve under my leadership. We are expected to revive the industries that were shut

down, we are supposed to provide better health-care, improve education and render other social services, yet we have no authority to raise taxes. We have no power of enforcement of whatever we wish people to do and we have no contracts with which to entice anyone to do what we want him or her to do or patronage to give anybody. Great responsibilities, great hopes without authority and power" (*The Guardian*, Tuesday, 9 March 2004:8)

Constraints on Intergovernmental Relations (IGR)

Between 1999 and 2003, not much progress was made in the nation's intergovernmental mileu. IGR in Nigeria is still clouded in confusion and problems of various dimensions. There is still more of vertical relationships than the horizontal interactions. This is not a surprise, because of the inherited over-centralisation of the federal system from the military. Although a number of positive steps were taken at the beginning of the Fourth Republic, to enliven horizontal interactions the initial hopes appear to be disappearing since the second term of this administration, as states belonging to different parties could hardly relate on mutual grounds. Even states under the ruling party could hardly act willingly against any obnoxious federal directive because of party interference, coupled with the overbearing power of the President.

There are constitutional problems that need to be resolved for virile IGR to come to fruition in Nigeria. These constitutional constraints include too much power in the hands of the federal government. The exclusive list needs to be revisited in a manner that would permit the states more functions to promote more of horizontal relations in Nigeria's IGR. At the moment, there are problems in the area of security maintenance in the states because of the present structure of the Nigeria police. So, federal-state relations in this area has not been very cordial, hence the accompanying problem of security matters. Thus, the question of state police must be revisited if the governors must be able to act as the chief security officials of their states.

There are other areas where IGR at the level of federal-state had been clouded in difficulties such as road maintenance, power generation and supply, land acquisition, education, security matters and environmental issues. Some of these difficulties essentially emanate from lack of inter-party cooperation and the dictatorial tendencies of those at the helm of affairs. The magnitude of tolerance between parties is still at low level, which needs to be improved upon.

Conclusion and Suggestions

Without prejudice to our findings in this report, IGR at the levels of federal-state and state-state relations started well with a new zeal that arose from the new democratic dispensation, which came into being on 29 May 1999. Most of the controversies that arose in the area of IGR can partly be attributed to constitutional imperfections and also political party differences. This was largely so because Nigerian major political actors are still much engrossed in zero-sum party politics as against the popular win-win party game in advanced nations of the world. Also, the nation's executive leaders are yet to overcome the legacy of military rule which is largely dictatorship. These inherited military attributes have since 1999 impacted negatively on the nation's IGR.

The personal ambition of most of the politicians (the executive in particular), as

observed in the study, no doubt contributed immensely to the poor IGR at the two main levels covered in this study. This attitude was demonstrated when the southern and the south-south governors abandoned their collective struggle against the central government over a number of national issues as earlier noted in the report. It is also partly personal interests and partly obedience to party directives that made the PDP governors remain passive over the federal withdraw of statutory allocations to local governments in states where elections were conducted in the newly created councils. Importantly, Lagos state as represented by Governor Bola Ahmed Tinubu has since 1999 remained not only very active in IGR interplay but his is also the only state which most probably rise up to challenge some of the excesses of the federal government.

The comments above notwithstanding, it is important to note that the actual working of IGR cannot be derived solely from its constitutional provision. It depends upon the powerful forces that act upon the people and the government. In other words, no matter what system we operate, there will be problems which will continue to assume different dimensions to different groups and people. What is necessary is understanding and cooperation. If we stress our diversities to the detriment of the centre, even in the context of small states, the federal centre may not be as strong as we wish. On the other hand, in a world in which all federal centres tend to become stronger than the states, 'dumping' all powers at the centre may stifle our attempt at federalism.

Thus, political action must be taken by means of consensus rather than coercion. Also, there is need to constantly review IGR to ensure fuller cooperation and coordination in the interests of national security, integration and development. Political differences must not be allowed to mar interactions among the states and between state and federal. This is why contemporary developments in the south-west whereby the erstwhile tightly united zone for decades can no longer relate well with each other is becoming worrisome. If this development is not checked (and quickly too) it's likely to truncate the age-long acquired good relationship which hitherto existed in this part of the country.

The essence of IGR in federal systems is to enable unity and cooperation (being it cultural, socio-political and economic) to prevail not only among tiers of government but also among different groups in the federation. Importantly, too, the spirit of equal partnership between the tiers of government and amongst the states should be imbibed in the interplay of IGR in Nigeria.

Notes and References

1. These facts were alluded to by some of the government officials during our interview session.
2. This was alluded to by the directors for works and infrastructures, and intergovernmental relations in the ministry for special duties.
3. The Federal Controller of Works in Lagos, A.S.B. Adeniji, in a letter to the Lagos State Ministry of Environment on 17 March directed the State Government to vacate the landscaping and beautification sites and re-instate former structures that had been destroyed.
4. This was disclosed by Works and Housing Minister, Adeseye Ogunlewe during an inspection tour of federal roads under rehabilitation in Ikorodu. See *Vanguard*, Monday, 29 March 2004, p. 6.

5. In order to achieve the objective, FERMA has articulated a programme tagged "Operation 500 Roads", aimed at undertaking massive repairs and maintenance of 500 selected federal roads nationwide, especially during the four to five months of this current dry (2003/2004) season. "Operation 500 Roads" involves the repairs and maintenance of a total length of 36,400 km of roads spread throughout the country and criss-crossing all federal constituencies, and the execution of the programme is based on direct labour and maintenance by contract. A total length of 12,000 km of roads is scheduled to be covered under the initiative, while the agency proposes to establish Road Support Service Centres (RSSC) at the abutting areas of the former 31 toll plazas locations nationwide through Public Private Partnership (Ogunlewe, 2004:11).
6. Some official representatives of the Ministries of Works and Infrastructures and Special Duties (Department of Intergovernmental Relations) alluded to this fact during my interview with them.
7. The deputy governor, Femi Pedro, disclosed this Thursday 15 April 2004 in Lagos, while opening a one-day workshop organised by the Nigeria-British Chamber of Commerce at the Airport Hotel, Ikeja.
8. The Speaker of the Lagos State House of Assembly explained that seeking judicial interpretation was the only option left for the state, and shall pursue it to get to the root of the matter. Likewise, the Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC) is also prepared to seek judicial solution. See *Nigerian Tribune*, Thursday, 17 April 2004, pp.2 & 15. Meanwhile, a number of persons and organisations have considered the decision of the federal government as being taken in bad faith.
9. In appealing to the conscience of the President, the Lagos state governor opined thus: "Apart from the legal issues, the FG is well aware that this decision affects innocent people across the state. Thousands of employees and pensioners, including schoolteachers, are on the payroll of local government councils in Lagos state. Primary education, primary healthcare, environmental sanitation and various other essential services being carried by these councils will be abruptly terminated if they do not receive their due allocation from the Federation Account. In short, the damage will be unquantifiable. I can only hope that the President would reverse this obnoxious order and avoid a needless crisis". Excerpts from a broadcast to the people of Lagos state, April 2004.
10. Governor Fayose of Ekiti state was accused of putting his predecessor, Otunba Niyi Adebayo, the former Ogun state governor, Segun Osoba and Lagos state governor Bola Tinubu, under house arrest at Iyin, Ekiti state. The Ekiti governor declared that he had no apologies for what he did. See *Vanguard,* Thursday, 15 April, 2004, p.38.
11. Governor Bola Tinubu of Lagos state hosted the first meeting on 10 October 2000, while Governor Chimaroke Nnamani of Enugu state hosted the second meeting on 10 January 2001.
12. The northern governors and several other northern politicians kicked against resource control for fear of transforming into a southern agenda. For instance, Governor Adamu Abdulahi of Nasarawa state accused the southern governors of ganging up against their northern brethren, warning that the north too can stand on its own. (See *Nigerian Tribune,* Thursday, 18 January 2001, p. 26.) In short, the harsh opposition of the north to resource control is anchored on the fear that the north may be rendered impotent without oil revenue.
13. At the second meeting, the governors came out with an 11-point communiqué, which centred on current national issues that are critical to federal-state and state-state relations, including the restructuring of the country, review of the Constitution, resource control, etc.

References

Adamolekun, Ladipo (1989) "The 1979 Constitution and Intergovernmental Relations", in Peter P. Ekeh, Patrick Dele-Cole, Gabriel O. Olusanya (eds), *Nigeria Since Independence: The First 25 Years, vol.v. Politics and Constitutions*, Heinemann Educational Books (Nigeria) Limited, Ibadan.

Adewale, Ademola (2003) "Fiscal Relationship between the Federal, State and Local Government Areas in Nigeria: An Appraisal", in John Ademola Yakubu (ed), *Socio-Legal Essays I Local Government Administration in Nigeria*, Demyaxs Law Books, Ibadan.

Asobie, Assisi H. (1998) "Centralising Trends in Nigerian Federalism", in Tunde Babawale, Kola Olufemi, Funmi Adewumi (eds), *Re-inventing Federalism in Nigeria: Issues and Perspectives*, Malthouse Press Limited, Lagos.

Awa, E.O. (1964) *Federal Government in Nigeria,* University of California Press, pp.317-18.

Awa, Eme O. (1976) *Issues in Federalism*, Ethiopia Publishing Corporation, Benin City.

Babangida, I.B. (1991). "Agitation for New States is Healthy, Says Babangida", Text of Address to the Nation, *The Guardian*, 28 August pp.3,5,24.

Bach, Daniel (1989). "Managing a Plural Society: The Boomerang Effects of Federalism", *The Journal of Commonwealth and Comparative Politics*, vol. xxvii, no.2, July, pp.218-245.

Benjamin, S.A. (1999a) *1996 State and Local Government Reorganisations in Nigeria*, *NISER Monograph Series*, no. 21, Ibadan.

Benjamin, S.A. (1999b) "1999 Constitution: Implications for Political Structure", in Olu Ajakaiye and Solomon Akhere Benjamin (eds.) *Issues in the Review of the 1999 Constitution of The Federal Republic of Nigeria,* NISER, Ibadan.

Benjamin, S.A. (2000) "Federalism, Identity Crisis and Resurgent Nationalism in the Fourth Republic", in Olu Ajakaiye and Roberts Nyemutu (eds), *Meeting the Challenges of Sustainable Democracy in Nigeria,* NISER, Ibadan.

Benjamin, S.A. (2002) "The Impact of Ethnic Fractionalisation on the Benefits from Fiscal Decentralisation in Nigeria", report submitted to the Federal Ministry of Finance and / World Bank, Abuja, Nigeria.

Bingham, R.D. and D. Hedge (1991) *State and Local Government in a Changing Society,* second edition, New York: McGraw-Hill Inc.

Bogdanor, V. (ed) (1991) *The Blackwell Encyclopaedia of Political Science,* Oxford: Basil Blackwell.

Dudley, B.J. (1963) *Parties and Politics in Northern Nigeria*, London, Frank Cass & Co. Ltd., pp.283-84.

Esajere, A. (1994) "We Won't Support a Weak Central Government, Says Jubrilu". An interview with Alhaji Lema Jubrilu, a former presidential contestant and elected delegate from Katsina state to the National Constitutional Conference), *The Guardian on Sunday*, 7 August, p.A5.

Engdahl, D.E. (1974) *Constitutional Power: Federal and State in a Nutshell,* St. Paul, Minn: West Publishing Co.

Gboyega, Alex (1990) "Intergovernmental Relations and Federalism in Nigeria: A Research Agenda", paper presented at the NISER staff seminar series 17 January.

Gboyega, Alex (1999) "Intergovernmental Relations", in Oyeleye Oyediran, Adigun Agbaje (eds), *Nigeria: Politics of Transition and Governance in 1986-1996,* Council for the Development of Social Science Research in Africa, Dakar, Senegal.

Ikotun, A. (1990) "Central Government/Local Government Relations: Modes and Merits of Decentralisation and the Role of Local Government in Intergovernmental Relations", *ASCON Journal of Management*, vol. 9. no.1, April, pp.16-29.

Kpaki, Idrisu Alhassan (1987) "Federal/State Relationships", in Ukwu I. Ukwu (ed), *Federal Character and National Integration in Nigeria,* National Institute for Policy and Strategic Studies, Kuru, Nigeria.

Makinde, Bankole (2004) "Will FERMA Lead Nigeria to a New Road?", *Nigerian Tribune*, Monday 5 April 2004, p.11.

Mukoro, S.I. (1993) "Land Use Types and Crime in Nigerian Cities: The Case of Lagos Metropolis". International Real Estate Conference, University of Connecticut, USA.

Mundt, Robert J. and Aborisade, Oladimeji (2000) "Politics in Nigeria", in Gabriel A. Almond, *et. al.* (ed), *Comparative Politics Today, A World View,* seventh edition, Pearson Education Asia, Delhi, India.

Nwabueze, B.O. (1982) *A Constitutional History of Nigeria*, Longman.

Ogunlewe, Adeseye (2004) An interview with *Vanguard* correspondence, *Vanguard*, Wednesday, 11 February 2004, p. 5.

Olowu, Dele (1991) "The Literature on Nigerian Federalism: A Critical Appraisal", *Publius: The Journal of Federalism*, 21 fall: 155-171.

Olowu, Dele (1990) *Lagos State: Governance, Society and Economy*, Lagos: Malthouse Press Ltd.

Olowu, Dele and Ayo, S. Bamidele (1997) "Machinery for Intergovernmental Cooperation in Nigeria", in Transport Planning and the Impetus for Violence in Lagos *Foundation of Nigerian Federalism, 1960-1995,* (ed), J, Isawa Elaigwu and R.A. Akindele (eds), National Council on Intergovernmental Relations, Garki, Abuja, Nigeria.

Osaghae, E. Eghosa (1994) "Inter-state Relations in Nigeria", *Publius: The Journal of Federalism,* 24 Fall.

Osaghae, E. Eghosa (2002) *Crippled Giant: Nigeria Since Independence*, John Archers (Publishers) Limited, Ibadan.

Oyesiku, O.K. (1994) "Public Metropolis", in Isaac O. Albert, J. Adisa, T. Agbola, and G. Herault, *Urban Management and Urban Violence in Africa, Vol. 2.* Proceedings International Symposium on Urban Management and urban Violence in Africa, IFRA, Ibadan.

Olugbemi, S.O. (1979) "A System Approach to Intergovernmental Relations", paper presented at the National Workshop on Intergovernmental Relations, University of Ife.

Roberts, Nyemutu (1999) "The 1999 Constitution of the Federal Republic of Nigeria: Implications for Intergovernmental Relations", in Olu Ajakaiye and Solomon Akhere Benjamin (eds), *Issues in the Review of the 1999 Constitution of the Federal Republic of Nigeria,* NISER, Ibadan.

Roberts, Nyemutu (1993) "Garbage Crisis and Federalism in Nigeria: The Political Economy of Environmental Sanitation in Lagos State", *Annals of the Social Science Council of Nigeria*, no. 5, January-December.

Samuel, Idowu (2001) "Political Rhythm of Southern State Governors", *Sunday Tribune*, 14 January 2001, p.12.

Shah, Anwar (2004) "Fostering Responsive and Accountable Governance: Lessons From Decentralisation Experience", *World Bank*, Washington DC., USA.

Wright, D.S. (1988) *Understanding Intergovernmental Relations,* California: Brooks/Cole Publishing Company.

Wright, D.S. (1995) "Democracy and Federalism in the United States: Intergovernmental Patterns, Policies, and Perspectives", in Oladimeji Aborisade and Robert J. Mundt (eds), *Local Government in Nigeria and the United States: Learning From Comparison,* Local Government Publication Series, Department of Local Government Studies, Obafemi Awolowo University, Ile-Ife.

4

The Politics of Intergovernmental Relations in Nigeria: Perspectives of the North-East Geo-Political Zone

HARUNA DANTARO DLAKWA

Introduction

Intergovernmental relations, simply described, is a network of power relationships between several spheres of authority in a political system, usually designated as the central or national authority on the one hand, and the various sub-national authorities variedly referred to as provinces, regions, or states depending on the constitutional label adopted in the affected polity, on the other. In a federal system of government, the guiding principle is that the federating units must be separate in their jurisdiction, but coordinate in their functional relationship. Accordingly, the Constitution assigns powers to the respective sphere of authority where each entity has exclusive powers, as well as powers that could be concurrently exercised by two spheres or levels of authority.

In federations where the federating units were hitherto independent entities that willingly entered into a pack to form a federation, or where the constituent units have sufficiently agreed among themselves the appropriate power-sharing formula, intergovernmental relations is often conducted without much rancour. Specific examples are the United States, Canada, India and Switzerland. But, in Nigeria where federalism was imposed by the colonial power without the consent of the federating units, and where the post-colonial governments have failed to effectively agglutinate the constituent units as a cohesive nation, the continual search for a viable and enduring political structure has been associated with rancour and political instability. Figuratively speaking, federalism in Nigeria is akin to a forced marriage contracted between spouses that neither had sufficiently known each other nor had any form of courtship, nor, indeed, had any element of affection toward each other. Incidentally, this forced marriage was contracted in a polygamous family, in which none of the pioneering three wives had respect for their husband, nor were they prepared to gang up against their husband by

establishing a form of horizontal cooperation between them. Instead, each of the wives wooed younger, more prolific and gluttonous brides for their husband, and within a period of thirty years the husband had to contend with thirty-six wives, one concubine, 774 children and six step-children.

The husband predominantly administers common pool resources owned by the entire family, but the sense of equity in the distribution of these resources was low. Not only was the relative contribution by most of the wives and their children diminishing, save for a few wives who had been relatively productive, but also do the wives and their children have the propensity to grab as much as they could from the common pool resources. The over-bearing dependence on the common pool resources, the inability of the husband to properly administer the estate as well as the neglect of the hidden potentiality of each wife and her children, the failure to give incentive to the more productive wives and, above all, the orchestrated impatience exhibited by creditors who had to come to the rescue of the husband in times of distress to recover their loans, have all combined to threaten the basic existence and stability of the family.

What has been described above represents the politics of state or local government council creation, resource control, restructuring of the political system to ensure true federalism, fiscal federalism especially the issue of derivation, debt burden and the influence of IMF/World Bank, among other elements that affect and shape intergovernmental relations in Nigeria. We shall in this chapter reflect generally on the politics of intergovernmental relations, drawing from the perspective of the north-east geo-political zone.

Conceptual Clarification

Issues of intergovernmental relations feature in virtually all systems of government, but they tend to be more pronounced in federal systems of government. Federalism is the principles of governance that promotes the continual balancing of centripetal forces with centrifugal forces, in such a way that the political system is sustained by a form of dynamic equilibrium. In this process, constitutional means are employed by various spheres of government, and civil society, to ensure that national objectives are realised, without necessarily compromising the ability of each sub-national unit in realising specific objectives that are peculiar to its economic, social, cultural and physical conditions. It is in the light of this fact that Watts (1999, 6-7) observes that "interdependence between governments and hence the need for effective intergovernmental relations and cooperation is a characteristics of all multi-sphere, multi-tier or multi-level forms of government, whether federal or constitutionally de-centralised unitary in form". It is thus necessary to investigate the pattern of relationships within and between various levels of government with a view to identifying key structures and institutions that could facilitate effective consultation, cooperation and coordination, which are the essential ingredients for the smooth operation of a federal system of government. Accordingly, this chapter focuses on the strategies adopted by the various levels of government within the Nigerian federation to contend with, as well as take advantage of the overlap and inter-penetration of jurisdiction as provided for by the 1999 Constitution. Experiences with the politics of intergovernmental relationship in the north-east geo-political zone are used for illustration purposes.

Politics, simply conceived, is a conflicting situation in which an attempt is made by different groups to either capture power or influence the sharing of power through the process of "discussion, bargaining and compromise" (Weber, 1947; Lasswell, 1930; Anifowose, 1999: p.2). What is implied by politics of intergovernmental relations in this chapter is simply the dynamics of power relationship between and within the various constituent units of the Nigerian federation, engendered principally but not exclusively by the perceived inequity or imbalance in the distribution of power and common pool resources. It is a process through which the sub-national units, either singly or collectively, attempt to assert their legal or constitutional rights to capture power by contesting the existing asymmetrical relationship between them and the federal authority. This is with a view to ensuring that an authentic, acceptable and sustainable framework for power sharing is crafted in the polity in consonance with the spirit and letter of true federalism.

The working proposition is that over the years the politics of intergovern-mental relations in Nigeria has been characterised more by greed and selfishness on the part of various constituent units of the federation, as they employ primordial sentiments with high degree of passion in their attempt to maximise their gain from shared or distributable resources, than for them to institute collaborative mechanisms for tapping untapped resources. There is also a sustained dependency on oil wealth, which has led inevitably to the over-concentration of power at the centre and a growing tendency by the sub-national units to be dependent on and subservient to the federal government. By extension, the local government authorities are equally dependent on the oil wealth and subservient to the federal and state authorities. These points will be elaborated on as we discuss the practical experience with intergovernmental relations in the north-east geo-political zone.

The North-East Geo-Political Zone

Geo-political background

The north-east geo-political zone consists of six states; namely, Adamawa, Bauchi, Borno, Gombe, Yobe and Taraba. It falls within two distinct vegetation zones: the Sudan Savannah to the south and southern Sahel to the north-east. At the southern portion covering Bauchi, Taraba and parts of Adamawa states the area is basically hilly, but there are plains traversed by the Rivers Benue, Taraba, Gongola and Donga. These plains house most of the large settlements, with the people engaged in fishing, crop production, animal husbandry and commercial activities. It is also in such areas that headquarters of state governments and the local government areas are sited. The distribution of social services and basic amenities is equally concentrated in such areas, thereby creating enclaves of relative prosperity in selected communities in each of the states in the zone.

Along the border with Cameroun Republic the terrain is rugged, as chains of hills run from Gwoza in Borno state, through Madagali to Malabu in Adamawa, and eventually to the Mambila Plateau in Taraba state. The Mambila Plateau has a temperate climate and its landmass stretches over 90 km long and 40 km wide, and its highest peak is about 1,830 metres above sea level. The Mandara and Adamawa hills are equally as

high as 1,200 meters in some places, and "are generally broken, precipitous and rocky" (Barkindo, 1993:90). The terrain is so rugged that farming activities, general communication, and physical development such as road construction and housing become exceedingly difficult. These hilly areas are dotted by several remote and isolated settlements making effective governance a serious challenge. Consequently, in terms of distribution of social services, these isolated areas are grossly neglected and they represent enclaves of poverty.

In the north-western part of the zone (Borno and Yobe states) the terrain is the semi-arid type, which is prone to ecological problems such as severe drought and desertification. The limited rainfall, compounded by the indiscriminate felling of the scanty trees or shrubs available for fuel wood, and the pressure exerted on the available sources of water supply in the zone for both human and animal consumption have accelerated the pace of desertification. Desertification is partly accountable for the rapid recession of the Lake Chad that has served for long as the only assured source of water in the area, which is posing a serious threat to the fishermen, farmers and herdsmen. One other factor responsible for the recession of the Lake is "the obstruction of the flows of rivers Logone and Shari, Yobe and Yadzeram" (Ijere and Daura, 2000:108). This obstruction is principally caused by,

> the construction of dams and dykes in Mega and Yogoa, otherwise known as SEMRY II project by the Camerounian authority. The projects are based on gravitational diversion of the rivers Logone and Chari which are the most important river systems in the Chad Basin region, responsible for 80 percent of the flow into the Lake Chad (Uko, 1991:8)

As estimated from figures provided in *Table 1* the total area covered by the six states in the zone is about 284, 646 sq km which constitutes about 30.8 percent of the total landmass in Nigeria. The total population of the zone, based on the 1991 census figures, is about 12, 726,244 or 14.3 percent of the total population of Nigeria. The six states also have a total of 112 statutorily recognised local government areas, which is about 14.47 percent of the 774 local government areas in Nigeria. In terms of ethnic composition, the zone is quite diverse. The dominant ethnic groups are about 27 in number in Adamawa, 13 in Bauchi, 20 in Borno, 10 in Gombe, 15 in Taraba and 16 in Yobe. In other words, there are more than 100 dominant ethnic groups in the north-east geo-political zone, each with a distinct language. However, Hausa is a common language in all the six states, and Fulfulde (the language of the Fulani) is spoken in many parts of all the six states.

Resource base of states in the north-east geo-political zone

One of the critical issues involved in the politics of intergovernmental relations in Nigeria is the extent to which sub-national units aspire to gain control over proceeds generated from resources derived from their territories. It is therefore essential to examine the profile of natural resources in the north-east geo-political zone, with a view to understanding the zone's perspective on the politics of intergovernmental relations in Nigeria, especially in relation to resource control.

Table 1: **Basic Statistics on States by geo-political zones**

Geo-Political Zone	Area (Km^2)	Population 1991 census	No. of LGA	Statutory of Allocation (1999-2003)	Statutory Allocation Per Capita
N. Central					
-Benue	31,400	2,753,077	23	26,270,719,549	9,542.31
-Kaduna	43,460	3,936,618	23	34,921,191,256	8,870.86
-Kogi	32,440	2,147,756	21	23,872,371,390	11,115.03
-Kwara	32,500	1,548,412	16	22,639,007,894	14,620.79
-Nassarawa	27,116	1,287,876	13	18,314,414,195	14,220.63
-Niger	76,000	2,421,581	25	29,851,137,686	12,327.13
-Plateau	26,899	2,959,588	17	30,903,833,120	10,441.94
-FCT	7,315	1,200,000	06	–	–
N. East					
-Adamawa	39,742	2,102,053	21	27,611,413,168	13,135.45
-Bauchi	49,259	3,295,337	20	28,763,061,139	8,728.41
-Borno	69,435	2,596,589	27	29,741,600,254	11,454.10
-Gombe	20,265	1,820,415	11	19,747,026,026	10,847.54
-Taraba	58,792	1,512,163	16	23,806,624,454	15,743.42
-Yobe	47,153	1,399,687	17	23,636,818,849	16,887.22
N. West					
-Jigawa	22,605	2,875,525	27	27,903,141,106	9,703.66
-Kebbi	36,129	2,068,490	21	25,284,075,494	12,223.45
-Kano	20,680	5,810,470	44	43,942,939,923	7,562.72
-Katsina	26,785	3,753,133	34	34,207,848,318	9,114.48
-Sokoto	26,648	2,809,168	23	30,665,037,743	10,916.06
-Zamfara	38,418	2,231,402	14	25,297,103,030	11,336.86
S. East					
-Abia	5,243	2,297,978	17	22,389,552,992	9,743.15
-Anambra	4,416	2,796,475	21	19,563,176,917	6,995.66
-Ebonyi	5,935	1,481,452	13	22,439,835,759	15,147.19
-Enugu	7,618	2,101,016	17	23,648,682,637	11,255.06
-Imo	5,100	2,485,499	27	27,047,912,072	10,882.29
S. South					
-Akwa-Ibom	8,421	2,400,000	31	53,794,382,789	22,414.33
-Bayelsa	21,110	1,121,693	08	42,657,049,912	38,029.17
-Edo	19,794	2,159,848	18	22,758,340,132	10,537.01
-C/River	23,074	1,911,297	18	22,434,565,448	11,737.88
-Delta	16,842	2,590,491	25	91,399,568,928	35,282.72
-Rivers	21,850	4,309,557	23	59,112,314,907	13,716.56

S. South					
-Akwa-Ibom	8,421	2,400,000	31	53,794,382,789	22,414.33
-Bayelsa	21,110	1,121,693	08	42,657,049,912	38,029.17
-Edo	19,794	2,159,848	18	22,758,340,132	10,537.01
-C/River	23,074	1,911,297	18	22,434,565,448	11,737.88
-Delta	16,842	2,590,491	25	91,399,568,928	35,282.72
-Rivers	21,850	4,309,557	23	59,112,314,907	13,716.56
S. West					
-Ekiti	5,450	1,628,762	16	18,782,425,466	11,531.72
-Lagos	3,577	5,725,116	20	46,705,786,629	8,158.05
-Ogun	16,762	2,333,726	20	26,616,902,869	11,405.32
-Ondo	15,500	2,255,728	18	33,380,254,165	14,797.96
-Osun	10,245	2,158,143	30	24,354,946,444	11,285.14
-Oyo	41,300	3,488,789	33	30,903,833,120	8,858.04

Sources: National Population Commission (1998); Mamman, A.B., *et. al.* (2000), *Nigeria: A People United, A Future Assured, Vol.2,* Abuja: Gabumo Publishing Co. Ltd; Analysis, vol. 3, no.2, August 2003, p.8 (Column Six is created by the author).

The economy of the six states in the zone is dominantly agrarian, with cattle rearing, fishing, and the cultivation of crops such as yams, cereals and vegetables constituting the main occupation of the people. The zone is fairly endowed with water resources as the Rivers Benue, Donga, Gongola, Hawul, Hadeja-Jamare, Komadugu-Yobe, and Yedzram flow across parts of the states. In addition to these rivers, there are several streams running across various parts of the states. Furthermore, the Lake Chad, though receding at an alarming rate, provides water for irrigation and farming activities in Borno state. Some experts have also established that mineral deposits exist in several places in the zone. For example, solid minerals such as gypsum, clay shale, crystaline limestone, kaolin, trona, granite, quartz, iron ore, marble, graphite, silica, talc, diatomite, mica, barytes, uranium, feldspar, coal, and zinc exist in commercial quantities in virtually all the six states. Specifically, Yobe state alone has clay shale deposit estimated at 839.1 million tons, crystalline limestone at 559.4 million tons, gypsum at 141.4 million, kaolin at 231.1 million tons, and trona at 882.8 tons (Mamman, Oyebanji and Peters, 2000). Likewise, Darazo in Bauchi state has kaolin deposit of 12.8 million tons (Daisi, 1999).

These metallic and non-metallic solid minerals, if harnessed properly, would have generated revenue from the external market comparable to what petroleum products have been generating for Nigeria. Moreover, they could have presented a solid foundation for the industrial development of Nigeria. This is because these mineral resources could be used in the production of abrasives, absorbents, additives, drilling fluids, fertilizers, flavouring, medicine, refractory, tiles, metallurgy, casting, smelting, alloying, coinage, fabrications and hardwire industries. Unfortunately, less than 10 percent of these bounteous resources have been exploited or harnessed across the country (Daisi, 1999:11).

The rancorous relationship between the federal government and the states, as well as with the local governments over the share of revenue accruing from petroleum resources would have been avoided, had these resources been properly harnessed. The zeal to push for resource control by the sub-national units, as a pre-condition for true federalism, that has been brought on the policy agenda of recent almost exclusively by the oil-producing states would have also been less lopsided. It would have been so because if majority of the states were richly endowed with natural resources they would have had a stake in the resource control agenda. The level of sincerity that would characterise its pursuit of resource control agenda by the stakeholders would equally be enhanced. The underlying assumption here is that if solid mineral resources were effectively harnessed in Nigeria, alongside the oil resources, virtually all the states would be more positively disposed to assuming control over revenue generated from such resources. The north-east zone, which is basically unaffected by the current debate over resource control, would have participated more actively and from a position of strength had solid minerals been the basis of the bargain.

Paradoxically, states in the zone such as Borno and Bauchi, instead of pursuing the agenda of developing the solid mineral sector, have instead been drawn into the oil syndrome and mounted the propaganda that the traces of petroleum resources deposit in Alkaleri (Bauchi state) and Gaji Gana (Borno state) is really in commercial quantity, but that the geo-scientists handling the prospecting activities, majority of whom come from southern Nigeria, have deliberately sabotaged the project. This indicates that the main aspiration of Bauchi and Borno state was to join the league of oil-producing states, thereby diverting their attention from the solid mineral sector. The energy devoted to the pursuit of this unconvincing propaganda would have been better utilised in wooing investors in the solid minerals development sector. Moreover, these states by statutes were not prevented from buying license to prospect for the oil on their own, if they so desired. It was the federal government that financed the aborted exploration without financial contribution from the states, which lasted for more than a decade, in the case of Gaji Gana in Borno state. It was therefore proper for the federal government to call to an end what appeared to it as an expensive and fruitless effort.

After all, as has been established by Daisi (1999) the significance of oil resources to the economy of Nigeria has been somewhat exaggerated. The preoccupation by the constituent parts of the federation with the sharing of revenue accruing from petroleum products has inadvertently diverted the attention of the government from diversifying the economy. But, in terms of potentialities oil is not the engine seat of Nigeria's economy. Daisi demonstrates that between 1993 and 1997 the oil sector contributed only 18 percent of the GDP, while the non-oil sector contributed about 82 percent. In 1998, as shown in *Table 2,* the crude petroleum sector contributed only 11.6 percent to Nigeria's GDP, while agriculture contributed up to 40.4 percent. The mining sector that is grossly under-exploited contributed only a miniscule proportion of 0.3 percent to the GDP. Furthermore, in terms of job creation "the agricultural sector with a sectoral contribution of about 40 percent to the GDP, generates over 60 percent of employment in the economy, as against the oil sector, which contributes about 13 percent of the GDP, but generates less than 5 percent of employment in the economy" (Daisi, 1999:9). Yet, the oil sector that constitutes only 13 percent of the GDP contributes

about 97 percent of total export earnings, while the non-oil sector contributed only 3.0 percent to export earning. This is indicative of a lopsided economy that is anchored artificially on the export earnings from a single commodity (petroleum). Consequently, all attention is on how much each geo-political zone could get from the distributable pool of revenue earned from the export of petroleum products. Within this power relationship the north-east geo-political zone plays a feeble role, and states within the zone are vehemently against the idea of resource control by the mineral producing states as canvassed by the oil-producing zones.

Table 2: **Sectoral contribution to Nigeria's GDP (1998)**

S/N	Sector	Contribution to GDP (%)
1.	Agriculture	40.4
2.	Crude petroleum	11.6
3.	Mining	0.3
4.	Manufacturing	6.2
5.	Construction	2.4
6.	Distributive trade	11.7
7.	Finance	9.6
8.	Transport	3.1
9.	Government services	9.6
10.	Others	5.1
11.	TOTAL	100.0

Source: Daisi, K. (1999), "Exports and International Competitiveness". Paper presented at the National Congressional Conference on Economic and Development Issues in Nigeria, coordinated by the World Bank, at the NICON Hilton Hotel, Abuja on Thursday 7 October 1999, p.32.

The points made above simply show that the north-east geo-political zone is endowed with enormous quantities of solid mineral deposits, but since these mineral deposits have not been fully exploited they could not have served as a basis of strength in the bargain over resource control. Accordingly, all the states in the zone are opposed to the idea of state governments taking over the full control of revenue generated from mineral resources housed in their respective territories. However, they concede the fact that states with such resources should benefit from the derivation principle as provided for in the 1999 Constitution.

Politics of Revenue Allocation and the Six States in the North-East Zone

In the context of Nigeria's federal system, the federal government, the states and the local government councils (LGCs) are entitled to shares of the Federation Account at a ratio that is periodically determined by RMAFC. The 1992 formula that was inherited

by the Obasanjo administration in 1999 provided for the LGCs 20 percent of the Federation Account, the state governments, 24 percent and the federal government 48.5 percent, while 7.5 percent was reserved as special funds. In 2001, the executive proposed to the National Assembly a revision of the formula, which provided for 41.3 percent to the federal government, 31 percent to the states and 16 percent to the councils. The remaining 11.7 percent was reserved as special funds. However, as a fallout of the Supreme Court's ruling on onshore-offshore dichotomy in computing revenue that accrued from petroleum products, the provision for special funds was nullified. Accordingly, an executive order was unilaterally issued in July 2002 revising the allocation formula. Under this arrangement, 54.68 percent was allocated to the federal government, 24.72 percent to the states and 20.6 percent to the councils. Basically, the federal government usurped the scrapped special funds and allocated to the other two tiers of government only a tiny fraction of it. This is the formula currently in operation (April 2004), in spite of the fact that RMAFC had proposed yet another formula in 2003, but which was withdrawn from the National Assembly by the President on basically flimsy grounds. Under the aborted arrangement, the RMAFC proposed 46.63 percent to the federal government, 33.00 percent to the states and 20.37 percent to the councils.

In addition to whatever formula is adopted, the local governments were entitled to 15 percent of the value added tax (VAT), while the state governments and the federal government received 50 percent and 35 percent of VAT respectively. Furthermore, 10 percent of internally generated revenue of the respective states was to be distributed to their constituent local government councils, in addition to any other forms of financial assistance that the state government could render under special grants. But, principally, the local government councils were expected to generate a substantial revenue internally. It is conventionally assumed that any council that failed to generate up to 10 percent of its total required revenue through internal means could not be meaningfully regarded as a viable local government. By this formula we can as well declare all the 774 local government councils, with very few exceptions, as collectively unviable, since from *Table 3* it is revealed that between 1999 and 2001 they were able to generate not more than 7.7 percent of their total revenue from internal sources.

Table 3: **Sources of Local Government Finances (1999-2001)**

Sources	1999	2000	2001
Federation Account	72.15%	77.65%	71.11%
State Allocation	0.69%	1.30%	0.77%
Value Added Tax	15.72%	9.15%	11.63%
Stabilisation and General Ecological Fund	1.74%	3.57%	7.26%
Internal Revenue	7.70%	5.08%	7.26%
Grants and others	1.99%	3.26%	3.31%
TOTAL	100%	100%	100%

Source: Gboyega, A. (2003), "Democracy and Development: The Imperative of Local Good Governance", An Inaugural Lecture delivered on Thursday, 2 October 2003, University of Ibadan, p. 31.

The provisions in the revenue allocation formula, as discussed above, take care of the vertical dimension of the revenue allocation. The federal government has consistently taken the lion's share of the Federation Account, and the local governments have always been the least beneficiaries. The state governments have gained more from the various revisions in the allocation formula since 1999. Unfortunately, as their fortunes improved in respect of the vertical allocation, the state governments have failed woefully in fulfilling their statutory obligations to their respective local government councils. For example, as revealed in *Table 3*, between 1999 and 2001 the state allocation to the local government councils constituted only an insignificant proportion of the councils' total revenue: 0.69 percent in 1999, 1.3 percent in 2000 and 0.77 in 2001. Moreover, in the north-east zone, between 1999 and 2003 none of the six states remitted to their local government councils the 10 percent of their internal revenue provided for by the law. This is, however, not unexpected as the states themselves have weak internal revenue base, as shown in *Table 4*. Moreover, as has been observed by Tamuno (2000, :25) it is "clear to vigilant observers that few states (other than Lagos, Rivers and Kano) did or could pass standard 'viability' test of their creators".

By and large therefore all the local government councils and the states depend heavily on statutory allocations from the Federation Account, as their internal revenue base is extremely weak. This point will be illustrated in the next section in respect of local government councils in the north-east zone.

Table 4: **Total Revenue of the State Governments by Source (1999-2001)**

S/N.	Source	Total Revenue	Percentage
1.	Net Statutory	614,898,855,673	54.4
2.	Net Value Added Tax (VAT)	81,171,327,014	7.1
3.	Ecological Fund	4,723,040,464	0.4
4.	Stabilisation Fund	11,225,908,092	1.0
5.	Internal Revenue	131,313,500,000	11.7
6.	Grants and others	130,905,400,000	11.6
7.	GSM proceeds	18,700,000,000	1.7
8.	Excess crude	136,240,000,000	12.1
9.	TOTAL	1,129,178,041,253	100.0

Source: Mahmoud and Abba (2003) cf. Office of Accountant-General of the Federation, Abuja, and *CBN Annual Report) Analysis* vol. 3, no.2, August 2003, p.10.

Statutory allocations and internal revenue generation efforts of LGC in the north-east zone (June 1999-June 2003)

The statistics on statutory allocations to the local government councils in the north-east geo-political zone show that the local councils, like their state counterpart, are heavily dependent on statutory revenue allocations. For example, as shown in *Table 5*, Akko LGC in Gombe state was able to generate only 0.62 percent of its total revenue

from internal sources in the financial year 1999-2000. Similarly, Balanga and Dukku LGCs got only 0.63 percent and 0.71 percent respectively of their total revenue from internal sources between July 2002 and June 2003.

Table 5: **Statutory Allocation and Internally Generated Revenue of LGCs in Gombe State (June 1999- June 2003)**

Local Government Area	SOURCES OF REVENUE (STATUTORY & INTERNAL)				
	June 1999-June 2000	July 2000-June 2001	July 2001-July 2002	June 2002-June 2003	TOTAL
Akko	258,990,975 1,609,035 0.62%	407,797,582 2,881,325 0.70%	405,004,820 4,161,442 1.02%	404,950,751 4,161,443 1.02	1,476,624,128 12,813,245 0.86%
Balanga	246,442,266 3,735,080 1.49%	400,395,844 2,802,021 0.69%	44,063,348 3,921,420 8.17%	438,509,001 2,796,434 0.63%	1,129,410,459 13,254,955 1.16%
Billiri	161,048,463 32,337,188 16.72%	257,057,181 36,033,137 12.29%	250,946,284 1,385,719 0.55%	303,658,467 43,224,899 12.46%	972,710,395 112,980,943 10.41%
Dukku	232,976,090 3,685,523 1.56%	332,143,643 4,459,073 1.37%	341,035,941 3,145,941 0.91%	343,648,600 2,441,942 0.71%	3,349,804,274 13,732,479 0.41%
Funakaye	226,465,169 4,541,371 1.97%	361,040,586 4,826,102 1.32%	381,134,380 5,570,710 1.44%	466,767,945 6,655,916 1.41%	1,435,402,080 21,594,099 1.48%
Gombe	173,822,097 9,092,419 4.97%	268,096,091 2,597,514 0.96%	215,172,434 11,743,188 5.18%	314,330,148 8,038,407 2.49%	3,384,284,770 52,471,528 1.53%
Kaltungo	211,929,181 1,243,047 0.58%	294,206,564 3,335,943 1.12%	294,152,230 2,165,624 0.73%	379.400,372 2,652,094 0.69%	1,179,688,351 9,396,708 0.79%
Kwami	232,468,348 3,671,389 1.55%	341,312,675 13,563,042 3.8%	334,113,424 8,181,422 2.39%	401,188,383 3,683,402 0.91%	1,093,012,830 290,099,255 2.10%
Nafada	182,501,558 2,325,811 1.26%	251,210,908 4,741,511 1.85%	249,395,253 1,339,983 0.53%	325,131,123 3,950,584 1.20%	1,008,238,844 12,357,889 0.89%
Shongom	161,240,182 539,761 0.33%	240,596,259 515,674 0.12%	228,882,392 736,181 0.32%	315,055,670 1,455,954 0.46%	945,774,503 3,247,570 0.34%

Yamaltu/ Deba	265,219,242 11,243,408 4.07%	384,764,810 7,609,352 1.94%	402,416,001 2,979,222 0.73%	544,573,315 3,747,421 0.68%	1,596,973,368 22,206,723 1.37%
TOTAL	2,353,103,571 74,024,032 3.05%	3,538,622,143 83,364,694 5.14%	3,146,316,507 82,808,496 1.92%	4,237,208,775 82,808,496 1.92%	17,571,924,002 564,155,394 3.11%

Source: Data obtained from Fieldwork by the Consultancy Unit, University of Maiduguri (August-September 2003).

Key: Data on first row represent statutory allocations; second row, internal revenue and percentages represent internal revenue as a proportion of total revenue.

For the four-year period, the 11 LGCs collectively generated only 3.11 percent of their total revenue from internal sources. But, Akko, Dukku, Kaltungo, Nafada and Shongom LGCs generated less than a percentage point of their total revenue from internal sources. This means that these councils derived more than 99 percent of their total revenue from statutory allocations. Going by conventional wisdom, with the exception of Billiri that was able to generate 10.41 percent of its revenue from internal sources, all the remaining 10 LGCS in Gombe state are unviable entities.

As illustrated in *Table 6*, Adamawa state's statutory allocation to the 21 local government councils for the period June 1999 to June 2000 was ₦3,972,247,763, while internally generated revenue was ₦129,478,975 or only 3.26 percent of the total revenue. For the period July 2000 to June 2001 the total revenue generated by the local councils amounted to ₦5,837,772,845, and internal revenue was ₦343,998,216 or 5.89 percent of the total. The situation for the periods July 2001 to June 2002, and July 2002 to June 2003 was basically the same with the previous two periods. This is because for the July 2001 to June 2002 period the total revenue generated by the 21 local councils stood at ₦4,970,130,829, while the total internally generated revenue was ₦196,871,727 or 3.96 percent of the total. Likewise, for the period July 2002 to June 2003 a total of ₦5,749,585,201 was netted by the local councils, out of which they generated on their own a total of ₦191,036,838 or 3.32 percent of the total. In essence, over the four-year period (June 1999 to June 2003) a total sum of ₦19,931,570,455 was disbursed to the 21 local government councils in Adamawa state, out of which only 3.26 percent was generated from local sources.

The aggregate statistics given above conceal the extremely bad cases of over-dependence on statutory allocations by the local councils. For example, Demsa, Girei, Gombi, Madagali, and Numan local government councils could not generate up to 3 percent of their total revenue internally for the entire four-year period. Indeed, in the periods July 2000-June 2001 and July 2002 to June 2003, Demsa LGC was able to generate only about 0.89 percent and 0.77 percent respectively of its total revenue from internal sources. Similarly, Gombi LGC was able to generate about 0.89 percent of its total revenue from internal sources during the period July 2002 to June 2003.

Table 6: **Internally Generated Revenue as Percentage of Total Allocations (Adamawa State)**

Local Govt. Area	June 1999-June 2000	July 2000-June 2001	July2001-June 2002	July 2002-June 2003	TOTAL
Demsa	96,032,769 2.20%	185,341,417 0.89%	128,674,387 1.77%	189,173,055 0.77%	599,221,628 1.25%
Fufore	190,460,653 3.02%	335,384,439 2.22%	269,604,823 2.54%	355,274,043 1.41%	1,150,723,958 2.16%
Ganye	150,711,899 3.94%	499,897,538 1.83%	779,016,640 1.96%	26,251,682 77.41%	1,455,877,779 3.48%
Gerei	184,137,901 1.90%	302,170,066 1.20%	192,719,506 2.33%	270,853,177 1.79%	949,880,650 1.74%
Gombe	118,428,762 1.90%	200,947,829 1.40%	184,579,018 1.56%	256,590,276 0.92%	760,545,885 1.35%
Guyuk	121,440,479 5.44%	193,268,034 1.31%	150,203,234 2.69%	196,529,844 7.50%	661,725,060 4.26%
Hong	134,611,684 3.83%	225,251,756 2.70%	137,486,638 4.74%	223,135,614 2.84%	722,747,692 3.33%
Jada	241,039,817 2.52%	527,380,171 1.51%	248,150,692 16.53%	241,434,675 2.74%	1,257,468,314 4.86%
Lamurde	127,906,203 2.90%	188,407,317 2.64%	149,624,797 3.87%	361,241,114 1.51%	827,179,431 2.41%
Madagali	106,785,519 1.87%	182,272,882 0.85%	283,935,560 0.91%	201,46,829 0.89%	774,458,790 1.02%
Maiha	149,867,126 3.03%	217,162,350 2.30%	207,170,080 3.92%	266,410,227 1.19%	839,609,783 2.48%
Mayo Belwa	140,601,349 8.47%	237,134,693 3.65%	183,420,258 4.52%	246,650,682 3.84%	807,806,982 4.74%
Michika	101,732,324 4.11%	204,136,911 2.84%	444,777,389 0.67%	297,877,751 1.20%	1,048,524,375 1.58%
Mubi North	127,890,960 2.65%	247,502,391 1.20%	220,015,240 2.49%	268,287,582 1.96%	863,696,173 1.98%
Mubi South	161,062,636 5.31%	303,097,029 3.24%	246,546,505 6.84%	278,406,736 8.99%	1,006,194,428 5.99%

Numan	110,074,086 1.46%	186,129,195 0.86%	151,721,848 1.14%	204,104,6 0.89%	652,030,125 1.04%
Shelleng	120,746,867 12.58%	180,619,842 8.28%	175,518,694 5.41%	226,425,334 2.41%	694,310,737 5.26%
Song	154,743,984 3.22%	297,509,980 1.14%	248,361,791 2.04%	332,976,350 1.08%	1,015,492,105 1.68%
Toungo	176,083,441 3.47%	456,423,961 2.71%	652,354,825 2.52%	929,718,007 2.64%	2,214,580,239 2.65%
Yola North	154,070,868 11.84%	255,702,680 7.61%	179,027,633 13.16%	294,358,737 10.51%	784,159,918 11.76%
Yola South	153,886,936 5.10%	226,407,530 4.22%	178,421,467 4.11%	277,420,490 3.33%	836,136,423 4.06%
TOTAL	3,972,247,763 3.26%	5,837,772,845 5.89%	4,970,130,829 3.96%	5,749,585,201 3.32%	19,931,570,455 3.26%

Source: Fieldwork by the Consultancy Unit, University of Maiduguri (August-September 2003).

Note: Figures at the top represent total allocation (statutory and internal revenue). The percentage represents internally generated revenue as a proportion of total revenue.

This is not healthy for national development. The over-burdened oil sector could easily crumble and with it the entire economy. This is more probable in the 21st century when the rate of technological advancement is progressing so rapidly that precious resources, such as petroleum, could easily be driven into obsolescence. In addition, petroleum resources are exhaustible, and no nation must stake all its fortunes solely on them.

The search for horizontal equity and Intergovernmental Relations in Nigeria

One of the cardinal principles of a federal system of government is the need to balance the share of power between two or more separate but coordinate levels of government. In pursuing this principle effort is made to preserve the unique identities of each government, while ensuring that the central authority is empowered sufficiently to hold the federating units as a corporate entity. The drive for actualising and preserving sub-national autonomy is thus balanced with the inclination to exerting the power of the central authority. The dialectics between these opposing forces forms the basis for ensuring unity in diversity. No overriding power is however exercised directly by either the central government or the sub-national units, but through the Constitution.

One way of ensuring balanced development and equity in the distribution of financial resources is to adopt an equalisation formula in revenue allocation within and between the various levels of government. We have discussed earlier the formula adopted in Nigeria in distributing revenue on the vertical plane. It was obvious from the discussion that the federal authority is favoured on that plane. In theory, the excessive gain made by the federal authority over the states and local governments is suppose to be re-distributed to the weak states and local governments. By so doing, the federal government would have been in a position to rectify any form of imbalance in the horizontal distribution of funds between the sub-national units. In other words, the imbalance in favour of the federal government could serve as a veritable instrument for ensuring equity in the re-distribution of resources on the horizontal plane. However, the reality in Nigeria is that the accumulated surplus revenue at the federal level is normally squandered rather than re-deployed to the financially weak states and local government councils as stabilisation or equalisation funds.

Criteria used for horizontal allocation of revenue

While drawing the formula for vertical distribution of revenue between the various tiers of government might appear straightforward, the same cannot be said about the adoption of an appropriate formula for distributing revenue on the horizontal plane. In Nigeria between 1946 and 1992, about eighteen different principles of revenue allocation either directly applied or contemplated in a bid to ensure horizontal equity in the share of federally collectable revenue. These include derivation, even development, need, national interest, independent revenue, continuity, minimum responsibility, financial comparability, population, equality, national minimum standard, equality of access to development opportunities, absorptive capacity, tax effort or internal revenue generation effort, fiscal efficiency, social development factor, landmass, and terrain. In its attempt to address some of the controversies surrounding the appropriate criteria to be employed in distributing revenue to the various sub-national units from the Federation Account, the 1999 Constitution of the Federal Republic of Nigeria has trimmed the criteria to only seven, as it provides in s.162 (2) thus:

> The President, upon receipt of advice from the Revenue Mobilization, Allocation and Fiscal Commission, shall table before the National Assembly proposals for revenue allocation from the Federation Account, and in determining the formula, the National Assembly shall take into account, the allocation principles especially those of population, equality of States, internal revenue generation, land mass, terrain as well as population density:
>
> Provided the principle of derivation shall be constantly reflected in any approved formula as being not less than 13 percent of the revenue accruing to the Federation Account directly from any natural resources (emphasis added).

These provisions have precipitated the urge by the state governments to adopt several tactics of manipulating the system with a view to maximising their benefits on each of the criteria. In respect of population, each geo-political zone tends to inflate the figures in all population census exercises. This is done with a view to attracting

more revenue to the states. Census figures have therefore been unreliable in Nigeria. The same trick of inflating census figures as adopted by the state government is also adopted by the local government councils. In addition to attracting more funds from the distributable pool account, the inflated population figures could also be used to make political gains, as they form a sound basis for increasing the numbers of electoral wards or constituencies. Nonetheless, these figures are still used for the purpose of sharing revenue between the states or local government councils.

Owing to the fact that equality of states (and local governments, as the case may be) is used as a criterion for revenue allocation, there is an increasing propensity by the various sub-national units to play the number game. Realising that the more the number of constituent local government councils a state has the more the total revenue that will accrue to that state, many state governors became more favourably disposed to creating additional LGCs. This was what happened between 1999 and 2003 as the governors embarked on a reckless exercise of creating new local government councils. These new local government councils were created without recourse to the issue of their viability.

Since data in *Tables 3, 5* and *6* reveal a gross under-performance by the local government councils in respect of revenue generation effort, especially in the north-east zone, one would have realistically expected that state governments within the zone would resist the temptation of creating more local government councils. However, with the exception of Governor Jolly Nyame of Taraba state and Governor Adamu Muazu of Bauchi state that did not create any LGC over the period, all the other governors in the zone created new local government councils. Specifically, Adamawa created 29 new local government councils in addition to the 21 on ground, making a total of 40 LGCs. Similarly, Borno state that had 27 LGCs, created 31 new LGCs bringing the total to 58 LGCs. In the same vein, Gombe state created 18 additional LGCs to the 11 on ground, making the total of 29 LGCs. Likewise, Yobe state created 23 LGCs in addition to the 17 on ground, making a total of 40 LGCs.

Landmass and terrain factors as criteria for allocating revenue have been fully embraced by the north-east zone, because all the states in the zone stand to gain enormously from these criteria. As revealed in *Table 1* Column Two all the states in the zone have relative advantage over states in all other zones in respect of landmass, with the exception of a few states in the-north central zone.

Contentious issues over the power of states over local governments

In playing this number game, the state governors that created new local councils have done so believing that they had the constitutional right to do so. They tend to give literal interpretation to s.7 (1) of the 1999 Constitution, apparently in isolation of s.8 (5) and (6). Section 7 (1) states that;

> The system of local government by democratically elected local government councils is under this Constitution guaranteed, and accordingly, the government of every state shall, subject to section 8 of this Constitution, ensure their existence under a Law which provides for the establishment, structure, composition, finance and functions of such council (emphasis added).

more revenue to the states. Census figures have therefore been unreliable in Nigeria. The same trick of inflating census figures as adopted by the state government is also adopted by the local government councils. In addition to attracting more funds from the distributable pool account, the inflated population figures could also be used to make political gains, as they form a sound basis for increasing the numbers of electoral wards or constituencies. Nonetheless, these figures are still used for the purpose of sharing revenue between the states or local government councils.

Owing to the fact that equality of states (and local governments, as the case may be) is used as a criterion for revenue allocation, there is an increasing propensity by the various sub-national units to play the number game. Realising that the more the number of constituent local government councils a state has the more the total revenue that will accrue to that state, many state governors became more favourably disposed to creating additional LGCs. This was what happened between 1999 and 2003 as the governors embarked on a reckless exercise of creating new local government councils. These new local government councils were created without recourse to the issue of their viability.

Since data in *Tables 3, 5* and *6* reveal a gross under-performance by the local government councils in respect of revenue generation effort, especially in the north-east zone, one would have realistically expected that state governments within the zone would resist the temptation of creating more local government councils. However, with the exception of Governor Jolly Nyame of Taraba state and Governor Adamu Muazu of Bauchi state that did not create any LGC over the period, all the other governors in the zone created new local government councils. Specifically, Adamawa created 29 new local government councils in addition to the 21 on ground, making a total of 40 LGCs. Similarly, Borno state that had 27 LGCs, created 31 new LGCs bringing the total to 58 LGCs. In the same vein, Gombe state created 18 additional LGCs to the 11 on ground, making the total of 29 LGCs. Likewise, Yobe state created 23 LGCs in addition to the 17 on ground, making a total of 40 LGCs.

Landmass and terrain factors as criteria for allocating revenue have been fully embraced by the north-east zone, because all the states in the zone stand to gain enormously from these criteria. As revealed in *Table 1* Column Two all the states in the zone have relative advantage over states in all other zones in respect of landmass, with the exception of a few states in the-north central zone.

Contentious issues over the power of states over local governments

In playing this number game, the state governors that created new local councils have done so believing that they had the constitutional right to do so. They tend to give literal interpretation to s.7 (1) of the 1999 Constitution, apparently in isolation of s.8 (5) and (6). Section 7 (1) states that;

> The system of local government by democratically elected local government councils is under this Constitution guaranteed, and accordingly, the government of every state shall, subject to section 8 of this Constitution, ensure their existence under a Law which provides for the establishment, structure, composition, finance and functions of such council (emphasis added).

It was in the spirit of these constitutional provisions that some of the governors that created new local government councils defied the orders of President Obasanjo in his attempt to restrain them from conducting elections into the newly created councils during the March 2004 local government elections. The President ordered all the state governors that had created new local government councils to stay action, especially in respect of conducting elections in the new councils. He was obeyed by majority of the states that had created new local councils, including Gombe and Borno. But, five states; namely, Ebonyi, Katsina, Lagos, Nasarawa and Niger tested the constitutional waters and defied his order by conducting elections in the newly created councils. This defiance infuriated the President to the extent that he unilaterally withheld statutory allocations to all local councils in the five affected states for the month of April 2004. President Obasanjo took this punitive measure believing that the action of the affected state governors was unconstitutional. He cited s.8 (5) and (6), which required that the newly created local councils must have been approved by the National Assembly before they could be recognised legally, which was not done, to buttress his argument. Accordingly, he issued an executive order restraining the Minister of Finance from releasing funds to all local councils in the affected states;

> No allocation from the Federation Account should henceforth be released to the local government councils of the above-named states and any other state that may fall into that category, until they revert to their constituent local government areas specified in Part 1 of the First Schedule of the Constitution (Olayemi, 2003:22).

Yobe state also defied the order but escaped the immediate wrath of the President because the elections into local councils in the state took place in April 2004, after the meeting of the Federation Account Allocation Committee was held. Instead of postponing elections into the new 23 LGCs, in view of the sanction imposed by President Obasanjo on states that had earlier conducted similar elections, Governor Bukar Abba Ibrahim was emboldened to carry on with the elections in his state as planned so as to assert the autonomy of his state over local government matters and also challenge the seeming arrogance of the federal government. He remarked that,

> my government will not succumb to any form of intimidation by the PDP led federal government and only the verdict of the highest court in the land will change our position. President Obasanjo must remember that he is no longer in a military set-up, and I am fully convinced that he has no powers to withhold funds to states, but as a true democrat I would head for the court (*New Nigerian*, Thursday, 29 April 2004, p. 5).

There is a legal point in Governor Abba's assertion. For, even if the action of the President might appear justifiable on legal grounds in respect of the new local councils, it is difficult to justify it in respect of the old councils. Therefore, allocations from the Federation Account could have still been made on the old local councils in each of the affected states. The affected state governments should have been left to sort themselves out in respect of the allocation to the new councils. The action of the President amounts to declaring the state governments as subordinate to the chief executive. It also indicates that the chief executive has judicial powers of proclaiming the states as guilty and instantly determining the appropriate punishment for their action. K. C. Wheare (1966), contends that the fundamental characteristic of a federal system is that neither the

central nor the sub-national governments are subordinate to or independent of each other. But, both are subordinate to the Constitution. Therefore, rather than withholding the funds of all the local councils in the affected states as the President did, he would have sought solution from the judiciary that is the only institution recognised by the Constitution to adjudicate between the constituents of the federation.

Over-dependency on statutory allocations and the issue of taxing power

In respect of internal revenue generation effort as a criterion for revenue allocation, neither the states nor the local government councils in the north-east zone are favourably disposed to it. This is because their internal revenue base is weak. This issue is not limited to the north-east zone. All over the federation the capacity of the states and local government councils has been circumscribed by their limited taxing power. It is this limitation that has reduced to an insignificant level their internally generated level as a proportion of total revenue. This has also led to the wrong impression that the states and local governments are dependent on the federal government for their funds. A closer observation will, however, reveal that the federal government has financial leverage over the other sub-national units not because it engages in more productive ventures, but because it has relative advantage over the sub-national governments in respect of the more lucrative sources of revenue assigned to it by the Constitution. Whatever is generated as revenue into the Federation Account by the federal government, by virtue of exercising its powers on items listed in the Exclusive Legislative List, must be seen as common pool resources held on trust for all levels of government, and not exclusively belonging to the federal government. Seen from this perspective it can be validly concluded that all the three tiers of government: federal, states and local government, are heavily dependent on statutory revenue allocation.

The dominance by the federal authority over the sub-national units is derived directly from the enormous taxing powers it has been given by the Constitution. For instance, the federal government has taxing powers over mining rates and royalties, petroleum profit tax, import and export duty tax, capital gains tax, among others. On the other hand, the states have taxing powers over the less lucrative sources of revenue such as land tax, stamp duty, gift tax, personal income tax, betting tax, among others. Likewise, the local government councils are limited to generate revenue from equally less lucrative sources such as poll tax, entertainment tax, motor parks, markets, and property tax. As two financial experts from the IMF correctly observe,

> The Constitution identifies 20 groups of items that can be taxed by local governments. The bases and rates of virtually all these taxes and levies are locally determined, either by the state or the local government itself. However, while this list of taxes and fees is extensive and varied, the value of their bases is generally small and the administrative costs relatively high. As a result, the local governments tend to rely heavily on transfers from the Federation Account and their shares of the VAT (Ahmad and Singh, 2002 :11).

The punitive measures the federal government adopted in respect of revenue allocation to states in April 2004 is in line with the principle of financial responsibility that says, "fiscal responsibility to the electorate is best achieved if that government that has the nasty job of raising taxes has control (i.e., establishes the conditions) for the spending of those taxes" (Watts, 1999 :21). One way of reducing the concentration

of power in the hand of the federal government is by expanding the financial muscle of the sub-national units. This could be done by devolving to them taxing powers over some of the more lucrative sources of revenue. In consonance with the resource control agenda, the states could be empowered to collect mining rents and royalties, as a way of boosting their internal revenue, some portion of which could be remitted to the Federation Account.

Ahmad and Singh (2002) posit that at present, because of the lopsided taxing powers between the various tiers of government, there is serious horizontal imbalance in the expenditure of the states and local government councils in Nigeria. Their parameter of imbalance is the difference between internal revenue and transferred revenue as components of total expenditure of state and LGC. Using this criterion, they discovered that only the federal government did not experience imbalance. For 1998, in comparative terms, Bauchi state's imbalance was much wider than that of Lagos state. This was because, "Lagos' internally generated revenue and revenue from the derivation of the VAT in per capita terms amounted to 27 times that of Bauchi" (Ahmad and Singh, 2002: 14). Even when the per capita allocation of statutory revenue is used as the parameter for measuring imbalance, as revealed in *Table 7*, states like Kano, Borno, Lagos, Kebbi, Kaduna, Bayelsa, and Katsina suffered a horizontal imbalance in the allocation of the Federation Account, as none of them had a per capital allocation of more than ₦485 in 1998. This is in comparison with states like Adamawa, Nasarawa, Yobe, and Kwara that had benefited relatively more from the Federation Account, as their per capita allocation for 1998 was more than ₦1,000.

In spite of this observation, the combined effect of the various criteria employed in revenue allocation in Nigeria between 1999 and 2003 has portrayed a fairly equitable distribution of resources. Bearing margin of error in computation, the coefficients of statutory allocation per capita per zone as reflected in *Table 1* Column Six, demonstrates that the distribution of revenue from the Federation Account have been fairly balanced or "equitable". Apart from the Niger Delta where some states have gained relative advantage, due to increase in the derivation formula, the per capita distribution of revenue over the four-year period was fairly even across the six geo-political zones. It could be inferred therefore that the review in revenue allocation since 1999, especially the derivation formula that assigned to the hitherto impoverished Niger Delta area 13 percent of the revenue derived from petroleum resources, has rectified part of the horizontal imbalance that existed in Nigeria as at 1998. By and large therefore the distribution of resources generated from oil wealth has been used over the four years as an effective tool of revenue equalisation and stabilisation of the various geo-political zones in Nigeria.

As an overview of the points made in this section, it can be said that in respect of fiscal federalism and resource control the politics of intergovernmental relations in Nigeria was shaped by the beggar-thy-neighbour attitude of sub-national units as perpetrated through the number game, aggressive pursuit of legal rights by the various tiers of government, mischief on the part of the executive branch of government engendered by the peculiar idiosyncrasy of the chief executive at the national level, and, above all, the enormous taxing powers accorded the federal government by the 1999 Constitution at the expense of the sub-national units.

Table 7: **Distribution of Federal Transfers by Zones Allocation Per Capita 1998**

Geo-political zone	
N. Central	
-Benue	803
-Kaduna	459
-Kogi	731
-Kwara	1024
-Nassarawa	1110
-Niger	818
-Plateau	604
-FCT	–
N. East	787
-Adamawa	1257
-Bauchi	485
-Borno	925
-Gombe	1063
-Taraba	1118
-Yobe	
N. West	
-Jigawa	680
-Kebbi	447
-Kano	382
-Katsina	280
-Sokoto	604
-Zamfara	766
S. East	
-Abia	702
-Anambra	567
-Ebonyi	779
-Enugu	811
-Imo	665
S. South	
-Akwa-Ibom	538
-Bayelsa	476
-Edo	646
-C/River	932
-Delta	761
-Rivers	615

S. West	
-Ekiti	648
-Lagos	401
-Ogun	758
-Ondo	632
-Osun	763
-Oyo	589

Source: Ahmad, E. and Singh, R. (2002), *Political Economy of Oil Revenue Sharing in Developing Country: Illustrations from Nigeria,* p. 20.

Federal/State-Local Government Relations

The Constitution of the Federal Republic of Nigeria 1999, provides for a cooperative federal system of government, but in functional terms enormous powers are assigned to the federal authority at the expense of the states or sub-national units. For example, "the legislative list gives the federal government exclusive legislative powers over 68 items and concurrent powers over 30 items" (A Global Dialogue, 2003). In effect, the federal authority exercises legislative power over 98 items, since by the provision of s.4 (5) of the Constitution, all state laws made on items on the concurrent list would be invalidated to the extent that they run contrary to or inconsistent with laws made by the federal government over same items. Suffice it to say that the areas of overlapping jurisdictions of the two levels of government are security, education, health, housing and environment, and agriculture. In exercising power over these matters, the federal and state authorities often come into conflicts.

Security as a basis for cooperative intergovernmental relations.

One of the most contentious issues in federal-state relations in Nigeria is security. While the state governor is the chief security officer of the state, in operational terms it is the Commissioner of Police in the state that makes decisions. Incidentally, the governor does not have direct control over the police, which is exclusively under the jurisdiction of the federal government. It is in this light that some state governors, especially in the southern zones, had advocated for proper devolution of authority to the states to enable them create their own police force. Surprisingly, in spite of the fact that insecurity to lives and property especially armed banditry is one of the greatest challenges of the zone, the clamour for state police did not gain currency in the north-east. None of the six governors in the zone had declared publicly that he wanted to create a state police force. When asked specifically whether state police was necessary in the face of high insecurity in Gombe state, Governor Danjuma Goje remarked as follows:

> No, state police is no solution. I don't believe in state police. I believe in improved federal government police. If the police are properly motivated, given necessary and sufficient arms, given their salaries promptly and provided all needed communication gadgets, I believe they can do wonders (*Weekly Trust*, 3-9 April 2004, p.21).

Instead of competing with the federal government over the establishment of a police force, states in the north-east zone have opted for the formation of vigilanté groups. These outfits are created to complement the effort of the police. Once formed, the vigilanté groups operate in collaboration with the police. The local government councils provide feeding, transport and guidance through the traditional rulers, while the state authority complements with logistics support. Governor Goje said that Gombe state had assisted the police, the army and the other security agents in the state in the form of logistics support, fuel, and allowances. Under this arrangement, government-civil society partnership is clearly demonstrated. For instance, in November-December 2003, the Borno state government, Hawul LGC, Biu LGC and Damboa LGC collaborated with a vigilanté group that consisted of local hunters drawn from Gombi local government area of Adamawa, to assist the police in confronting armed banditry along Maiduguri-Biu road.

Local government councils' assistance to federal agencies

Apart from security issue, the local government councils render assistance to federal agencies on ad hoc basis. For instance, during election periods the LGCs assist the staff of the Independent Electoral Commission (INEC), in the forms of accommodation, feeding, and logistics support. Specifically, Usman Zannah, in his memorandum to Sanda Ndayako Committee on the Review of Local Government structures, 2003, revealed that during the 2003 general elections in Nigeria, chairmen of Local Government Caretaker Committees in Borno state were "forced to remove as much as ₦7.0 million in every election from the local government coffers" (Zannah, 2003). Similar assistance is rendered to the military, prison service, police, immigration, customs, state security service (SSS), and personnel engaged in the National Programme on Immunization (NPI) activities, whenever they were assigned to LGCs on special assignments. Unfortunately, the local government councils have no avenues for recouping the amount spent on these federal agencies.

In shouldering such responsibilities the LGCs encounter financial difficulties. This liability is compounded further by the fact that the state governments under the cover of State Joint Local Government Account (SJLGA) engage in reckless deductions of LGC funds directly from source. A typical example was what happened in Borno state sequel to the passage of the State Joint Local Government Account (Distribution and Fiscal Committee) Law 2002, as will be discussed in the next section.

Abuse of SJLGA by State Government

The Borno State Joint Local Government Account Law of 2002 provides that all the allocations to the LGCs in the state from the Federation Account, the 10 percent allocation from internal revenue of the state, and any other revenue accruable to the LGCs as approved by the National Assembly or the Laws of Borno state would be lodged into the State Joint Local Government Account (SJLGA). A committee was created to administer this account, with the Commissioner of the Ministry of Local Government and Chieftaincy Affairs as its chairman. Other members include the Permanent Secretary, Ministry of Local Government and Chieftaincy Affairs, Accountant-

General of the state, All LGCs chairmen in the state, a representative of Borno State Primary Education Board, a representative of the Board of Internal revenue, and the Director of Local Government Affairs as secretary. This committee has the powers to effect the following deduction of LGC funds from source:

(1) Three percent (3%) of the fund of each council due to the emirate councils.
(2) Fifteen percent (15%) of the total personnel emolument of those retired in each local government council.
(3) One percent (1%) as training fund.
(4) Five percent (5%) of the total allocation of each council as stabilisation account.
(5) Two percent (2%) of total allocation to each council as administrative charge of the allocation.
(6) One and a half percent (1.5%) of the allocation of each council to the department of local government, and
(7) Half a percentage (0.5%) of the allocation to the Local Government Audit Department (Borno State SJLGA Law 2002).

In exercising this power the state government effectively diverted funds from the LGCs, thereby frustrating their efforts in financing development projects designed by the councils. For example, between March 2002 and March 2003 a total of ₦13,523,769,380.01 was released to the councils in Borno state. Out of this amount the state government "deducted the sum of ₦6,461,401,457.98 and only the sum of ₦7,061,897,820.17 was posted to the 27 LGCs of the state" (NULGE, Abadam LGA 2003). These figures were quoted in a memorandum by NULGE, but they differ a little from the data obtained directly from the Borno State Joint Local Government Account secretariat, as produced in *Table 8*. Nonetheless, the fact remains that the LGCs lost huge amount of funds (about 48.4 of their total revenue) to the state authority through deduction at source from the SJLGA. This in no small measure contributed to the crisis of governance in the local councils. One other plausible explanation for the failure of local councils to carry on with development projects, is the character of the rural man. As lamented by the chairman, caretaker committee, Gubio LGC on 17 December 2003;

> The rural dweller requires his problem solved instantly. He does not have a broad concept of government or governance. To him the local government council is there to solve his problem on an ad hoc basis. The idea of collective (common) good is quite foreign to him. Nor would he accept the idea of making sacrifice for the sake of others, especially in form of paying his dues.

From the foregoing, it appears frustrating to preside over local government councils that are financially depressed, in a typically rural environment in which the people are so impoverished that not much can be generated from them in form of taxation, and the expectation of the poor is equally well beyond the competence of the local councils. This is further compounded by the fact that the revenue meant to address these pressing problems of the masses is reduced through deduction at source by the state authority, as in the case of Borno state.

Table 8: **Deductions at source from LGC funds by Borno State (March 2002-March 2003)**

Local Government Council	Gross Allocation	Total Deduction at Source	Net Allocation
Abadam	437,131,812.05	164,717,073.59 (37.7%)	272,414,738.4
Askira/Uba	503,812,960.09	325,038,225.85 (64.5%)	178,774,734.25
Bama	626,962,700.74	299,729,937.02 (47.8%)	327,232,763.72
Bayo	389,665,624.36	155,721,914.59 (40.0%)	233,943,709.77
Biu	557,862,772.43	303,368,163.25 (54.4%)	251,494,609.18
Chibok	360,765,806.66	185,355,603.66 (51.4%)	175,410,203.00
Damboa	631,625,552.46	292,629,722.38 (46.3%)	338,995,830.08
Dikwa	443,589,791.40	207,244,490.94 (46.7%)	236,345,300.46
Gubio	409,425,755.17	143,137,875.87 (35.0%)	266,287,879.30
Guzamala	419,972,163.01	161,175,578.61 38.4%)	258,746,584.40
Gwoza	539,918,971.43	313,652,089.12 (58.1%)	226,266,882.31
Hawul	499,759,340.37	355,600,249.68 (71.2%)	144,159,090.69
Jere	753,238,881.54	339,393,063.41 (45.1%)	413,854,818.13
Kaga	431,194,410.23	213,425,038.05 (49.5%)	217,769,372.18
Kala Balge	343,076,084.06	167,311,402.47 (48.8%)	175,764,681.59
Konduga	646,046,885.52	292,920,704.28 (45.3%)	353,126,181.24
Kukawa	500,933,544.68	207,322,397.18 (41.4%)	293,611,147.60
Kwaya Kusar	363,614,774.24	197,986,568.13 (54.4%)	165,628,206.11
Mafa	418,749,525.32	182,452,110.10 (43.6%)	236,297,415.22
Magumeri	487,136,392.40	192,437,890.23 (39.5%)	294,698,502.17
MMC	922,592,486.37	599,246,493.20 (65.0%)	323,345,993.17
Marte	456,689,338.01	208,879,472.27 (45.7%)	247,809,865.74
Mobbar	450,293,485.12	170,494,083.29 (37.9%)	279,799,401.83
Monguno	440,664,358.61	207,000,100.99 (47.0%)	233,664,257.62
Ngala	472,673,497.31	212,177,994.99 (44.9%)	260,495,502.52
Nganzai	384,928,370.82	149,836,561.26 (38.9%)	235,091,800.56
Shani	420,958,576.52	189,093,775.65 (44.9%)	231,864,800.87
TOTAL	**13,313,283,860.80**	**6,440,348,579.64 (48.4%)**	**6,872,935,281.16**

Source: Secretariat of Borno State Joint Local Government Account.

All local government council chairmen in Borno state, with the exception of that of Maiduguri Metropolitan Council (MMC), felt aggrieved about the incessant interference in the management of their revenue by the state government. They took a bold legal step by suing the Borno state government over the passage of the SJLGA Law 2002. They specifically challenged the right of the government to deduct from source funds meant for the LGCs. In his judgment passed on 5 June 2002 the Honourable Justice Kashim Zannah observed that Borno state had acted in breach of the law. He

referred to s.162 (8) of the 1999 Constitution, which stipulates that monies paid into the joint account "shall be distributed among the local government councils of the state on such terms as may be prescribed by the house of assembly of the state". In this case, the setting of the SJLGA 2002 is not necessarily in contention, but the specific provisions that empower the committee to deduct at source LGC funds are. Accordingly, Justice Zannah observed that,

> The money in the account shall be distributed and distribution shall be among the local government councils. The literal meaning of these words does not permit any other person or body to share with the local governments. This is further reinforced by the provision of ss. (5), which provides that the allocation of the amount standing to the credit of local government councils to the states is 'for the benefit of their local government councils'. It did not permit the benefit of any other persons or body, including the state government (Borno state, 2002 a.).

In the light of the above Justice Zannah declared that the provisions of Borno SJLGA Law 2002 "unconstitutionally confer sharing rights on institutions that are not made beneficiaries by s.162 (5) and (8). They also confer power on the committee to make deductions (instead of distributions) that are provided for by s.162". He passed the judgment in favour of the chairmen of the local government council. This judgment notwithstanding, the deductions at source continued between March 2002 and March 2003, as reflected in *Table 8*.

Joint projects executed by state and local government councils

The state government and local government councils made the deduction from State Joint Local Government Account in respect of some projects that were jointly financed. For example, the Borno state government executed a housing project in the Maiduguri metropolis during the period 2000-2003 involving a total of 505 units. All the councils in the state were made to contribute to the funding of this project. In a similar vein, the state and local councils jointly funded the Borno State Fertiliser Blending Plant in Maiduguri during the same period. Likewise, in the agricultural sector, the councils were compelled by the Borno state government to contribute to a fund earmarked to buy tractors for distribution to the Councils.

The caretaker chairman, Mafa LGC, Mahmud Lawan, disclosed in March 2004 that three LGCs (Dikwa, Mafa and Ngala) jointly funded projects such as rural electrification projects and the control of the outbreak of quelea birds that destroyed farmlands in the three local government areas between 1999 and 2003. Similarly, as a way of encouraging children to enrol into and remain in schools, Dikwa LGC, Ngala LGC and Kala-Balge LGC jointly funded Logumani Boarding Primary School that is located at Ngala LGA.

Shar'ia Issue/Political Party Differences and IGR

The shar'ia legal system featured under the penal code that was adopted before independence. But, as operated then it was only part of the customary law that was substantially (about 95 percent) handled by the native Courts. It was also limited to matters of civil proceedings involving questions of Islamic personal law. The native

authorities were able to administer customary law and shar'ia together because they were virtually autonomous entities. They generated virtually all their revenue from internal sources, they had their own security outfits, and, above all, they combined traditional leadership with local government authority. Moreover, a bulk of the population sought legal redress basically within their immediate localities. The conditions required for an individual to be subjected to shar'ia as against the statutory law included the following:

(1) If the accused person is subject to the jurisdiction of the native courts.

(2) If he committed the offence inside the boundary of an emirate in which the emir's court has competence.

(3) Whether the case was investigated by the Native Authority Police or the Nigeria Police (Yakubu, 2003 :5).

The transition from colonial administration to post-independence government was fairly smooth in respect to the shar'ia question. Accordingly, s.112 of the 1960 Independence Constitution and s.119 (1) of the 1963 Republican Constitution both recognised the role of the shar'ia Court at the regional and later, state level. At that level the Shar'ia Court of Appeal was created to handle cases that were not disposed of at the shar'ia Courts in accordance with the Maliki school of Islamic jurisprudence. The issue was, however, politicised during the 1977-1978 Constituent Assembly deliberations. It was with difficulty that a compromise was reached and s.240-245 of the 1979 Constitution recognised the shar'ia legal system, but also limiting its jurisdiction to civil matters.

During the 1999 Constitution drafting exercise, the shar'ia question re-surfaced with high degree of animosity between its proponents and opponents. Because political power actually shifted from the north to the south, the core northern states resorted to the shar'ia issue as a weapon to spite the southern politicians. Its introduction could thus be explained from the perspective of the frustration-aggression equation. For as Jega observes:

> Part of the demand for shar'ia by Muslims symbolises anger and rejection of their socio-economic conditions and trying to fashion out a system that would give them a sense of belonging. The failure of the state to cater for fundamental needs and aspirations, and alienation, especially in the urban and semi-urban centres led many to begin to question prevailing ideas and institutions that directly affect them (Jega, 1997 : 6; Abdul, 2000:10).

Shar'ia was no longer a legal system that could coexist peacefully with the common law/statutory legal system. Extremists referred to s.10 of the 1999 Constitution which states that "the government of the federation or a state shall not adopt any religion as state religion" as tantamount to declaring Nigeria a secular state. To them, secularity is incompatible with shar'ia, and, indeed, since it is ordained by Allah, shar'ia must be implemented fully. But its opponents argued that any state wishing to implement it fully was in breach of a constitutional provision, especially s.10 of the Constitution. It was under this tense political atmosphere that the introduction of the legal system led to riots and destruction in Kano, Kaduna and Gombe between 2000 and 2003.

It should be stated that the states that introduced the shar'ia legal system derived

the power to do so from ss. 4 (7) and 6 (2)-(9) of the 1999 Constitution. The states include Zamfara, Bauchi, Borno, Gombe, Jigawa, Kaduna, Kano, Katsina, Sokoto and Yobe. They equally limited the application of the law on Muslims and non-Muslims who voluntarily consent to its application. For example, s. 3 (1) of the Yobe State Penal Code Law 2000 states in its that:

> Every person who is a Muslim and/or every other person who voluntarily consents to the exercise of the jurisdiction of any of the shar'ia courts established under the Shar'ia Courts (administration of Justice and Certain Consequental Changes) Law 2000, shall be liable to punishment under the Shar'ia Penal Code for every act or omission contrary to the provisions thereof of which shall be guilty within the state.

Similarly, if not because of the politicisation of the shar'ia issue and the consequent violence that followed its introduction, the actual content of the legal code does not appear as negative as the opponents of the system have portrayed them. For example, s. 400 and 401 of Yobe State Panel Code Law 2000 prohibit the insulting or exciting contempt of any religious creed. Section 400 provides that "whoever by any means publicly insults or seeks to incite contempt of any religion in such a manner as to likely lead to a breach of the peace, shall be punished for a term, which may extend to two years or with fine or both". Section 401 states that "whoever destroys, damages or defiles any place of worship or any object held sacred by any persons with the intention of thereby insulting the religion of any class of persons is likely to consider such destruction, damage or defilement as to insult their religion, shall be punished with imprisonment for a term which may extend to two years or with a fine or with both". The import of these is to underscore the elements of religious tolerance by the legal system. It may appear, therefore, that those who use the shar'ia issue to burn and destroy places of worship of non-Muslims are acting against its basic provisions.

Other elements of shar'ia that caused frictions in intergovernmental relations are the mode and magnitude of punishment for offences such as adultery/fornication, rape, sodomy, incest and robbery. In all these cases, the punishment include death by stoning or crucifixion. The punishment that appears too harsh if not repugnant is the one relating to theft, in view of the comparable punishment provided for by the criminal law. For instance, while theft is punished by a term of imprisonment and/or fine under the criminal code, under shar'ia and specifically the Yobe State Penal Code 2000, s. 145 provides that;

> Whoever commits the offence of theft punishable with *hadd* shall be punished with amputation of the right hand from the joint of the wrist; and where the offender is convicted for the second theft shall be punished with the amputation of the left foot; and where the offender is convicted for the third theft shall be punished with the amputation of the left hand from the joint of the wrist; and where the offender is convicted for the fourth theft shall be punished with the amputation of the right foot; and where the offender is convicted for the fifth or subsequent thefts, he shall be imprisoned for a term not exceeding one year.

It is not conceivable to expect anybody whose four limbs were amputated to commit the crime of theft, but the point is that these provisions appear too severe.

Going by the provisions of concurrent powers exercised by the federal and state authorities it is expected that Courts that fall under state's jurisdiction should not administer a punishment that is harsher than that administered by Courts under federal jurisdiction of the same punishment. In the case of theft and comparable offences, shar'ia violates this rule. Therein lies the basis for the federal government's opposition to the powers assumed by the states that passed the shar'ia law. This concern of the federal government is fired by the massive campaign mounted against the mode and magnitude of punishment under shar'ia by the international community.

Although not clearly declared, the shar'ia issue was pursued in the north-east zone by the states ruled by the dominant opposition political party: All Nigeria People's Party (ANPP). With the exception of Bauchi state that is run by the People's Democratic Party (PDP), which is the ruling party at the federal level, all the other states that introduced the shar'ia legal system were ruled by the ANPP between 1999 and 2003. Adamawa and Taraba that were ruled by the PDP did not adopt the shar'ia legal system. An additional point is that the population of non-Muslims in these two states is quite sizable, as such the opposition to the shar'ia legal system was profound.

References

A Global Dialogue on Federalism in the 21st century: Distribution of Powers and Responsibilities (Roundtable Report, Nigeria), A Joint Program of the Forum and the IACFS, held at Institute of Governance and Social research, Jos on September 15, 2003.

Abdul, H. (2000) "Religion Question in Nigeria: Challenges to Democratisation and National Integration", in *Equal Justice*, a Quarterly Publication of Human Rights Monitor.

Adamolekun, L (ed.) (2002) *Public Administration in Africa*, Ibadan: Spectrum Books Limited.

Ahmad, E. and Singh, R. (2002) *Political Economy of Oil Revenue Sharing in a Developing Country: Illustrations from Nigeria*.

Anifwose, R (1999) "The Nature and Scope of Political Science", in Anifowose, R and Enewuo, F (eds.), *Elements of Politics*, Lagos: Malthouse Press Ltd.

Borno state (2002) State Joint Local Government Account (Distribution and Fiscal Committee) Law 2002.

Borno state (2002 a.) Suit No. M/135/2002, Judgment on the Application of Borno State Joint Local Government Account (Distribution and Fiscal Committee) Law 2002, by Hon. Justice Kashim Zannah, on 5th June 2002 at Maiduguri.

Dumoye, A (2002) "Resource Control: Which Way Forward?", *The Nigerian Social Scientist*, volume 5, number 1, (March) pp.49-53.

Daisi, K. (1999) "Exports and International Competitiveness" (Paper presented at the National Conference on Economic and Developmental Issues in Nigeria, coordinated by the World Bank, at NICON Hilton Hotel, Abuja on Thursday, 7 October 1999).

Federal Republic of Nigeria (2003), "Strategic Conflict Assessment: Consolidated and Zonal Reports" Abuja: Institute for Peace and Conflict Resolution (IPCR).

Gboyega, A. (2003) "Democracy and Development: The Imperative of Good Governance", An Inaugural Lecture delivered on Thursday, 2 October 2003, University of Ibadan' pp. 14-28.

Ijere, J.A. and Daura, M (2000) "Borno State", in Mamman, A. B, Oyebanji, J.O and Peters, S.W. (eds.), *Nigeria: A People United, A Future Assured, Vol. 2*, Abuja: Gabumo Publishing Co. Ltd.

Jega, A.M. (1999) "The Politics of Human Rights in Nigeria: An Overview", in Contram and Sheriff (eds.), *Democracy, the Rule of Law and Islam*, Netherlands: Kluwer Law International.

Lasswell, H. (1930) *Politics: Who Gets What, When and How*, New York:

Mamman, A.B., Oyebanji, J.O. and Peters, S.W. (eds.) (2000), *Nigeria: A People United, A Future Assured, vol. 2*, Abuja: Gabumo Publishing Co. Ltd.

Mohammed, B. and Abba, A. (2003) "What Have the Governors Done With the 1.7 trillion Naira in Four Years?", *Analysis*, vol. 3, no. 2 pp.7-12.

New Nigerian, Thursday, 29 April, 2004.

NULGE, Abadam LGA (2003) Memorandum Submitted by NULGE-Abadam LGA Branch to the Technical Committee on the Review of the Structure of Local Government Councils in Nigeria (Sanda Ndayako Committee on Local Government Reform), August 2003.

Olayemi, A. (2004) "Eyeball to Eyeball", in *The News*, vol. 22, no. 16, (3 May) pp. 22-23.

Tamuno, T.N. (2000) "Nigerian Federalism in Historical Perspectives", in Kunle, A. R. Suberu, A. Agbaje, and G. Herault, (eds.), *Federalism and Political Restructuring in Nigeria*, Ibadan: Spectrum Books Ltd. pp. 13-33.

Watts, R.L. (1999) *Intergovernmental Relations,* Cape Town: Department of Constitutional Development and National Democratic Institute for International Affairs.

Weber, M. (1947) *The Theory of Social and Economic Organisation,* New York: Oxford University Press.

Weekly Trust, 3-9 April 2004.

Yakubu, J.A. (2003) *The Dialectics of the Shar'ia Imbroglio in Nigeria*, Ibadan: Demyaxs Law Books Monograph Series 4.

Yobe State (2000) *Yobe State Shari'a Penal Code Law, 2000*, Damaturu: Yobe Printing Corporation.

Zannah, U. (Former Chairman of Magumeri LGC) "Reconstruction of Local Government". (A memorandum submitted to the Committee on the Restructuring of Local Government in Nigeria, at Maiduguri July 2003).

5

Intergovernmental Relations, Governance and Development in Nigeria

AUGUSTINE IKELEGBE

Introduction

Addressing the problem of underdevelopment has been a recurring challenge to the Third World. How effective efforts are in interrogating and confronting the complex and intertwined bug is varied from state to state. But different arrangements and structures have been and are being put in place at the political and economic levels to structure and enable political and economic development. Some countries have taken the challenge quite seriously and have directed and re-directed their structures and actions.

Nigeria chose the federal path between 1946 and 1954 to accommodate diversity within a united framework. But inherent in federalism is a network of arrangements built on good governance principles by which efforts can be commonly, jointly and co-operatively harnessed to address common problems among constituent governments. Intergovernmental relations (IGR), then, is a set of dynamic and negotiated arrangements of policy, finance and technical capacity that are co-operatively woven together to address more comprehensively, competently and effectively the problems of development that span internal boundaries. But has Nigeria's federalism been harnessed and directed towards fostering good governance and development?

Nigeria's federalism has evolved and become so transformed that at some point, it was difficult to brand it. A range of names such as unitary, command and militarist federalism became handy. One wonders, however, how these transformations may have affected its development content. Most studies of federalism have not focused on the design and restructuring of arrangements and linkages that foster the critical goals of

national development and good governance. Rather, studies have merely focused on the pattern and the nature of intergovernmental relations, and particularly fiscal relations without relating these patterns and structures to critical goals and values.

This study takes the inquiry on Nigeria's federalism and intergovernmental relations beyond structures and relations to the interrogation of the import of these structures and processes for the critical goals and values of good governance and development.

Federalism and Intergovernmental Relations: Conceptual and Analytical Notes

We commence this work by making some pertinent comments that clarify and situate our analysis. To be sure, we accept that intergovernmental relations embraces the entire gamut of activities, interactions, actions, behaviour and operations that takes place vertically, horizontally or by combination of, between the units, agencies and personnel of constituent governments and relates to finances, power, and policy (Wright, 1988; Bogdanor, 1991; Roberts, 1999:60).

Federalism is enshrined in division of work and responsibilities. It specifies who does and has what. But these divisions are not neat, exclusive or overlapping. As Dare (1980) notes, "governmental powers are not always clearly divisible". Further, federalism when practised rigidly is difficult and unreal. Autonomy or even sovereignty within jurisdictional areas is not real as several governments may relate to the same citizenry who are actually best served by support and consultation among constituent governments (Dare, 1980). More importantly, federalism as a system is characterised with overlaps and sharing of powers.

Actually, federalism as a system of governance is pragmatic, dynamic, utilitarian and evolving. It can only thrive on consultation, negotiation, compromise, bargaining and agreement between the constituent governments. It grows under a system of mutuality and interdependence.

Federalism seeks and is built on the need for co-operation and collaboration between governments in a sphere that is essentially characterised by shared functions and powers. Rather than compartmentalised roles and rigid adherence to constitutional stipulations that may promote isolation and solo effort, federalism in practice constructs and re-constructs a framework and system of joint actions, common purposes and harmonised efforts through interaction, inter-twined influence and mutual interdependence (Stillman II, 1992:119). Intergovernmental relations is the means, ways, framework and dynamics by which these are accomplished.

Intergovernmental relations takes place in a complex and yet dynamic arena. It takes place in a multi-jurisdictional system and environment. The environment is a mesh of politics and management, co-operation and conflict, integration and differentiation (Marando and Florestano, 1990:288). It is an arena of dispersed authority rather than an integrated, unified and hierarchical authority. It is a disparate and dispersed context, in which is sought increasing integration of jurisdictional systems in relation to common objectives. It is an environment of different interactional patterns and networking between authorities, politicians and administrative personnel. It is also a context of struggle and manouevre over the space of authority, policy and influence. It is an arena in which public officials seek to build consensus, agreements, consent

operative and co-ordinating dimension foisted by federalism expands in scope and quality as federalism matures (Awa, 1976:6).

In fact, intergovernmental relations is enshrined in federalism (Roberts, 1999:59). Federalism provides the orientation and framework. This is because federalism is actually an arrangement entered into by hitherto separate communities or those that had such aspirations for "working out solutions, adopting joint problems and making decision on problems" (Friedrich, 1968:7). It is an arrangement by which constituent governments seek ways and means by which society can be better governed and developed in spite of their varied roles, jurisdictions, resources and perspectives. A greater co-operational disposition is actually dictated. A co-operative federalism was not only found necessary as federal systems evolved, but found inevitable.

The US is regarded as a model of federalism, and it has also demonstrated the dynamics and evolution of federalism towards greater interactive, consultative and co-operative federalism. There, federalism began charting a non-dual arch-type from the 1930s, when economic depression, socio-economic policies and programmes such as the New Deal and other dynamics of governance compelled what O'Connor and Sabato (2000:73) call a change from a layered cake to a marble cake. According to them, horizontally layered power sharing has given birth to an inseparable mixture of differently coloured ingredients and of vertical and diagonal lines, so that what emerges is an imperceptible mix (O. Connor and Sabato 2000: 84). By the 1960s, an era of full-blown co-operative and dependent federalism had emerged.

Another thing worthy of note is that the federal government in federal-state relations and the state in state-local relations play leadership roles. First, because they are dominant partners in IGR. Their laws are supreme, supersedes and takes preeminence over those of the state or the local government, as the case may be. Second, they are at the leading core, with enormous powers in the centre in relation to the state and in the state in relation to the local government. Therefore, IGR in initiation or generation, regulation, intervention, management and control is centre-dominated. This is quite contrary to classical federalism which indicate co-ordinate and non-supremacy or non-subordinacy of constituent units. The dynamics and operations of IGR actually denote central supremacy and dominance. The dominance of the central government is situated in the greater control of national resources, fiscal policies and the management of the economy. The dynamics and operations of federal governance have made state and local governments to be financially dependent in most federations.

Further, IGR has tended to concentrate in the vertical relations between the centre and the states and the states and the local governments. Arising from the large federal resources, roles and grants, there has been extensive federal-state relations in major sectors of the economy and society in many federations. The federal governments have tended to forge partnerships and joint endeavours and to develop support programmes and frameworks and guidelines with the states and even the local governments. In some cases, the federal governments set policies and implement them through states and local governments. For the same reasons, state-local relations are quite dominant as opposed to local-local relations.

We note, too, that IGR is not all co-operation. It is also characterised by rivalry, competition and conflict. There are always disagreements, disarticulation and cross-

purpose operations. Conflict is an expected and normal incidence in IGR and federal constitutions provide a supreme court for adjudicating the probable maze of conflicts. It is precisely because of the potential for conflict that consultation, bargaining, negotiation and compromise are vital aspects of IGR.

A pattern does emerge in the character and nature of IGR and in the evolution and changing orientations that dictate new arrangements and character. Deil Wright's (1982) modelling of IGR patterns is quite insightful. He delineates three categories; the co-ordinate-authority, the inclusive-authority and the overlapping-authority models.

The first and usually the starting point in terms of federal theory and practice is the co-ordinate-authority model, where distinct boundaries and independent jurisdictions are assumed and intrusions and interferences resisted. The ensuing IGR interactive pattern is minimal and characterised with guardedness, contestation of space, challenges, rivalry, competition and conflict. That this situation is unreal, unworkable and inimical has been abundantly made clear in our analysis.

The pendulum in the evolution of federalism and consequently IGR could shift in two directions. The extreme situation is painted by Wright (1982) as the inclusive-authority model. Here, federal penetration, dominance and subordination of other constituent governments is fairly total and comprehensive, such that the latter become so dependent and weak as to be mere appendages or even extensions. Intergovernmental relations becomes extensively centralised, integrated and unitarist as the federal balance is so heavily tilted towards the centre as to make federalism even in its most pragmatic proposition scurry. In some states, authoritarian and particularly military and military-based dictatorships have so transformed federal practice that an inclusive authority model has emerged.

The most contemporary situation is reflected by Wright (1982) in the overlapping-authority model. Here, the imperatives and realities of modern governance have so affected the governments and governmental work that a new régime characterised by interdependence, co-operation and agreement has emerged. There is substantial and simultaneous involvement of governments in different areas of governmental activity, and the powers and influence of governmental constituents in sectors of intergovernmental concern are so limited as to warrant consultation, bargaining and agreements to facilitate collective but harmonised governmental effort.

The overlapping-authority model captures the practise of co-operative or permissive federalism as in the US. It is also the emerging pattern in most federations. Even those that are presently inclusive in authority do comprise enormous internal pressures that challenge and agitate for better constituent governmental participation and release from central government subordination.

Intergovernmental Relations, Governance and Development: Conceptual and Analytical Notes

Intergovernmental relations is about governance and development. It is about co-operation, collaboration and joint efforts by constituent governments as it relates to governance and development. We noted earlier that such co-operation grows in scope and quality with maturity of the federal system (Awa 1976:6). The span of co-operation expands as societal problems become more complex, resources get scarce among

constituent governments and society begins to demand some basic minimum standards of governance and development. Through co-operation and collaboration, a federal state builds a system of joint actions and harmonised efforts for the management of common concerns and purposes.

Specifically, IGR promotes governance by its dependence on consultation, co-ordination, bargaining, negotiation and compromise. It is this dynamic socio-political process that enables governance to be integrated and complete; enables conflicts to be managed, produces from time to time and in different sectors jurisdictional balance and harmony, and generally enables the federal system to survive (Roberts, 1999:59; Stouffer, Opheim and Day, 1996:52; Derthick, 1992:121).

Federalism and IGR is also about development. It is about integrating, harmonising and co-ordinating efforts and resources, building collaborations and joint efforts, co-operating and partnering, contributing energy and skills in the task of managing common problems, development tasks and challenges. Such combination and co-ordination of efforts enable and strengthen capacities and provide better services and problem resolution. Further, most federal systems provide support for resource and development deficient units. Some seek the production of irreducible minimum in sectors, such that citizens could obtain some minimum equal treatment in terms of incomes, wealth, services and facilities, in spite of differences in fiscal capacity among the units. Thus, some federations as the US, have equalisation or stabilisation grants (Buchanan and Flowers 1987:389).

The concepts of governance and development require some clarification because they constitute the prime planks for our investigation: The conception of governance is imprecise. Its components, processes and measurement lack specificity. What is clear, however, is that it relates to the exercise and management of the collective will of a people (Dozie, 1999:19). More specifically, it is often associated or taken to mean certain qualities and characteristics of rulership (Grindle 1996:7). Governance is often qualified particularly in terms of goodness. This essentially refers to the degree to which the process of administration and management both collectively and individually increase the sum of certain qualities.

Good governance is seen as encompassing inclusiveness, broad participation and accommodation, de-centralisation of power and popular empowerment. It is also based on legitimacy, rule of law, due process and respect for collective, group and individual rights. Finally, it relates to effective management, accountability and transparency (Pryor, 2003).

The concept of development is varied and dynamic. Its conception has gone beyond economic, industrial and infrastructural growth to a more multi-dimensional, comprehensive, but people-based and holistic one. Modern conceptions relate to changes, re-orientation and re-organisation of institutional, social and administrative systems and public attitudes. According to Sears (1969), the question of development is no more than that of economics or quantitative measurement of incomes and employment. It is a much more comprehensive and multi-dimensional process involving changes and improvements of attitudes and conditions relating to social structures, national institutions and living conditions.

Thus, Todaro (1985) sees development as an advancement that makes life more

meaningful in all its entirety, whether in the economic, political, socio-cultural, cultural, administrative or even personal dimensions. Though acceleration of economic growth remains a critical element, such others as whether basic life needs as food, shelter, health-care and transportation are improved, and whether the quality and extent of living standards, employment and a participatory climate for socio-economic and political activities have improved. The issue of poverty, employment, living standards and equality have become more primary (Todaro, 1977:50). Some more liberal conceptions comprise issues in the consideration of development, the improvement in such values as freedom, self-esteem, life sustainance, human dignity and security.

In IGR, a developmental orientation would be indicated among constituent governments, first in the existence of co-operative and collaborative responses to public needs, problems and challenges. Second, is in the existence of support and assistance to one another in relation to special problems and in the deployment and utilisation of the machineries and resources of one government by the others for special projects. Third, there would be partnerships, joint programmes and efforts and mutual sharing of information and expertise.

Governance facilitates and strengthens the development potential of IGR in enabling and incorporating consultation, negotiation and accommodation between governments, enabling the management of rivalries and conflicts and the fostering of peaceful co-existence. Good governance in IGR directs it towards de-centralisation, empowerment, participation and acceptance. Further, it is indicated when IGR is oriented, managed and directed at fiscal responsibility, efficient management, accountability, transparency and effectiveness.

Research Questions and Propositions

An investigation of how intergovernmental relations relate to governance and development raises several questions. How does IGR impact on governance, indicated by accountability and fiscal responsibility; effective management for goal attainment; human and collective rights; participation, consultation, consensus building and inclusiveness; legitimacy; de-centralisation and empowerment, conflict generation and management, security and stability? In relation to development, how has IGR strengthened the capacity for resource generation, availability and financial independence; the capacity for efficient operations and goal attainment and the capacity for developmental roles such as socio-economic development and welfare?

Research Methodology

The study utilised secondary and primary data, newspapers, magazines, reports and documents. Secondary data was necessary to capture the actions, conflicts and documentations of IGR as well as the incidents and dynamics of IGR transactions. The primary data source was an indepth interview schedule interspersed with a likert scale questionnaire. The study utilised the case study method. Two case issues were chosen to provide detailed analysis of the subject of how intergovernmental relations impact on governance and development in Nigeria. The first was state-local relations as it impacts on governance and development. The second was the federal government's intervention institutions that were established to address the Niger Delta Question.

The two contiguous states of Delta and Edo were selected to address the state-local relations, governance and development case study. Delta state was selected for the Niger Delta Development Commission intergovernmental interventions case study. The choice of sample states for the former was influenced by proximity and feasibility. The choice of Delta for the IGR intervention was underlined by her core location in the Niger Delta, centrality in oil production and the region's problems and consequent immense activity of IGR development interventions in the region.

The purpose of the state-local relations interview schedule was to investigate the nature, character and impact of state oversight of the local government system as it relates to governance and development. The Niger Delta Development Commission questionnaire was to investigate the intergovernmental linkages, activity and co-operation of intervention agencies and their import for good governance and development of the Niger Delta region.

The state-local relations interview schedule was administered to heads of department of the local government administration. The Niger Delta's was administered to heads of department in Delta state. The political leaders could not be included in the samples because the transition committees in both states had been dissolved at the time of the study.

Intergovernmental Relations, Governance and Development in Nigeria: An Overview

The examination of an overview of IGR in Nigeria in relation to governance and development must begin by alluding to the dominant patterns, orientations and characteristics that have conditioned IGR practices and contributions. Initial IGR practice in Nigeria was conditioned by a federal system characterised by guarded autonomy and jurisdiction and underlined by centrifugal forces and dispersal tendencies. In the circumstance, the regions were dominant and struggled for economic and political dominance, while the federal government was limited in leadership and influence. IGR was characterised by politics, contention, conflict and struggle.

The emphasis was the maintenance of diversity in regional priorities, policies and development. Even fiscal federalism was guided by the need for regions to develop in line with their resources and endowments (Ajakaiye and Benjamin, 1999:2). The dominant orientation at this period was the recognition and expression of diversity and separate development of sub-national groups and regions within the Nigerian nation.

The emergence of military rule transformed the pattern, orientation and character of IGR in Nigeria. The military impacted Nigeria's federalism by imposing its command, hierarchy, order, compliance and 'discipline' on the existing federal arrangements and practices. The heads of state and commanders-in-chief of the armed forces became the pinacle to which all other levels of government and all state officials were accountable and responsible, rather than being the head of one of several governments in a federation. This meant that the leadership of the federal government and its authority became super-ordinate and the other governments thoroughly subordinated.

Military rule was accompanied by a new national orientation and philosophy which

placed emphasis on national integration and development through the strengthening of federal authority and roles. The essential task of nation building was seen as the creation and consolidation of national authority and institutions (Ubhenin, 2004:13). The military particularly pursued centralist, uniform and common policies in the pursuit of national unity and integration. The result was a huge centralisation which hyper-strengthened federal authority and leadership in socio-economic planning.

The import of these tendencies on IGR was, first, a federal dominance in planning; second, governance at all levels was unified; third, there was an emergence of a wide expanse of federal interventions and structures; fourth, the other levels of government became compliant rather than autonomous actors. Because of federal level concentration of resources, the states grew weaker in relation to resource availability and viability. The states became more and more dependent on allocations.

Because of the vastly centralised federal structure, the military created a vast structural avenue and forums for intergovernmental interactions. These included the National Council of State, established by Decree 32 of 1975, the National Councils on Health and Education, etc. Numerous national programmes with multi-governmental participation such as the Universal Primary Education Scheme (1976) and more recently the National Health Insurance Scheme were established (Oronsaye, 1998:12). There was also a vast increase of structures, networks and activities between the governments.

Intergovernmental relations under the military had very negative effects on governance. First, it denied the states of fair autonomy and voluntary participation in the tremendous growth and activities of IGR. Second, there was concentration and centralisation of resources and powers and management of governmental affairs. Further, the heightened federal authority and leadership enabled the installation of greater monitoring and oversight of state administrations which is antithetical to federalism. Though this enabled the improvement of good governance attributes of accountability and transparency as the leaderships of the states were sanctioned for administrative abuses, corruption and poor achievement, but this was compelled. IGR was unilateral and dictatorial. It lacked consultation, negotiation, compromise, participation and consensus. It subdued disagreements and conflicts.

In relation to the local governments, the federal government reformed the local government system in 1976 and thereafter. The reforms created federal-state-local and federal-local relations. Though the reforms strengthened the local governments in terms of structures and funding, state-local and federal-state-local and federal-local relations remained heavily top-down. Rather than work through the LGs, the federal and state governments compelled the LGs to donate, contribute or were levied different sums for projects that were many times ceremonies. The involvement of the LGs in such programmes as the Better Life for Rural Women Programme, Family Support Programme and Family Economic Advancement Programme were compelled.

The IGR practice in the democratic dispensation since 1979 has been characterised by continued federal dominance and state dependency. The tendency for federal dictation and unilateral intervention has persisted, albeit with limitations. Extensive IGR networks and efforts which is a heritage of military rule has been sustained. The orientation of centre-dominated drive for development has also been sustained. However, there were and are huge changes which challenge the status quo left by military dictatorship.

The military did set up an extensive framework of regulatory federalism IGR interactions. First, there were attempts to provide some minimum service and to stimulate increased capacity and growth in such areas as education, manpower development, and health-care. The most visible efforts in this area are a plethora of policies such as the national policies on education, population and health. These were federal government stimulated efforts, with some state consultation and effort directed at catalysing and driving development.

The second category of institutions were the establishment of numerous agencies that regulate and steer developments in specific areas. These include the National Health Commission, National Universities Commission, National Board for Technical Education and National Manpower Board. There are many others in different sectors which are not so visible and/or active. The third visible manifestation are the plethora of councils and institutionalised conferences and meetings in different sectors. There are the National Councils on Establishments, and Health. There are also annual institutionalised and ad hoc conferences and meetings.

There are constitutional, statutory and ad hoc institutions and agencies that perform governance roles. Foremost are the National Council of States (NCS) which were prescribed by the Constitutions and the National Security Council. The NCS is the highest IGR governance agency which comprises topmost serving and ex-federal officials and state governors. Though the body is merely advisory, it addresses matters of national importance and constitutes a forum for resolving serious national issues such as security, state reform, jurisdictional issues, cleavages conflicts, etc.

The National Revenue Mobilisation, Allocation and Fiscal Commission addresses the issues of revenue generation and allocation. It comprises representations from all the states. The commission was recently in the forefront of transparency in revenue accruing to the Federation Account and in the claims of states affected by revenue allocation. The commission has also played important roles in the design of criteria for revenue allocation. The Code of Conduct Bureau is an IGR agency that relates to the issues of transparency and accountability in governance. The Federal Character Commission relates to the issues of equitable, balanced and fair representation of ethno-religious groups, states and regions in public offices and bureaucracy at all levels of government. The National Boundary Commission is an IGR agency also that relates to the identification, management and resolution of boundary disputes between communities and states.

There are a number of constitutional, statutory and ad hoc bodies that were established to foster economic development. Foremost are the National Economic Council and the National Planning Commission. The latter is an important economic policy and programme design and overseeing agency that plays vital roles in the economic progress and survival of Nigeria. Along with the Joint Planning Board and National Council of National Planning, the commission plays an important role in the design and integration of national development plans.

There are also IGR agencies that play important roles in the co-ordination of policy, plans, programmes and programme implementation in various sectors. These agencies such as the National Council on Establishment, Health, Education, Information and National Planning have been vital forums for federal and state officials to interact

on policy, implementation and problems. Others, like the National Primary Health-care Development Agency and the National Programme on Immunization have played policy and implementation co-ordination roles. There are numerous other agencies which enable IGR interaction in terms of policy implementation and problem resolution in different sectors, thereby facilitating the catalysation of development and integration of development efforts.

Intergovernmental Relations, Governance and Development in the Fourth Republic

The Fourth Republic has witnessed the emergence of horizontal IGR conferences and councils at which governance issues are discussed, canvassed and expressed. There is the Northern Governors Meetings which, apart from managing commonly inherited institutions, have been concerned with securing what it considers as an appropriate northern share of Nigerian politics and the addressing of imbalances between the north and south. There was the Southern Governors Conference, between 1999 and 2003. There are conferences of speakers of state houses of assembly, and chairmen of local governments. These conferences have usually constituted forums for raising and addressing governance issues of national concern. The Southern Governors Conference, for example, raised and presented positions on such issues as state police, true federalism and resource control. The Association of Local Government Chairmen (ALGON) has been vociferous in the articulation and defence of the autonomy, the integrity of local government funds, the tenure of local government councils and other issues pertaining to the Nigerian local government system.

The federal government formulated and has been implementing the Universal Basic Education (UBE) programme since 1999. The programme has state and local government participation. Until the 5 April 2004 Supreme Court Judgement on the onshore-offshore suit by the federal government in suit No SC.28/2001, the UBE drew a first-line deduction from the allocations of the Federation Account in respect of salaries and allowances. The states resisted the UBE because it is seen as an encroachment on their control of primary and post-primary education. They also resisted the compulsory first-line deductions from state and local government allocations.

There has been little horizontal IGR apart from those compelled by common regional or state ancestry such as northern development institutions and Od'ua development institutions' meetings. In spite of common problems, some of which span boundaries, there have been little or no joint*ness*, partnering or collaborations in relation to development efforts.

There have been increasing and recurring challenges of federal dominance, unilaterality and dictation. Some states even with identical partisan control, have charted different courses and have even been opposed to federal policies and positions. In the Fourth Republic, this occurred in relation to shar'ia law, the creation of local governments and the resource control agitation. Underneath this has been a groundswell of opinions and a concert of forces that challenge excessive federal power and resource concentration and the nature of federal practice.

There have been numerous conflicts over jurisdictions on taxation, planning laws, religious laws and control of local governments. In the case of the latter, the states

challenged the authority of the National Assembly to make laws on local governments while the federal government has been challenging the powers and propriety of the states to create new local governments. Other areas of conflicts has been the control and utility of the police by the federal government, shar'ia laws, the revenue allocation formula, the collection of VAT and dichotomies of onshore and offshore in the computation of derivation-based allocation from the Federation Account.

More specifically, there were and have been challenges of federal policies and practices in the Courts as part of the struggle over boundaries of power and resources. The Fourth Republic has been characterised by legal challenges both by the federal government and the states. There have been litigations over planning laws, ownership of offshore oil resources, the powers of the National Assembly over local governments and the powers of the Inspector-General of Police.

The management of intergovernmental fiscal relations has been punctuated by disagreements, contentions and conflict since the Fourth Republic. There have been considerable disputes over resource allocation. The main disputes are, first, over the quantum of resources to be allocated to each level of government. Second, the criteria, and more specifically, the equitableness, fairness and justice of existing criteria. Third is the management of the Federation Account by the federal government. At the fourth Southern Governors Meeting, held at Ibadan in September 2001 the governors accused the federal government of holding on to more than what should constitute its fair share of resources (Adeyemo, 2001:34).

There have been growing disenchantment and protests among stakeholders against the practices of the federal government. First, there are allegations of arbitrariness, unilaterality and absence of standards and criteria in the disbursement of funds to the three tiers of government. The standards or criteria used by the Federation Account Allocation Committee (FAAC) seems to be known only by the ministry of finance which determines disbursements. The criteria for the current disbursement to the tiers of government was unilaterally decreed by presidential executive order in 2002. The order gives 56 percent to the federal government (Adejokun, 2004). There are allegations that President Obasanjo utilises the Federation Account to reward obedient governors and punish troublesome ones by the use of discretionary grants from the Federation Account leftovers (Adejokun, 2004a).

The RMAFC proposal on a new revenue formula submitted to the National Assembly in December 2003 was withdrawn by President Obasanjo who intended to submit a new proposal which would assign more funds to the federal government. The state governors under the Governors Forum lobbied the National Assembly and RMAFC in favour of the earlier NRMAFC submission (Adejokun, 2004b). While the RMAFC submission allocated 46.63 percent to the federal government, President Obasanjo wanted 51 percent.

More recently, President Obasanjo ordered the minister of finance, to stop the release of allocation due to LGs in the four states of Lagos, Ebonyi, Niger and Jigawa which conducted elections in newly created councils that the President believes are illegal creations. The stoppage is expected to be in place until the states revert to the local government councils specified in Part 1 of the First Schedule of the 1999 Constitution (Ajanaku, 2004; Ezereonwu, 2004.

The states are persistent in their complaints over first-line deduction (FLDS) from the Federation Account. There have been complaints over the deduction from the Federation Account for debt servicing. This is because some states see the nation's foreign debt as largely that of the federal government.

Quite relatedly is the emerging trend of the impact of partisan configuration on IGR. Though partisan identity has orchestrated positive vertical and horizontal IGR, it has not precluded challenges and even litigation by aggrieved parties, such as by the states against the federal government. It has also not prevented the charting of diverse courses that are sometimes oppositional. There have been disagreements over shar'ia and creation of local governments between the centre and the Peoples Democratic Party-controlled states.

That is not to say that there have not been more dis-articulation between governments with non- identical partisan control. The relations between the federal government and the states controlled by the Unity Party of Nigeria, Peoples Redemption Party and the Great Nigeria Peoples Party in the Second Republic were intermittently poor. The relations between the federal government and the states controlled by the Alliance for Democracy has been intermittently poor in the Fourth Republic. Since the May 2003 elections, there has been less positive relations between the federal government and the states controlled by the All Nigeria Peoples Party.

The Courts seem to have acquired more importance as the point of resolution of IGR conflicts. In the litigation over the power to control licences for urban development, the Supreme Court ruled that states have the power over the urban development and planning in their own states (Aborisade, 2003:61). On the powers of the federal government and the National Assembly over the local government system, particularly as it related to the provisions in the Electoral Act pertaining to the tenure of local government councils, the Supreme Court in its ruling of 18 March voided the legislation. (Ugheghe, 2002). So far, the Supreme Court rulings on the Electoral Act, jurisdiction of state planning authority and resource control have tended to limit federal dominance, assertiveness and unilateral practices and to assert the powers of the states.

There are continuing pressures for de-centralisation. There have been resistance of the centralisation of wage reviews, the federal role in such areas as basic education, public housing, rural development and primary health-care which they are agitating should be the responsibility of states and local governments. There are agitations for regional or state police institutions or, at least, some autonomy and state control over state commands.

Part of the reasons for the contestative nature of relations in the democratic dispensations have been the acquisition of and application of freedom from hitherto military dictatorship. There have also been problems in the adjustments and adaptation to democracy and the presidential system (Nnamdi, 1992:107).

There have been efforts towards utilising IGR as an instrument of good governance. The federal government has sought greater accountability, transparency and fiscal responsibility in governance. It established the Independent Corrupt Practices Commission, whose authority spans the entire garnut of governmental tiers and structures, courtesy of a Supreme Court ruling which affirmed its jurisdiction over states and local governments. The commission's objective is to identify, investigate

and prosecute corrupt practices among public officials. It has investigated some corrupt practices among local government chairmen and it is said to be investigating some allegations of corrupt practices against the governors as well. (*Sunday Tribune,* 27: 05:2001).

The federal government recently adopted a uniform accounting system for the use of the three tiers of government. This became necessary because of the need to standardise the financial reporting systems and statements among the governments which are currently disjointed (Ola, 2004). The federal government is also proposing the submission of a fiscal responsibility bill. The purpose is to strengthen fiscal responsibility, check financial recklessness, control recurrent and overhead expenditures and release more funds to capital development. The bill's proposals extend to the three tiers of government. The federal government has also been undertaking regular publications of statutory allocations from the Federation Account to states and local governments. By publishing such accrued funds, the federal government hopes to empower the citizens to hold their leaders and governments accountable.

The RMAFC has been fighting a battle for greater transparency in the nation's revenue system. It engaged the Nigerian National Petroleum Corporation (NNPC) on its inexplicitness on proceeds from oil. The NNPC, it claimed, was turning in a proceed of USD18 per barrel as against a USD34 per barrel benchmark, thereby short-changing the Federation Account (Fagbemi, 2003). The commission has accused the state governments of withholding and misappropriating funds to local governments allocated from the Federation Account (Ogbu and Onuwa, 2003:4).

There have been considerable IGR activities, instituted by the federal government in relation to the local governments (LGs). The federal government has been very critical of the frittering or pilfering of LG funds by the states. In April 2004, the President directed that the implementation of state-local government joint account and the institution of the payment of a proportion of state revenue to the local governments as specified in s.162(6) (7) of the Constitution. He directed that the joint account be monitored by the minister of finance to ensure compliance. The states were requested to submit evidence of compliance (Ezeronwu, 2004).

Another IGR attempt to enhance better governance relates to the local government system. Arising from allegations of ineptitude, corruption, waste, frivolous expenditures, performance failure, high cost of governance and inefficiency of the local governments since 1999, the Obasanjo administration sought a review and reform of the local government system with the support of the National Council of State and the 36 state governors. The President set up an 11-man technical committee which, among others, was to review the performance of the local government in the past four years. The committee has recommended the need for the abolition of joint accounts and the adoption of the parliamentary system in other to reduce cost. Following from the general consensus for LG reforms, some state governments have undertaken reforms that particularly relate to cost reduction of local governments. Different variations of the parliamentary system are being adopted by the states (Onwumere, 2003; Aboyade, 2003; Williaw 2003, *ThisDay,* 23: 11:03).

Case Analysis I

State-Local Relations, Governance and Development in Nigeria

Local governments are political divisions below the state in a federation, which are constituted to address local development with substantial local participation and control. Usually, they are constituted by law and conducted by local bodies with some powers, discretion and responsibility to manage local affairs (Oyediran, 1988:2). Essentially, local governments are constituted for the purposes of facilitating local governance and development. These comprise the facilitation of local political participation, local discretion in policy making and project/service management and participation in the politics, policy development, economic planning and development efforts of state and federal governments. Thus, a local government is that which enables local initiative, responses and interests through local representatives who exercise specific and actual powers in the performance of local functions and are responsible and accountable to the local people. In essence, local governments in federal systems epitomise three central values; substantial de-centralisation, local governance and efficient development.

In Nigeria, the values of local governance and grassroots development have underlined the development and orientation of the local government system since 1976. The 1976 reforms, which was the first of its kind, marked a watershed as it institutionalised the structure, roles and funding and streamlined state-local relations. The reform was premised on the fact that the prevailing and divergent structures, sizes, staff and financial base of the local government system was deficient and inimical to their potential roles in national integration and development (King, 1988:86). The trend between 1976 and 1999, through various decrees, executive directives and reforms has been the strengthening of the local governments for local development. Resource flows from the federal and state governments have been institutionalised and the number, structure and functions provided for in the 1979, 1989 and 1999 Constitutions.

Nigeria's local government system is a vital tier that performs critical functions. These include the development, regulation and maintenance of agriculture, natural resources, roads, markets, motor parks, slaughter houses, recreation facilities, water, rural electrification, shopping centres, primary, adult and vocational education, street lights, health centres, security and local commercial ventures and industries. In addition, they plan, regulate or undertake as appropriate bakeries, laundries, outdoor advertising, pets and registration of births, deaths and marriages.

State-local relations has received considerable attention in the numerous tinkerings to strengthen the autonomy and viability of the local government system since 1984. The ministry of local government was abolished. The bureau/directorate of local government in the deputy governor's office became the structure for state supervision of the LGs. The Local Government Service Commission was made statutory and mandated to strengthen manpower and capacity. The National Electoral Commission conducted elections into the LGs. Direct allocation from the Federation Account was increased to 15 percent and later to 20 percent. The LG percentage share of state consolidated revenues was put at 10 percent. The presidential system was extended to the LG system and the chairman became executive chairman and accounting officer.

However, some of the gains instituted by the various reforms suffered setbacks.

The Abacha administration re-introduced the ministry of local governments. Expenditure and project discretion which was one of the hallmarks of the aborted Third Republic local government system has since thinned out. The direct payment of LG funds from the Federation Account has now been reverted. The Joint State/Local Government Account system was reinstated and local government funds are now paid through the state administered account. We should note, too, that while the local government share of the Federation Account was increased to 20 percent, more financial load was placed on it. For example, funds for primary school teachers salaries and pension charges were charged to the LGs. The deductions at source of these charges left the LG with little funds, which resulted in some cases in what was generally referred to as zero allocation to the LGs.

In spite of these, the local government system has been the object and beneficiary of increased allocation and funding for nearly three decades. In the last decade or so, apart from 20 percent and 10 percent allocation from the federation and state consolidated fund respectively, value added tax (VAT) has become a major source of funding, just as stabilisation and ecology funds and grants. Further, there has been a considerable resource flow to the LGs since 1993. From a total resource in-flow of ₦23.8b in 1996, ₦31.2b in 1997 and ₦44.9b in 1998 (*Table 1*), there was an astronomical rise to ₦131,215.1m in 2000; ₦166,064.1m in 2001 and ₦172,151.1 in 2002 (*Table 2*). The considerable efforts to strengthen the LG institution and its autonomy has not, however, been borne out by its performance, stability, capacity, conduct and operations.

The resource capacity of the LGs has remained weak. The local governments are very dependent on statutory allocations. As *Table 3* indicates, internally generated revenue as percentage of total revenue in the last decade has been less than 10 percent. Second, internally generated revenue has been on the decline since 1999 as compared to the preceding five years. This indicates that internally generated revenue efforts are poorer and that there is increasing dependence and un-viability.

The local government operational costs indicated by overhead and recurrent costs have been quite high. At the same time, capital expenditure have not just been low but declining. As Nchuchuwe (2003:20) indicates, capital expenditures as a percentage of total expenditures have declined from 38.97 percent in 2000 to 27.22 percent in 2001 and 26.57 percent in 2002. (*Table 2*).

The low capital expenditures indicate that poor attention has been given to the task of service delivery and local development. As Nchuchuwe (2003:20) notes, the LGs have been turned into mere administrative centres, rather than local development and service delivery offices.

The performance of the LGs have remained poor. The conduct and operations of the LG system has been very costly and inefficient. The LGs are perceived to have failed in achieving results of development projects and improved services, given the huge inflow of resources outlined earlier. The perception of poor results and achievements is fairly general and has resulted in popular disenchantment as reactions to the federal government instituted 2003 reforms indicate (Okonmah, 2003:15-26; Nchuchuwe, 2003:7).

Table 1: **Summary of Local Government Finances 1993-1998**

ITEM	1993	1994	1995	1996	1997	1998
CURRENT REVENUE	19,874.5	19,223.1	24,412.7	23,789.6	31,254.4	44,948.2
1. Federation Account	18,316.4	17,321.3	17,875.5	17,586.5	20,443.3	30,600.9
2. State Allocation	253.1	466.4	625.4	685.1	578.9	750.4
3. Value Added Tax	0.0	0.0	3,558.1	3,306.9	7,586.1	10,170.8
4. Internal Revenue	1,035.6	1,209.9	2,110.8	2,211.1	2,506.9	3,331.6
5. Grants & Others	269.4	229.5	242.9	0.0	139.2	94.5
RECURRENT EXPENDITURE	13,966.5	14,884.2	16,317.2	16.620.1	21,856.5	29,192.2
Current surplus(+) Deficit(-)	5,908.0	4,338.9	8,095.5	7,169.5	9,326.8	15,776.0
Capital Expenditure	5,508.8	4,082.9	6,126.1	6,045.5	8,083.4	14,864.7
Total Expenditure	19,475.3	18,967.1	22,443.3	22,666.6	29,939.9	43,999.9
Overall Surplus(+) Deficit(-)	399.2	256.0	1,969.4	1,124.0	1,234.4	968.3
FINANCING						
a. Loans	39.9	71.5	60.5	-11.0	-1,519.1	2,888.9
b. Opening Cash Balance	0.0	0.0	0.0	0.0	0.0	523.0
c. Other Funds	-439.1	-327.5	-2,019.9	-1,124.0	-1,519.1	2,356.3

Source: Central Bank of Nigeria-Statistical Bulletin vol. 11, no. 2, December 2000, p.111, as compiled by Nchuchuwe, 2003.

Table 2: **Summary of Local Government Finances 1999-2002**

Item	999 1/	2000 1/	2001 1/	2002 2/
CURRENT REVENUE	60,800.6	151,877.3	171,523.1	172,151.1
Internal Revenue	4,683.8	7,152.9	6,020.4	10,420.9
Tax Revenue	1,209.1	1,758.9	1,612.9	3,262.9
Non-Tax Revenue	3,474.7	5,394.0	4,407.4	7,158.1
Federation Account	43,870.3	118,589.4	128,500.5	128,896.7
Value Added Tax	9,559.8	13,908.7	20,102.7	18,724.2
Stabilisation Fund and Ecology	1,056.3	5,398.5	12,980.2	9,897.0
State Allocation	419.8	1,923.1	1,598.6	1,672.3
Grants and others	1,210.6	4,904.7	2,320.7	2,537.1
TOTAL EXPENDITURE	60,441.2	153,864.8	171,374.5	169,820.2
Recurrent Expenditure	41,613.9	93,899.9	122,712.7	124,701.6
Personnel Cost	22,771.0	41,487.1	66,951.2	70,354.7
Over Head Cost	16,332.5	41,456.4	45,758.0	44,040.8
CRFC and Others	2,510.4	10,956.4	10,003.5	10,306.1
CAPITAL EXPENDITURE	18,827.3	59,964.9	48,661.8	45,118.6
Administration	5,632.3	19,062.4	11,642.2	11,996.1
Economic Services	9,146.3	20,856.7	25,001.6	21,455.2
Social and Community Services	3,761.6	13,264.0	9,946.3	10,289.6
Transfers	287.1	6,781.8	2,071.7	1,377.7
BALANCE OF REVENUES & EXPENDITURE				
Current Surplus (+) deficit (-)	19,186.7	57,977.4	48,810.3	47,449.6
Overall Surplus(+) Deficit(-)	359.4	1,987.5	148.5	2,330.9
FINANCING				
Foreign	–	–	–	–
Domestic(net)	359.4	1987.5	148.5	2,330.9
Banking(net)	–	–		–
Non Bank	259.6	3,734.6	3,734.6	–

N.B. 1. Revised
2. Provisional, coverage 589 councils.

Sources: Central Bank of Nigeria Annual Report and Statement of Account for the Year ended 31 December 2002. p.111, as compiled by Nchuchuwe, 2003.

Table 3: **Internally Generated Revenue as a Percentage of Total Local Government Revenues in Nigeria 1993-2002**

YEAR	A TOTAL REVENUE	B INTERNALLY GENERATED REVENUE	B AS % OF A
1993	19,874.5	1,053.6	5.1
1994	19,223.1	1,205.9	6.7
1995	24,412.7	2,110.8	8.65
1996	23,789.6	2,211.1	9.29
1997	31,254.4	2,506.9	8.02
1998	44,984.2	3,331.6	9.41
1999	60,800.6	4,683.8	7.7
2000	151,877.3	7,152.9	4.71
2001	171,523.1	6,020.4	3.51
2002	172,151.1	10,420.9	6.05

Sources: *Central Bank of Nigeria Statistical Bulletin,* no. 2, December 2000, p.111, *CBN Annual Report and Statement of Account for the Year ended December 2002*, p.111. Nchuchuwe F.F. (see references).

There has been considerable financial recklessness and irresponsibility. This is indicated in frivolous and phantom expenditures, extravagance and inflated contracts, all of which manifest in high cost of governance. Poor financial management is also manifested in huge debt burdens which LG leaders leave for their successors. Local government leaders have taken loans and overdrafts from the banks most of which are not devoted to substantive projects (Adefaye, 2002:6; Olabode, 2003:15; Solomon 2003:7). The National Union of Local Government Employees have accused the LG functionaries of having wasted ₦716 billion between 1999 and 2003 (Adefaye, 2002:6; Ushakang, 2003:27).

There has been a high incidence of corruption. Cases of widespread looting, frivolous claims and awards, payment of phantom contracts and stealing have been rampant. Several chairmen of LGs have been indicted for corruption, financial mismanagement, theft and fraud (Obe, 2001:8; Anaele, 2003: Onah, 2003:7; Ugbor, 2003:8). Cases of alleged fraud and looting have pervaded local governments in Lagos, Benue, Nasarawa, Ondo, Delta, Bayelsa, Ogun, Ekiti, and many others (*Tempo,* 03:05:2001). It was reported in May 2001 that 387 local government bosses out of the 774 local governments in Nigeria were to face the anti-corruption panel (*Sunday Tribune,*

27:05:2001). In May 2001, as the first term of the local government political functionaries expired, President Obasanjo accused them of corruption, siphoning of public funds and non-performance (*The Post Express,* 30:05:2002).

The operations and conduct of the LGs have been characterised by disagreements, conflicts and stalemates. There have been frictions between staff of the local government service and political leaders and between political leaders. Quite common were legislative in-fighting and legislative-executive conflicts which resulted in impeachments of several speakers and chairmen of the councils. There have been threats, fighting and violence in several local governments.

Arising from sustained performance and operational problems and particularly pervading disappointment against the backdrop of considerable funding and high expectations, President Obasanjo commenced a new attempt to reform the LG system in June 2003. The reform was to review the performance, efficiency and high cost of governance at the local government level and make recommendations. The reform was given some national support by its approval by the National Council of State. To give room for the reforms, the President had earlier suspended indefinitely the conduct of the local government elections. The election was finally held in 2003. Though the reform has not been concluded, some states have started taking cues from the general recommendations and policy direction to undertake reforms of their LG systems. The direction, thus far, is the reduction of operational costs through structural tinkering such as an admixture of presidential and parliamentary systems. More recently, the Delta state house of assembly has instituted guidelines which provide for supervisory and part-time councillors. The purpose is to reduce recurrent expenditure of the LGs and thus release funds for development (Abugu, 2004A:A10).

State-Local Relations and the Status of Governance and Development in the Local Government System

The state has a constitutional duty to make laws for the structure, operation, function, funding and administration of the LGs. It monitors, regulates, oversees and supervises the LGs to ensure good governance, optimal performance and local development. Through expenditure controls, audit, monitoring and reports, the local governments are expected to tend towards fiscal responsibility and accountability and grassroots-oriented development and services. Apart from the laws of the house of assembly that determines and sets the overall framework for the operations and activities of the LGs, the administrative and policy regulations and oversight set the pace, direction and content of policies, practices and conduct. The latter is undertaken through several structures and processes.

The office of the deputy governor, the directorate/bureau of local government affairs and the ministry of local government where they exist are the main structures for regulating and supervising the LGs. These structures, headed by the commissioner for local government and the deputy governor, interact with the LG top officers frequently through meetings, summons, directives and instructions concerning the laws, circulars and guidelines which usually relate to expenditures' ceilings, contract awards and projects.

In most states, projects and contracts up to ₦1million have to be approved by the

state government and must be in accordance with approved tenders procedures. The LG chairman's expenditure approval limit is ₦.25m per item and up to a maximum of ₦1m per quarter. The local government must comply with the financial memoranda, accounting codes and procedures and other guidelines for operation as set by the state. State monitoring is also undertaken through the management audit panels in the office of the deputy governor that audits LG records and carries out inspection of projects. The LG monitoring office in the office of the deputy governor also undertakes pre-shipment inspection of supplies, programmes and projects and issues pre-payment certificates.

There is also the office of the auditor-general of local governments who has powers to audit the accounts and inspect completed and ongoing projects from time to time. The office relates to the state house of assembly in terms of audit reports and queries. Aside from all these, the local governments are expected to submit annual reports, annual financial statements and audit reports to the state governor and the state executive council. These reports and statements embrace the entire gamut of LG activities such as finances, projects, achievements and problems.

The state governments, therefore, deploy a broad range of controls, oversight, supervision and monitoring to ensure good governance, accountability, transparency, fiscal responsibility, public worth for expenditures as well as maximum deployment of LG resources for priority and relevant projects that are properly implemented and possess concrete results. The question, then, is, Why are the local governments so dismal in their performance, accountability, fiscal responsibility and resource mobilisation? Is it that the controls are mis-directed, self-interested and merely perfunctory? Is it that the controls themselves are corrupt-ridden and that the LG top officers have found ways around them? Could it be that the controls are themselves dysfunctional and undermining? Is it that the states are incapable of fostering good governance and development in the local governments?

A critical examination and assessment of state-local relations reveal that it may not altogether be functionally and positively related to the performance, operation, autonomy and viability of the local government system. There are complaints that state controls are so detailed, recurring and exacting that they undermine local discretion in decision making, planning and programming. Further, there are allegations that these controls actually provide channels for corrupt enrichment of state officials as LG functionaries buy their ways around the controls. Thus, to undertake projects and expend funds above limits may be entailing the local governments compromising relevant state authorities.

The state governments have undermined and weakened the integrity and capacity of the local government system by the creation of local governments. Ogun state created additional 32, Imo, 32, Lagos, 37 and Kogi, 27. Other states such as Enugu, Bayelsa, Akwa Ibom, Ondo, Benue, Bornu, Niger and Jigawa have either created or are in the process of creating new LGs. Of these states, only Ebonyi, Lagos, Niger and Jigawa conducted elections in the new councils. The creation of new LGs is a repetition of what occurred in the Second Republic. The import of such numerous creations is that the LGs become dimunitive, weak and unviable. This is apart from reproducing financial dependency, lack of manpower and other capacities and increasing administrative and operational costs.

The democratic and, more specifically, representative content of the LG system has been poor as the federal and state governments have preferred caretaker and transition committees to elected officials. Such committees, which were in place in most states between June 2002 and April 2004, were subjected to greater control and manipulation, being usually partymen and lackeys appointed for rewards rather than competence.

The state governments have been accused by the RMAFC of misappropriating allocations to the LGs from the Federation Account and VAT. The state governments are said to divert LG funds to other uses and to make all kinds of deductions (Ogbu and Onuwa, 2003). The chairman of RMAFC have alleged that over ₦35b of LG funds were diverted by states between January and July 2003 (Adagbabiri, 2003:21). Sometimes, the states withhold the funds or simply delay them, thereby causing distortions in the operations of the LGs. As a consequence, actual funds released to the LGs are much less. The state governments have particularly siphoned LG funds through the transition and caretaker committees.

The state governments have also impinged on LG funds by directives or orders to contribute specific sums to state agencies, activities, joint programmes, celebrations and pet projects. For example, LGs have been directed to contribute to State Independent Electoral Commissions, state elections and inauguration ceremonies. The local governments have been made to contribute to the sustenance of the Police, state security service, immigration, National Directorate of Employment and other federal government agencies in their local government areas. The LGs were compelled to buy 1000 jeeps for the Police through the cost of ₦4.4b which was deducted from their allocations by the federal government. The LGs were also made to contribute compulsorily to the funding of the 2003 elections.

Adagbabiri (2003:14-19) chronicles the abuses of the Joint State/Local Government Accounts by the states. The fund is controlled by the states with little input and actual consent from the LGs. There are numerous deductions and consequently meagre remittance to the LGs. The list of items and projects for which funds have been deducted include internal connectivity and fertilisers in Kaduna state, community re-orientation committee and co-funding of provision of lunch to primary school pupils in Kano and agricultural loan, Thuraya phones, computerisation of salaries, printing of almanacs, fertilisers, rural electrification and stabilisation fund in Borno (Adagbabiri, 2003:16-17). In sum, only between 20 percent and 60 percent of allocated funds actually got to the LGs.

Adagbabiri (2003:15) found that by June 2003, the Kaduna state government deducted about ₦680,175,438.43m out of the allocation of ₦999,084,103.30. Out of the ₦13b allocated to LGs in Borno state between March 2002 and March 2003, the state deducted ₦6b. In Kogi state, about ₦22.778b was allocated between May 1999 and 2003. The state government deducted ₦13,501b. The story is not different in Cross River state where about ₦8,094,750.37 was paid to the LG system between 2000 and 2002. About ₦4,332,671,490.86 was deducted. Adagbabiri (2003:19) concludes that mass deductions and consequent under-funding of the local governments was pervasive in all the 36 states and the Federal Capital Territory.

State governments also interfere with the collection of LG taxes. There are

encroachments on the taxation jurisdiction of the LGs. Sometimes, the state governments impose tax agents who collect revenue on commission for the LGs. Such tax agents are difficult to control and have doubtful loyalty and responsibility.

The data that has been the basis for the analysis thus far is secondary. We decided to move beyond that to provide primary data from those who should know, by virtue of their strategic location and experience. The next section then is based on the information, perception, opinion and assessment of state-local relations as they impinges on governance and development.

Data Presentation and Analysis

The sample respondents in Edo state (40), was largely in the 40-49 (67.5%) and 30-39 (27.5%) age groups. There were mostly males (85%) who were heads of department (62.5%) and had spent between 11 and 19 (45%) and 20 and 29 (32.5%) years in the service. They were mostly drawn from the administration/personnel (52.5%), works 25%) and finance and treasury (12.5%) departments. The Delta sample (50) was largely in the 40-49 (60%) and 50-59 (24%) age sets, male (66%) who were heads of departments (70%) and have spent between 10-19 (40%) and 20-29 (36%) years in the local government service.

Intergovernmental Collaborations in State-Local Relations

First, we investigated whether there were collaborations and joint programmes between state and local governments and how such collaborative efforts have fared. There are a few incident of collaborative and joint funding of projects and programmes. Only a few respondents (45%) in Edo state and (26%) in Delta could state categorically that such existed. In terms of the performance of such projects, they were regarded as satisfactory in Edo (65%) but poor in Delta state (60.5%).

The more common situation as the Edo (79.1%) and Delta respondents (84.6%) is that the states utilise, work through or rely on the local governments for the implementation of some programmes and projects. Further investigation revealed the areas of such collaboration (*Table 4*). As indicated, health services and the maintenance of primary school buildings were the main areas of collaboration in Edo state, while health and education were the most important in Delta state. The areas in health-care which were most frequently identified were the National Programme on Immunisation, sanitation, HIV/AIDS programmes and TB/LP programme. The performance of these projects and efforts was assessed as quite successful and satisfactory in Edo (60%) and Delta (57.1%).

State Supervision, Governance and Development

The second issue investigated is at the centre of most discussions of state-local relations. Our point of departure is that though the existence of these controls and supervision is important, the import or consequences of the controls are even more important and they engage our attention here. But, first, we wanted to know the structures and devices of control and the frequency of application or importance of such structures and devices in the configuration of state-local relations. We found that the structures for monitoring

performance and good governance in the LGs are numerous (*Table 5*). In order of activity and roles in Edo state, the Directorate of Local Government and Chieftaincy Affairs and the house of assembly are the most important. In Delta state, the ministry of local government and the auditor-general's office are the most important.

The most important devices utilised for monitoring and supervising the LGs in Edo state are guidelines, circulars and directives and project monitoring by the state executive/administration. In Delta state, the most important devices are the general supervision and monitoring of the state administration and project monitoring. There are differences in the responses of the two states.

The state governments do also apply sanctions when the performance of the local governments are below expectations. In Edo state, queries (44.4%) is the most commonly applied. If the erring official is of the local government service, there may be discipline (16.67%). Legislative actions may also be undertaken by the state house of assembly (13.89%). In Delta state, there are queries (21.3%), legislative actions (24.6%) and withholding of allocations (23%). In Delta state, 23% indicated the withholding of funds as opposed to only 5.6% in Edo, indicating that this is a more frequent sanction in Delta state.

Table 4: **Areas of State Utilisation of Local Governments for Implementation**

S/N	Areas	Edo		Delta	
		Frequency	%	Frequency	%
1.	Education/Maintenance of primary school buildings	6	18.18	11	17.74
2.	Health services	15	45.45	25	40.32
3.	Payment of teachers' salary	1	3.03	-	
4.	Renovation of state library, courts, etc.	2	6.06		
5.	Projects/ Maintenance of water, roads and electricity	5	15.15	6	9.68
6.	Skills acquisition centres/ capacity building	2	6.06	3	4.84
7.	Agricultural services	1	3.03	2	3.23
8.	Maintenance of peace and order	1	3.03	2	3.23
9.	Sports and Youth Development	-		7	11.29
10.	Elections	-		6	9.68
	Total	33	100	62	100

Table 5: **Instrument and Devices for Overseeing Performance in the Local Government**

S/N	Instrument	EDO Responses	EDO %	DELTA Responses	DELTA %	Devices	EDO Responses	EDO %	DELTA Responses	DELTA %
1.	Ministry/Directorate of LG	18	34.62	14	31.11	Annual Award	1	3.33	—	
2.	Auditor-General	8	15.38	13	28.89	Constant Monitoring	3	10	16	28.07
3.	Deputy-Governor's Office	1	1.92	—		Expenditure	1	3.33	—	
4.	House of Assembly laws and checks	10	19.23	8	17.78	Legislative checks	6	20		
5.	Local Government Service Commission	4	7.69	5	11.11	External auditing	2	6.67	5	8.77
6.	Zonal Directors of Directorate and Monitoring Units	7	13.46	—		Guidelines/ Circulars/ directives	7	23.33	7	12.28
7.	Ad hoc Committees	4	7.69	5	11.11	Project monitoring	7	23.33	7	12.28
						Quarterly and monthly return to Directorate	3	10	12	21.05
									10	17.54
	Total	52	100	45	100	Total	30	100	57	100

Table 6: **Impact of State-Local Relations on Local Government Plans and Budgets**

Response	EDO Frequency	EDO %	DELTA Frequency	DELTA %
Judicious use of resources	3	9.7	4	10
Uniform approach to budgeting and planning	4	12.9	–	
Enhanced performance	7	22.6	3	7.5
Undermine efficiency and development	5	16.1	25	62.5
Disrupts effective planning and funds availability	10	32.3	1	2.5
No effects	2	6.5	7	17.5
Total	31	100	40	100

The impact of state-local relations on different aspects of local government development functions was investigated (*Tables 6* and *7*). In terms of plans and budgets in Edo state, the impact is negative in some areas and positive in others. While state controls enhance performance and promote uniformity and judicious use of resources (45.2%), it undermines efficiency and development, disrupts effective planning and funds availability (48.4%) (*Table 6*). In Delta state, the responses indicate that performance and efficiency are undermined (62.5%), while 17.5% indicate that there are no effects. The responses are substantially different from that of Edo state in terms of overall negative contribution of state controls on plans and budgets. More specifically, the Delta respondents mentioned that state-local relations slows down projects and enables ineffective programme implementation.

In terms of projects and services, the impact is quite positive in Edo and Delta states (*Table 7*). In Edo state, controls ensure efficiency and standards (32.1%) and accountability and transparency (25%). However it mounts undue pressures (12.5%). In Delta, the impact is in the enhancement of efficiency and standards in project and service management (28.2%) and facilitation of project execution (23.1%).

Table 7: **Impact of State-Local Relations on Local Government Projects and Services**

Response	EDO		DELTA	
	Frequency	%	Frequency	%
Ensures efficiency and standards	10	32.1	11	28.2
Ensures accountability and Transparency	5	15.6	3	7.7
Institutes checks and balances	8	25	3	7.7
Undermines improvements	1	3.1	3	7.7
Mounts undue pressures	4	12.5	2	5.1
No effects	4	12.5	8	20.5
Facilitation of project execution	–	–	9	23.1
Total	32	100	39	100

At a more general level, we investigated the impact of state supervision on local governance and development and the ways by which such supervision undermines good governance and development.

The results were outstanding in the sense that supervision was perceived to impact so negatively (*Table 8*). In Edo state, most respondents disagreed with any positive roles on revenues (94.7%), fiscal responsibility (65.8%) and corruption (73.7%). They also disagreed with any positive impact of administration, development, leadership and management. In Delta state, the responses were also intensely negative about revenues, funds, fiscal responsibility, corruption and local input. But the responses in relation to undermining funds, efficient management and better administration were

less negative and more positive than those of Edo, which indicate that in some areas, state-local relations made some impact.

Thus, state supervision contributes very little to strengthening governance and development in the LGs. The perception of whatever positive contribution there is seem to be higher in Delta state, indicating that there is a better impact of state-local relations on the indications investigated.

Table 8: **Impact of State Supervision on the Local Government Governance and Development (Edo Sample)**

S/N	Responses	EDO Agree	%		Disagree	%	N	DELTA Agree	%		Disagree	%	N
1	Strengthened LG Revenues	2	5.3	36	9	4.7	38	3	6	47	94	50	
2	Enhanced Fiscal Responsibility	13	34.2	25		65.8	38	19	38	31	62	50	
3	Reduced corruption	10	26.3	28	7	3.7	38	9	18	41	82	50	
4	Enhanced better administration	11	29.7	26	7	0.3	37	21	42	29	58	50	
5	Strengthened development	8	22.9	27	7	7.1	35	13	26.5	36	73.5	49	
6	Facilitated accountable/ responsible leaders	9	25	27	7	5	36	19	38	31	62	50	
7	Strengthened efficient management	11	29.7	26	7	0.3	37	20	40.8	29	59.2	49	
8	Undermined LG funds	32	86.5	5		13.5	37	29	58	21	42	50	
9	Strengthened local people input	9	24.3	28		75.7	37	11	22	39	78	50	

We then investigated the specific ways by which state-local relations undermine good governance and development in the local government system (*Table 9*). The most fingered in both Edo and Delta states' samples are undue interference, the undermining of local discretion, state deductions and non- remittance of funds. The key issue thus relates to the excessive interference with the administration, decision-making and funds of the local government system.

Table 9: **Ways by Which State-Local Relations Undermine Good Governance and Development in the Local Governments**

Response	EDO		DELTA	
	Frequency	%	Frequency	%
Undue interference	19	29.2	23	34.3
Deductions and interference with LG allocations	4	6.1	13	19.4
Undermine local priorities and discretion	9	13.9	12	17.9
Excessive bureaucracy	3	4.6	—	—
Non-remittance of state allocation	4	6.1	9	13.4
Deductions / requests in respect of state projects	1	1.5	3	4.5
Transfer of state responsibilities to LGs	1	1.5	—	—
Erosion of LG powers	3	4.6	—	
Excessive control	3	4.6	1	1.5
Ineffective oversight	4	6.1	4	6
None	4	6.1	2	3
TOTAL	55	100	67	100

We investigated the much-alleged encroachment, pilfering and hijacking of local government funds, particularly those that are federally allocated from the Federation Account and VAT. This trend has been quite common for several years and the federal government has attempted to curb the phenomenon through several measures. Since the Fourth Republic, local government funds has literally become an extension of state funding.

We asked our respondents to describe the level of state encroachment on LG funds as compared to the period before 1999 (*Table 10*). The responses indicated that state encroachment was much higher in Edo (86.5%) and Delta (81.6%) states.

Our respondents in Edo described the level of state encroachment as 'enormous', 'superfluous',. 'quite terrible', 'alarming', 'very high' and 'massive'. They also described the situation as 'strangulating', 'detrimental', 'destructive', 'unfair', 'hindering', and 'discouraging'. The situation is denoted as indicating 'absolute subjugation' and 'dictatorship'. In addition to similar comments, the Delta respondents described the situation as undermining development and project execution. The situation of considerable encroachment indicates that the LGs are being treated as mere parastatals.

Table 10: **State Encroachment on LG Funds**

	EDO		DELTA	
Responses	Category	%	Responses	%
Much Higher	32	86.5	40	81.6
Higher	4	10.8	8	16.3
Same	1	2.7	–	–
Lower	–	–	1	2
Total	37	100	49	100

Evaluation of the Management of State Controls of the Local Government System

We investigated how local government administrative functionaries perceived and assessed state supervision as it relates to purpose, governance attributes and management (*Table 12-16*). In terms of purpose of state supervision, we attempted a comparison of today's purposes as compared to yesterday's (*Table 11*). The results were interesting. In Edo state, prior to 1999, the purposes were all noble, relating to efficient performance, even development, checks and balances and accountability (100%). In Delta, the purpose was primarily to ensure effective performance (58.97%). Since 1999, the aforestated purposes in Edo state now comprise only 52.9% . More objectives that are less noble or altruistic and relating to control over LG finances and actual takeover of LG funds and the maximisation of benefits from the LG system (47.1%) have become important. In Delta state, there is also a decline in the purpose of state control from the more positive causes, but the situation seems better as compared to Edo state. The altruistic purposes still comprise 62.2% as compared to 94.9% in the period before 1999.

The decline indicate that, increasingly, other interests that are not functional to the LG system are underlining state controls.

In terms of governance qualities (*Table 12*), the Edo state responses indicated low consultation (59.5%), fairly high co-operation (54.1%) while collaboration is fairly low (54.1%). In Delta, consultation is perceived as high (54%) but co-operation (64%) and collaboration (66%) are low. But these responses are marginal. They indicate, however, that some consultation and co-operation go on, but collaboration is poor. The incidence of unilateral directives, dictation and subordination of the LG system is very high in both states. It is, however, higher in Edo state. We can say that governance qualities in state-local relations is poor. Particularly, it is top-down, dictated, unilateral and with little consultation.

Table 11: **Perception of Purpose of State Control of Local Governments**

Responses	1999		2004		Before 1999			
	EDO	%	DELTA	%	EDO	%	DELTA	%
Effective performance	8	23.5	14	31.1	10	32.3	23	59
Even development and equitable distribution of facilities	3	8.8	4	8.9	9	29	7	18
Accountability and transparency	4	11.8	8	17.8	4	12.9	5	12.8
Checks and balances	2	5.9	–	–	7	22.6	–	–
Correct mal-administration	1	2.9	2	4.4	1	3.2	2	5.1
Control over LG system and finances	8	23.5	10	22.2	–	–	2	5.1
Take over of LG funds and other benefits	6	17.7	5	11.1	–	–	–	–
Maximise state benefits from the LG system	2	5.9	2	4.4	–	–	–	–
Total	34	100	45	100	31	–	39	100

Table 12: **Governance Qualities in State-Local Relations**

S/N Qualities	EDO					DELTA				
	High		Low			High		Low		
	Frequency	%	Frequency	%	No	Frequency	%	Frequency	%	No
1. Consultation	15	40.5	22	59.5	37	27	54	23	46	50
2. Co-operation	20	54.1	17	45.9	37	18	36	32	64	50
3. Collaboration	17	45.9	20	54.1	37	17	34	33	66	50
4. Unilateral Directives	34	91.9	3	8.1	37	35	70	15	30	50
5. Dictation of Instructions	36	97.3	1	2.7	37	42	84	8	16	50
6. Subordination	33	89.2	4	10.8	37	34	68	16	32	50

The character and quality of the management of state-local relations is also poor (*Table 13*). In both states, state management of the relations is seen to be disorganised, incoherent, inconsistent, and not purposeful. The management is also not efficient and development oriented. It is also seen as self-interested, conflict-ridden and characterised by personal and partisan struggles. The only positive component assessed was that the management fostered collaboration. The responses indicate that LG administrators perceive the management of the state-local relations to be very poor.

Table 13: **Perception of Management of State-Local Relations (Edo State)**

S/N	Description	EDO YES	%	NO	%	N	DELTA YES	%	NO	%	N
1.	Organised and Coherent	13	34.2	25	65.8	38	16	32	34	68	50
2.	Purposeful	14	36.8	24	63.2	38	17	34	33	66	50
3.	Development oriented	15	39.5	23	60.5	38	15	30	35	70	50
4.	Self-Interested	27	71	11	29	38	38	76	12	24	50
5.	Conflict-ridden	26	66.7	13	33.3	39	39	79.6	10	20.4	49
6.	Ridden with personal/ partisan struggles	24	46.9	13	35.1	37	36	75	12	25	48
7.	Inconsistent	26	66.7	13	33.3	39	35	71.4	14	28.7	49
8.	Efficient	12	31.6	26	68.4	38	11	22	39	78	50
9.	Collaborative	20	51.3	19	48.7	39	23	46	27	54	50

Assessment of Federal-Local and Non-State-Local Government Relations

Two types of intergovernmental relations with the LG, other than the state were investigated. The first is federal-local relations and the second, the relations of non-state actors such as non- governmental organisations and communal groups and development associations. As *Table 14* indicates, federal direct relations with the LGs or through the states are seen to have impacted very positively on funding, autonomy, projects and development efforts of the LGs in both states. It has also restrained the exercise of state controls and fostered the accountability of the LGs. However, the impact on autonomy is less when compared to the other dimensions. The Delta respondents also see the federal impact as lower comparatively on development efforts and accountability. The responses indicate a very positive perception of federal-local relations. It further indicates a high expectation, particularly in relation to federal moderation and support vis-à-vis state-local relations. The responses reveal a tending towards federal intervention which itself is a vote against state-local relations.

The results of the investigation of roles of non-state actors in fostering local governance and development in the LGs are encouraging. In both Edo and Delta states, non-governmental organisations are supporting projects and services, collaborating with and supporting the LGs and enhancing capacity building. In the case of the communal groups and development associations, they are collaborating, complementing and supporting the LGs, providing helpful input and facilitating the sensitisation and mobilisation of community members. Communal groups and development associations are particularly supportive in the areas of complementing the LGs, mobilisation and contribution of input in Edo state. In Delta, the direction seems to be in the support of projects and infrastructural development. The communal groups in Delta are also

linking the LGs with the grassroots and complementing in the maintenance of law and order. The responses indicate an emerging structure of active non-state involvement with the LGs that is capable of not only strengthening its grassroots base and good governance content but its capacity for local development.

Table 14: **Impact of Federal-State-Local and Federal-Local Relations on Local Governments**

Response	EDO				DELTA			
	Positive		Negative	N	None	N	Positive	
Negative	None Impact		Impact				Impact	
Fund availability	25	6	1	32	35	5	1	41
	78.2	18.6	3.1		85.4	12.2	2.4	
Autonomy	23	–	11	33	27		10	37
	69.7		33.3		73		27	
Funding support for projects	26	6	3	35	33	1	5	39
	74.3	17.1	8.6		84.6	2.6	12.8	
Development efforts	31	-	1	32	26	-	10	36
	96.9		3.1		72.2		27.8	
Exercise of state control	25	6	3	34	23	-	11	34
	73.5	17.6	8.8		67.6		32.4	
Accountability of LG leaders	31	-	3	34	23	-	9	32
	91.2		8.8		71.9		28.1	

Table 15: **Roles of Non-Governmental Actors in Local Governance and Development**

Roles	Non-Governmental Organisations				Communal Groups/ Development Association			
	EDO Responses	%	DELTA Responses	%	EDO Responses	%	DELTA Responses	%
Support of programmes/ projects/services	11	35.48	14	31.8	3	10.3	10	20
Support for infrastructural development	-	4	9.1	4	13.8	12	24	
Capacity building	4	12.9	2	4.5	–	—		
Donations and helpful input	2	6.45	2	4.5	5	17.2	3	6
Complementing/ collaborating/ supporting the LG	6	19.45	13	29.6	7	24.1	–	–
Sensitisation/mobilisation	2	6.45	4	9.1	5	17.2	3	6
Link LG to the grassroots	–	—	2	6.9	7	14		
Maintenance of security	–	–	2	6.9	6	12		
No roles	6	19.45	5	11.4	1	3.5	9	18
Total	31	100	44	100	29	100	50	100

State-Local Relations, Governance and Development: Findings and Comments

In spite of considerable re-structuring, funding and expansions of roles and autonomy local government remains weak, poorly conducted, operationally cost heavy, fiscally irresponsible, corrupt, conflict-ridden and unstable. There have been considerable performance deficits, poor resource mobilisation and weak capacity. As a result, the LG system has contributed enormously to the poor governance and development at the local areas.

Arising therefrom, but more historically situated, there has been extensive state controls in state-local relations which in spite of efforts at constriction in order to strengthen LG autonomy has continued to grow. But state controls have persisted in the patterns, trends and effects for which their curtailment has been severally recommended and attempted. There are too detailed and exacting controls that they undermine local discretion and participation which are critical ingredients of good governance. Democratic content, capacity and viability have been tampered with and the LG have not only received their due statutory allocations but federal allocations are delayed, diverted, withheld and pilfered. The sum of these controls in many ways distort, dis-

articulate and undermine local governance and development of the LGs.

Our primary data sourced from in-depth interview schedules indicate that there are numerous instruments and an extensive range of devices by which the states relate to the LGs in terms of supervision and control . The import and impact of these controls on critical indicators of good governance and development were found to be negative. More specifically, the impact on LG performance in terms of budgeting, planning, management, fiscal responsibility, administration, accountable and responsible leadership, local input and funding are quite negative and undermining. Most fingered as undermining the good values of governance and development are excessive interference and encroachment on LG funds.

The management of state-local relations is perceived and characterised as poor in its orientation and character. The good governance content of state-local relations is poor. The purposes of state-local relations is perceived as shifting from performance improvement to effective control and domination of LG resources. Unfortunately, democratic rule not only reinforced the status of state controls but has heightened encroachment, underfunding and the primacy of non-altruistic purposes in state-local relations.

Our conclusion here is that apart from some positive effects on projects and services, state-local relations as it presently is, undermines LG good governance and development. It is deficient in management, good governance qualities, altruistic purposes and development orientation. It has been patently ineffective in strengthening performance, efficiency, accountability, capacity and viability of the LGs. It is perceived by the administrative operators of the LG system as largely negative and dysfunctional. As a result of weaknesses in state controls, LG operators tend to look towards the federal government whose relations is seen as profound in its positive impact. There is some hope in the increasing profile of roles of non-governmental organisations and communal development associations which are increasing the grassroots content, input and support to the local governments.

Case Analysis II

Intergovernmental Relations, Crisis of Governance and Interventionist Efforts in the Development of the Niger Delta

The crises in the Niger Delta date back to the colonial period. Since the 1950s, there have been cycles of agitation with different degrees of intensity over neglect, marginalisation and poor developmental attention. Earlier agitations in the 1950s were situated in the configuration of ethnic majority domination, exclusionary politics and the increasing predicament of the ethnic minorities. The redress of the minority predicament was seen then in the creation of separate regions. The intensity of the struggle led to the setting up of the Willinks Commission in 1958 whose terms of reference were first to ascertain the facts about the fears of the minorities in any part of Nigeria and to propose means of allaying them, whether or not they were real. Second, it was to advise what safeguards should be included for this purpose in the Constitution of Nigeria. Third, the commission was mandated to, if, but only if no other solutions seems to meet the case and as a last resort, make a detailed

recommendation for the creation of one or more additional regions.

The commission found that there was a development crisis that required special attention in the region; but rather than recommend a new region, guarantees at the level of individual rights were provided. According to the Willinks Commission (1958:8), the Niger Delta in which minorities such as the Ijaws lived, was one which

> is divided by creeks and inlets of the sea and of the Niger into many small inlands which nowhere rise above the highest tides and floods. Transport by water and the construction of roads or railways will be prohibitively expensive. Theirs is a country which has been neglected and which is unlikely ever to be highly developed.

More importantly, the commission remarked that the difficulties of this difficult stretch of the country were not understood at the headquarters of the government. The commission recommended the establishment of a special development agency.

The agitation continued and was accentuated by the increasing exploitation of oil and gas and their increasing profile in the revenue and incomes of the nation. Oil made a difference to the economy and the development of the nation, but the increasing wealth and infrastructural development did not seem to affect the whole region. After the Civil War, the situation of trickle benefits from the oil economy persisted and, as a matter of fact, became worse as the revenues due to the region from oil progressively declined. The failed expectations, the realisation of the deployment of oil revenues for the development of other regions and the consequences of oil-based environmental degradation on scarcity and poverty accentuated the hitherto feelings of neglect and marginalisation.

By the 1980s, the agitation had deepened and become more intense and pervasive. There was increasing disenchantment and restiveness. The relationship of the oil-producing communities with the multinational oil companies was increasingly becoming characterised by rising frictions and tensions. There were localised communal protests which were visited with heavy state violence and brutality. By the early 1990s, the Ogoni became the harbingers of a new level of communal and ethnic mobilisation in favour of environmental remediation, reparation and de-marginalisation. Besides, a new wave of ethnic and regional nationalism began to sweep across the region. It was not a surprise that there was by the mid-1990s, a huge wave of ethnic mass mobilisation and nationalistic sentiments across the region. Particularly, the Ijaw, the largest ethnic group in the region, became intensely mobilised in relation to the critical issues of neglect, dis-inheritance, environmental devastation, impoverishment, injustice and inequity. Other groups and communities followed.

The entire scene by the 1990s was one of a region on the edge. There was general tension, restiveness, protests, violence and disruptions. The regional elite also became restless and joined the queue of agitation. This was manifested in the emergence of regional groups which were directed at redressing the region's neglect, marginalisation and underdevelopment, and the inequitable and unjust treatment by the Nigerian state and the oil companies.

As a result of these developments, the Justice Belgore Commission was set up in 1992 to look into the plight and problems of the oil-producing communities. The

commission recommended and the federal government established the Oil Mineral Producing Areas Development Commission. But the situation did not abate. By the late 1990s, the region was clearly one of generalised protests and insurrection which was accompanied by massive state coercion, militarisation and violence. Oil and gas production were not just witnessing considerable disruptions but the environment was insecure and tense. The 1999 presidential elections provided opportunity for the presidential candidates and parties to outline their programmes to resolve the massive conflicts and tension in the region. When Obasanjo became president, he proposed a Niger Delta development commission which was enacted into law in 2000.

The Crisis of Development in the Niger Delta

The Niger Delta is immersed in a development and governance crisis which denotes the crisis and contradictions of the Nigerian state. The region is home to the crude oil and gas that is the major revenue and foreign exchange earner by which Nigeria is run. But it is the least developed. It has only 2 percent of federal roads and less than 30-40 percent of the settlements have electricity. As at 2004, the entire Bayelsa state was not connected to the national electricity grid. In some areas, existing primary health-care facilities serve as little as 2 percent of the population. There is a huge infrastructure underdevelopment. Educational facilities are inadequate in the riverine communities. The prices of petroleum products are some of the highest in the country. There is endemic poverty (NDES, 1997A).

Rather than attract development, oil has actually devastated and underdeveloped the region. Oil exploration, exploitation and distribution has been the bane of the region. It has created huge land and water scarcities. With over 10,000km of pipelines, over 100 flow stations, 10 gas plants, 3 oil terminals, 1,500 oil-producing wells and 3 refineries, the toll on the land and water of the region is such that they have become more scarce and priceless (Egborge, 1999). The emergent scarcity has underlined family, intra-communal, inter-communal and inter-ethnic feuds, conflicts and wars. The oil economy has dis-inherited and dislocated the local people who are dependent on the primary economies of farming, fishing and hunting.

Besides, the region has been laid prostrate by massive oil-based environmental degradation. Massive gas flares and oil spillages have destroyed or devastated enormous land and water which has led to soil infertility, agricultural decline, forest loss, fisheries decline and bio-diversity depletion. It is estimated that about 2,369,471 barrels of crude oil was spilled between 1976 and 1996. About 1,820,411 of these were not recovered and were therefore absorbed (Egborge, 1999). About 479, 392mm^3 of gas was also flared between 1958 and 1994 (Egborge, 1999).

In spite of the massive oil production and revenues accruing to Nigeria, the economy of the region has progressively declined. The region is deprived and dis-inherited of her natural resources and the accruable benefits. The federal government has through her policies progressively taken over the entire rents, royalties and other benefits and presented to the MNCs that the oil-producing communities did not matter. From a derivation based resource flow of 50 percent from the federation account in 1966, it declined to 45 percent in 1970, 1 percent in 1979, 2 percent in 1982, 1.5 percent in 1984 and 3 percent in 1992.

The Niger Delta, Crisis of Development and Intergovernmental Development Interventions

The first intergovernmental intervention was consequent upon the early agitation and the report of the Willinks Commission which recommended a special development agency, having declared the region a special area requiring special intervention. In fact, the 1960 Constitution provided for and made the region a special area.

The Niger Delta Development Board was inaugurated in 1960 and charged with the task of developing the region. Its status was further asserted by s.159 of the 1963 Constitution. It was managed by a board whose chairman was appointed by the President with a member each appointed by the governors of Eastern region and Midwestern region to represent the regions. Other members were as prescribed by Parliament. However, the board was largely inactive. The intense regionalism and politicisation of the period afflicted the NDDB. It did not accomplish any substantial development until the Civil War. It was abandoned after the war.

The Presidential Task Force on Oil Mineral Producing Areas was set up by President Shehu Shagari to manage the 1.5 percent of the Federation Account that was due to the oil-producing areas for the development of the region following the 1982 Revenue Allocation Act. There were state offices manned by state appointed task forces which managed the fund to develop the oil-producing areas within the states. There were no national task forces between 1984 and 1992, because the military dissolved the existing task forces in 1984 and did not appoint any. At the states, however, the offices continued to operate. The task forces did not have the importance, attention and commitment that they deserved. The most important intergovernmental development agencies have been the Oil Mineral Producing Areas Development Commission (OMPADEC) and the Niger Delta Development Commission (NDDC).

The Oil Mineral Producing Areas Development Commission (OMPADEC)

This commission was established by Decree 23 of 1992. The objectives were the rehabilitation and development of the oil-producing areas and the tackling of the ecological problems that arose from oil exploration. The focus of the development was infrastructures such as roads, electricity, drinking water, land reclamation, agricultural and fish business and transportation. OMPADEC was managed by a board headed by a chairman. They were appointed by the federal military government. Its funding was from the 3 percent allocation from the Federation Account based on derivation. The focus of OMPADEC was the oil-producing communities (OPCs). Therefore, the development activities of the commission was determined by the oil production contribution of each state, local government and community. This constituted the basis of distribution of projects, employment and services.

OMPADEC commenced work in 1993. It embarked on about 589 projects between 1993 and 1994. As at February 1996, there were 356 projects in Rivers state, 369 in Delta, 79 in Edo and 248 in Akwa Ibom. There were 87 projects in Ondo, 31 in Imo and 31 in Abia (Orji, 1996)

But OMPADEC had numerous problems. There were organisational and

performance deficiencies. The management was said to be autocratic, arrogant and high-handed. The fairness and equitableness of the management was questionable as there were allegations of favouritism and inequitable distribution of projects (Orji, 1996:11). There were considerable management deficiencies. Contracts were awarded and mobilisation fees paid haphazardly. Contractors were over-paid, while many of the projects were either not executed or were un-completed. There was over-emphasis and waste on grandiose projects with little impact, while small projects were neglected or under-funded (Niboro, 1997:23025). The Commission of Inquiry on Failed and Abandoned Projects in its first report stated that OMPADEC rather than pay ₦881,262m to 31 contractors paid about ₦1,984b (*Abuja Mirror,* 1999). By 1998, there were numerous abandoned projects. In November 1999, there were 1,117 abandoned projects (*Abuja Mirror,* 1999).

There was massive corruption indicated not just by enrichment or leakages, but by financial recklessness and irresponsibility. The commission received over ₦11.5b between 1992 and 1995 and about ₦19b by 1998, but there were few completed projects to indicate such accruals. Rather, there was large-scale indebtedness to contractors. Corruption was so widespread and endemic that there were several investigations of how funds were managed. The National Economic Intelligence Committee, the Eduok Panel constituted by the Abubakar administration, the Commission of Inquiry on Failed and Abandoned Projects and the Presidential Verification Team investigated OMPADEC at different times (*Vanguard,* 1999:11-12). A former sole administrator of the commission, Eric Opia, was declared wanted by the Police Criminal Investigation Department, Alagbon, Lagos for fraud, stealing and forgery involving the sum of ₦3 billion, property of OMPADEC (Olatunji, 2001:1).

The board of OMPADEC was dissolved in 1996. Because of poor management and corruption, the commission was prostrate between 1996 and 1998. For much of this period, its funding was either erratic or stopped. The performance of the commission was so poor that numerous civil groups called for open inquiries to its spendings (Djabah, 1998:40). OMPADEC was essentially a problem institution. The chief of general staff in the Abubakar administration, Mike Akhigbe, described it as a failed institution (*The Guardian,* 8:09:98:16). It was further described by the National Economic Intelligence Committee as having had little impact (*The Guardian,* 8: 09:98;6). In 1998, in a nationwide broadcast, Abubakar promised to resuscitate, re-constitute and adequately fund OMPADEC to enable it discharge its functions. But the commission remained prostrate until 1999. By 2000, it was finally laid to rest.

The Niger Delta Development Commission (NDDC)

The Obasanjo administration promised to address the Niger Delta problem during the campaigns for the 1999 presidential elections. The NDDC bill was submitted to the National Assembly in July 1999, less than two months into the administration's tenure (Adeniyi, 1999). The commission which was enacted into law in 2000, comprises a board headed by a chairman who is appointed by the President and confirmed by the National Assembly. It is run by a managing director and two executive directors. The board comprises representatives of the nine member-states enunciated by the law as comprising the Niger Delta.

The commissions mandate is to conceive, plan and implement projects and programmes for the sustainable development of the region. This spans such areas as transportation, health, education, employment, industrialisation, agriculture and fisheries and telecommunications. Other areas are housing and urban development and social services. In executing the mandate, the NDDC is to have regard to the member-states' varied and specific contributions to national production of oil and gas. The budget of the commission is submitted by the President to the National Assembly which approves it.

The annual budget of the NDDC is huge. Its initial approved budget for 2001 was ₦17b. The budget indicates its huge developmental structure and roles. In 2001, it announced that it was commencing about 641 projects in different sectors spread across the nine member-states. The NDDC has embarked on numerous projects and the completion of hitherto abandoned projects by OMPADEC.

It is difficult to evaluate NDDC properly because these are early days, as it were. However there are indications already of mismanagement. The first managing director was relieved of his appointment in circumstances that indicated deficiencies in financial responsibility. The National Assembly was said to have queried the commission in 2003 over the award of a ₦3 billion road contract that did not follow due process (Uchenna, 2003:A3).

There are also emerging indications of civil dissatisfaction with the pace, progress and activities of NDDC. A proposed protest by the Vanguard for Economic and Political Empowerment in the Niger Delta (VEPEND) to the headquarters of NDDC was allegedly aborted by the Police and other state security agents in October 2003 (Akanimo, 2003:A6). Irate youths in Bayelsa are also reported to have sacked the NDDC office in Yenagoa and also stormed the NDDC headquarters in Port Harcourt. They were protesting the behaviour and performance of the state representative, A. Esei Mukumoh (Oyadongha, 2001:6). The National Youths Council of Ogoni People, the youths wing of the Movement for the Survival of Ogoni People (MOSOP) mounted a peaceful protest in Port Harcourt over the status of performance of the NDDC in 2001 (Okoro, 2001:4). Other youths' protests occurred place over the slow developmental pace and performance of the NDDC (*National Interest,* 15:12:01; 13).

OMPADEC and NDDC as Intergovernmental Interventionist Agencies for the Development of the Niger Delta

The agencies that have been set up thus far have considerably involved intergovernmental relations and can be regarded as intergovernmental agencies. The NDDC had representatives of the Eastern and Midwestern regions as members of the board. It also has representatives of the nine member-states. In their structures, funding, operations, projects and activities, all the agencies were expected to work with the federal, state and local governments. They were established by the federal government sometimes with consultation or input from states/regions or their representatives in the National Assembly. The agencies were also run and supervised by the federal government who set the rules and determined who got what from the agencies. Apart from the NDDC where the regions appointed their representatives, the boards were appointed by the federal government. Their budgets were approved also by the federal

government; yet, the agencies required and were expected to work within an intergovernmental framework.

OMPADEC was essentially an intergovernmental agency. It was expected to liaise, consult and co-operate with the state and the local governments. Second, it was expected to liaise with the oil-producing communities and the oil-producing companies. Third, part of its objective was to broker the conflict-ridden relations between the oil companies and the oil-producing communities, particularly in terms of facilitating regular consultations, negotiations and dispute resolution and the enthronement of peace and order in their relations.

The NDDC, too, is essentially intergovernmental in nature as its management and funding suggest. The governing board comprises representatives of each of the nine member-states, a representative each from three other states, a representative of the oil-producing companies and representatives of some federal government departments. Thus, the stakeholders are the concerned states, other states of the federation, the oil companies and the federal government. This structure brings not just the government but a non-state actor, the oil companies. The presidency is seeking an amendment to the NDDC law that would incorporate the appointment of the governors of the nine member-states as a supervisory body over NDDC (Adebayo, 2001:1-2).

The funding also indicates this intergovernmental maze. The funds are contributed by member-states (15% of allocations due to them under the 13% derivation, and 50% of funds due to them from the ecological fund). The oil companies operating in the region are to contribute 3 percent of their annual budget.

The non-state IGR content is further enriched by the contributions of international agencies such as the German Development Agency (GTZ), the UNDP and the World Bank. While the former is providing technical and advisory support, the latter is providing loan support. The NDDC is also expected to relate to, respond to and work with the states and local governments and the community development organisations, non-governmental organisations, communal, ethnic and regional cultural, civil and environmental groups.

Intergovernmental co-operation is expected and warranted by the overlap of the functions of these agencies with those of the federal, state and local governments. NDDC is a huge developmental agency, working between the three-tier governmental structure, beneath the federal government but above the states and local governments, and which with its enormous resources constitutes another layer, albeit an intergovernmental layer of governance and development. Its management indicates the involvement of the federal and state governments and the oil companies. As a matter of fact, intergovernmental networking, consultation, co-operation and collaboration is vital for smooth functioning and avoidance of duplication, overlapping and conflict.

Perceptions of Intergovernmental Intervention Agencies in the Niger Delta: Presentation of Primary Data

The social characteristics of the Niger Delta sample has been presented earlier. The purpose of the primary data is to investigate and assess the NDDC intergovernmental linkages with the local /grassroots areas in terms of development and local governance. Our investigation is primarily at the level of linkages and relations with the local

governments and is therefore from the perspective of operators of the local governments. Our investigation is in two categories: perception of intergovernmental relations of the NDDC and perception of intergovernmental character of NDDC.

As to general comments about the NDDC, our respondents see it as well intended, suitable and almost messiahnic (89.5%). Its performance thus far is assessed as poor (53.1%) and at the best average (21.9%). The poor performance is mainly indicated by sluggishness, low output, low coverage, poor focus and corruption.

Perception of NDDC's Intergovernmental Relations

First, we investigated the perception of NDDC's relations with the states and local governments. The relations with the states is seen as collaborative (33.3%) or cordial (26.7%). But the relations with the local governments is assessed as weak (39.6%), or even non-existent (22.9%). The responses indicate that NDDC seem to have had little relations with the local governments.

More specifically, we investigated the perception of NDDC governance and development linkages with the local governments. The results indicate that the LGs know little or are not particularly informed even if NDDC has or intends to undertake projects in the LG area (*Table 16*). Input are not solicited from the LGs. The commission has rarely consulted and, in fact, the LGs are scantily if at all involved at the levels of contributions and involvement either in design, choice or the monitoring and execution of projects. What is clear from the responses is that there is minimal contact between the LGs and NDDC. The LGs are not linked to the commission in terms of projects and project activities.

Table 16: **Perception of NDDC's Intergovernmental Linkages with the Local Governments**

Interaction Between NDDC and LG Responses	Yes		No		Not sure		
	No	%	No	%	No	%	Total
Information about NDDC intentions	9	18	26	52	15	30	50
Solicitation of input by NDDC	7	14	35	70	8	16	50
Consultation	6	12	30	60	14	28	50
Involvement of LG in NDDC projects	4	8	41	82	5	10	50
Contribution to NDDC activities/projects	4	8	36	72	10	20	50

But though the NDDC does not reach out to the LGs, we attempted to find out if the LGs do reach out to the commission. The responses reveal that some local governments have reached out to the NDDC (45.8%). Of such attempts, there have been some responses from the NDDC (47.6%), while 33.3% are still awaiting response. Of the LGs which has obtained a response, about 71% indicate that the responses they got were quite satisfactory or fruitful. In fact, some respondents indicate that there was assistance from the NDDC. Thus, the NDDC can be said to respond to overtures from the LGs but does not reach out to them.

Perception of Intergovernmental Character of NDDC

The character or nature of NDDC's IGR linkages was investigated. We sought to know the direction of influence, control and focus of the commission (*Table 17*). The results indicate that our respondents perceive that federal influence in terms of control and regulation (78%), and contracts and projects (56%) are excessive. Some respondents also believe that powerful federal officials teleguide and make the NDDC do their biddings (46.9%).

Table 17: **NDDC, Intergovernmental Relations and Governance**

	Yes		No		Not sure		
Responses	No	%	No	%	No	%	Total
Excessive federal control	39	78	7	14	4	8	50
States have some control	22	44	17	34	11	22	50
Excessive federal government influence on contracts/projects	28	56	12	24	10	20	50
Controlled by Federal Government officials	23	46.94	9	18.37	17	34.69	49
Focuses on state government priorities	18	36	24	48	8	16	50
LGs don't matter to NDDC	28	56	16	32	6	12	50

The states are perceived to have some influence on the commission. But such influence does not seem enough to make the commission focus on state priorities in terms of policies and projects. But whatever the case, the situation of the states in relation to the NDDC is far better than the LGs, which are perceived as not relevant or immaterial.

The investigation reveals that there is considerable federal control and influence. But the states seem to be in reckoning. The local governments have not been brought into the intergovernmental picture.

The federal control is expected, given that NDDC is designed, enacted, established by the federal government. It is actually an agent of the federal government. However, being an intervention effort, NDDC should relate closely with the governments of the region. As we have indicated here, some relations and acknowledgement of the states exist but the adequacy, effectiveness and actual level and depth of interaction, consultation and collaboration between the NDDC and the states cannot be ascertained here.

Case Analysis

Intergovernmental Intervention Institutions, Governance and Development in the Niger Delta

The central questions that need to be asked are, first, How did the agencies perform as IGR intervention efforts? The second is, What deficiencies or inadequacies in their IGR structures undermined or undermine their performance? Third is, How did and are the agencies fostering good governance and development?

The agencies have not had a definite structure and framework for IGR collaboration, co-operation and partnership with the state and local governments, or horizontally across states and local governments in terms of projects that span boundaries. Thus, they were autonomous and separate from the governments and did not maintain structured relationship with them. They were like superimposed on and even superior to the governments. In fact, the main deficiency of the IGR interventions were that they did set up huge alternative and parallel structures or even governments. Rather than working through the states and local governments through planning, programming, funding, supervision and monitoring of the state and local governments, the agencies have tried to do everything by themselves. What the agencies needed were joint efforts with the governments of the region in terms of partnering projects and services. A fallout of poor linkages with the governments in the region is that there is very poor complementarity between the NDDC and the state and local governments.

The agencies were merely doing the same things as the governments of the region. Particularly, they were constructing classrooms and borehole projects and such like that the local governments could do, rather than cutting a niche by addressing cross-boundary and large-scale projects that require considerable funding and in which the governments of the region were limited. Already, some state governments have been recommending a re-positioning of NDDC and its action plan to focus on capital intensive projects such as roads and bridges in the riverine areas (Okhomina, 2004).

The agencies were and have been too federal government directed and managed. They were too centralised and concentrated, too top-down in conception and management and too limited in terms of governmental and popular input from the region for which they were established and whose area they were supposed to develop. OMPADEC, for example, was a large federal imposition and was regarded as just another federal agency. Besides, the federal control and intervention was excessive. The influence ranged from projects to contractors. That OMPADEC was taken as a normal federal

agency was abundantly manifested by the appointment of Bukar Ali, of northern Nigeria origin, as sole administrator in October 1998. The action sparked off considerable protests from civil groups in the region (*The Guardian,* 08:09:98; 16). The Association of Traditional Rulers of Oil-Producing Communities, the Oil-Producing Communities Students Movement and the Ikwere Youths Movement condemned the appointment as smacking of domination, marginalisation and 'northernisation' (Obari, 1998:5; Obibi and Djebah, 1998:15; *Independent Monitor* 1990;7). Some other groups such as the Eastern Nigeria Unity Association (ENUA) and Movement for the Survival of Eastern Nigeria and Niger Delta (MOSENND) filed a joint suit against the federal government over the appointment (*Independent Monitor* 1998:70)..

The interventionist agencies and efforts have not fostered good governance. The people have not been primary in terms of being at the centre of the direction of needs, problems, solutions, priorities, agenda, projects and programmes. The people have not been the object, focus, reason and means of the development that is foisted. Therefore, the efforts have not been participatory, people-centred and bottom-up inspired. The federal domination and direction have been so much that the agencies have been excessively top-down and without working linkages to the governments of the region and the citizenry. The result is that the intergovernmental dimensions have been narrow and weak, and particularly has not been harnessed for the development of the region.

This is particularly so in the very poor level of consultation and solicitation. Apparently, there were some evidence of meetings of OMPADEC and NDDC with some stakeholders such as the Traditional Rulers of Oil-Producing Communities (TROMCOM), but the central question is, Who were these stakeholders and at whose instance were these meetings held? (Dakoru, 2001:4). Such meetings with the traditional rulers and contractors in civil group garbs do not indicate broad consultation with a broad spectrum of the society. There are emerging evidence of lack of consultation and imposition of projects by NDDC. The National Assembly was said to be piqued by a petition by beneficiaries of a ₦3 billion road project which was imposed without consultation (Uchenna, 2003:A3).

Either in their establishment or by their operations, the agencies were somewhat less altruistic in the sense that they were federal tools for placating, incorporating and building of clientele networks. They seemed to have been established more or less as tools of political manipulation of the strategic elite of the Niger Delta region. They were thus patronage driven. OMPADEC, for example, was more or less a clientele tool. Its key beneficiaries were the strategic elite comprising traditional rulers, retired military officers, retired public servants and professionals. This tendency fed into the corruption, poor contract management and abandoned projects which characterised OMPADEC and which further weakened its governance qualities.

The intervention efforts have been plagued by lack of political will and commitment. The commitment to OMPADEC was poor. It was starved of funds as its 3 per cent allocation from the Federation Account was irregularly paid or rarely paid in full. It was against this antecedent that the Abubakar administration promised to adequately fund it in 1998 (Obiri, 1998).

The NDDC bill was not passed into law for upwards a year after it was introduced in the National Assembly. Disagreements between the presidency and the National

Assembly stalled the bill. As a result, numerous civil groups in the region began to condemn, appeal to, or threaten government and oil operations in order to facilitate its approval. In 2000, the Ijaw Youths Council threatened to effect "operation climate change" in line with the Kaiama Declaration of December 1998 (Oyadongha, 2000). Even when the law was enacted, there was further delay in the constitution of the board. By July 2001, TROMCOM was considering a delegation to meet the President on the delay and related problems (Abugu, 2001: 1-2).

The same attitude is manifested in the funding of NDDC. This has been inadequate. It submitted a budget estimate of ₦36b in 2001; only ₦17b was approved. As at 2002, the erstwhile outstanding funds of OMPADEC amounting to some ₦14b was yet to be released to further facilitate its operations (Ogugbuaja, 2002:1). The NDDC often complained that the stakeholders including the states and the oil companies were not paying their contributions to the NDDC. The delays and irregular and incomplete payments hampered planning and budgeting. Already, some civil groups including Nigerian Students for Resource Control agitated against the inability of the federal government to fund NDDC properly (Abugu, 2004:11).

Intergovernmental Relations, Governance and Development in Nigeria: Patterns and Problems

Our analysis reveals certain patterns in intergovernmental relations practice and orientation in Nigeria, particularly as they relate to the twin issues of governance and development. Actual IGR networks, partnering, collaborations and joint efforts are still narrow and shallow. There is still no realisation that such efforts, irrespective of boundaries, yield more ultimate benefits to the governments and the citizenry. Even common problems and resources across contiguous states and local governments have not resulted in cross-border efforts or jointly packaged resolutions. The essential purpose of IGR seems to be to dominate, subordinate and to appropriate.

The management of IGR is poor. It is not goal-oriented, programmed and integrated. There seems to be no guiding ideology or philosophy. Oftentimes, it is too personalised, self-interested and epileptic. It is not expressly guided and patterned to achieve any goals. Furthermore, IGR does not seem to have an orientation in Nigeria. It is not particularly directed towards good governance and development. Because there is little commitment to development and good governance, IGR has not fostered these critical attributes.

The Nigerian federal system in orientation and practice limits IGR and its potential for good governance and development. First, this is because military rule introduced a dominant orientation of control, top-down dictation and unilaterality at the federal level. The federal officials look and talk down, rather than solicit consultation, negotiation and agreements. This attitude narrows the good governance content of IGR in Nigeria. The second issue is in an emphasis on standardisation, uniformity, commonness and universal applications. This orientation, built up by military rule, has meant that salaries and wages administration, establishment matters, policies, services and standards are nationally dictated irrespective of resource and capacity differences. We do not suggest that minimum standards and services are not good for balanced development. But its excessive practise causes imbalances, distortions and instability

as they are not negotiated, calibrated, voluntary and timely. Intergovernmental relations should never be compelled but, rather, constituent governments should be integrated or accommodated as their capacity and focus enable.

The third limitation is the partisan orientation of IGR in Nigeria. From the First Republic's federal-Western region's relations to the Second Republic's federal-Bendel and the defunct Unity Party of Nigeria controlled states, to the present relations between the federal government and Lagos, IGR has been underlined by partisan differences, contestations and conflicts. This affected IGR development efforts such as the federal housing projects in the UPN states. But it has also stifled IGR challenges and re-negotiation of balances of power and resources. While a few states, led by the defunct Bendel were able to challenge federal excesses in the Second Republic, only Lagos and, perhaps, the south-south states seem to be doing so in the Fourth Republic. The point that is being made is that partisan-*ness* is limiting to political federalism and the evolution of balances in Nigeria's federal practice.

It does not seem that the governments of the federation are committed to good governance and development. If we take the case of the Niger Delta, we have mentioned the lack of political will and commitment. Apart from the federal government which had rarely given the region the attention, efforts and resources that it needs, the state and the local governments have not shown better commitment. Since the payment of the derivation funds in the 1960s, the state governments have not paid adequate attention to the oil-producing communities (OPCs). As a matter of fact, derivation funds were used and are still being used to develop other areas to the neglect of the OPCs. In fact, the states and local governments have been guilty of the neglect that they accuse the federal government of.

Even in the current dispensation of 13 percent derivation funds, there is no significant attention and improvements in the Niger Delta. It does not seem that the derivation funds are being spent on genuine developmental efforts, or are being utilised to impact the people materially. A foremost Niger Delta leader and chairman of the Union of Niger Delta, David Dafinone, has accused the governors of the region of mis-managing the derivation funds and mis-directing same from the meaningful development of the region (Olaifa, 2002:1-2).

There is the problem of weak institutions, particularly at the level of the local government. Part of the problem of encroachment and erosion of powers of lower levels of government can be attributed to weak institutional performances. The numerous problems of corruption and poor performance of local governments in spite of considerable funding, for example, invites interferences and reforms and provide excuses for more detailed supervision.

The issue of federal dominance of resources and powers and the ensuing centralisation and concentration undermines development and good governance in many ways. It undermines participation, empowerment, institution building, autonomy, collective decision-making, consultation and negotiation. It has encouraged regulation, dictation, domination, uniformity, dependence and unilaterality. It has not enabled the development of viable, strong, capable, competent and autonomous development centres. It has undermined considerably resource mobilisation. It has weakened the development potentials of the other governments.

In relation to the propositions raised earlier to guide our study, the general thrust of our data and arguments have revolved around them. The findings of this study indicate that, first, the weaknesses and improprieties of the local government system continue to invite reforms and interventions and continue to justify persisting detailed supervision and interferences. Second, the entire content and management of state-local relations is not guided by, nor directed towards good governance and development. Third, is that the intergovernmental interventionist agencies in the Niger Delta are weak in intergovernmental linkages and are too federally controlled.

Concluding Analysis and Comments

Perhaps, at this point, we can attempt some explanations of the pattern and trend of intergovernmental relations and the limited import for good governance and development in Nigeria. The practice of federalism and, indeed, any social arrangement actually depends on a society and her people in terms of their history, beliefs, experiences, orientations, values, perceptions and conceptions. This is, in fact, what shifts federal practice away from the watertight legal compartments to the sociological and evolutionary and places the exact nature of federalism on the plank of the sums of balances reached between numerous forces, orientations, tendencies, incidences and challenges. A people's relation to reality in terms of practices, policies and arrangements is actually determined by such balances.

The Nigerian political process has been tied up in different contradictions and experiences that seem to mar it, but it surprisingly has had enormous elasticity and malleability to survive. Critical incidences and experiences point to leadership and institutions that are weak and which undergird instability and decline. Yet, leadership and institutions are central players in the development of society and its socio-political arrangements. Leadership, indicated by the character of state officials has been the bane and has underlined the underdevelopment and crisis in Nigeria. With a leadership that is so corrupt, personalised, dictatorial, lawless and that thrives on ego, arrogance, sycophancy, privatisation and force and a state that is so authoritarian, partisan, centralised, clientelist and corrupt, it cannot be a surprise that the issues of good governance and development have effectively been in the back bench. That these deep weaknesses undergird our practices and predicaments are fairly well known. In the circumstance, it cannot be expected that the nation can focus its governmental arrangements and practices on issues that are not primary to its leadership and ruling class.

Our point of departure in the attempt to explain identified trends and patterns is to shift the analysis to issues of conception and orientation. There has been a significant re-orientation in Nigeria during and since the Civil War towards the centre. A strong concentrated authority and leadership at the centre has since then been seen as vital for national integration, unity and stability. The Civil War was and has been perceived as a disastrous consequence of the permission of and the outcome of prevailing centrifugal forces. Consequently, the tendency has been to enable the centre, tend its leadership potential and surrender to centralising and concentrating authority as a sacrifice for national stability. At the economic front, the period after the war warranted a strong centre for reconstruction. Further, there was the drive for economic and national

development which many felt required a strong central authority.

These tendencies subordinated diversities, differences, localism, state and region to the centre and in favour of commonality, uniformity and comprehensiveness. As a result, economic development plans and resource allocation designs became very centralised and nationalised. National programmes in almost every sector took over. The civil service, academics and the military were key protagonists in this nationalist euphoria. The federalists went to sleep, more so when partisan politics was proscribed and the disaster of the First Republic was a fresh sore. Military rule with its strong hierarchy and command structure provided a strong framework and military rule was still popular as a supposed superior societal force of disciplined and nationalist bend necessary for quick national recovery and development. With the centralist or nationalising orientation, the states became subordinate, dependent, inferior, an agent of and an extended territory that should respond to national leadership.

The centralising orientation and preference for federal control has so persisted that in spite of the numerous national problems associated with de-federalising, there are still in reality few voices that challenge federal dominance. Everyone is expected to be national, to act nationally. Being national is to be statesmanly, while representing the local is to be divisive, myopic, sentimental and limited. There is such a wholesale co-optation towards the centre that even representatives of diversities such as the states soon become promoted, begin to act nationally and become vanguards of the centre and partaker of its largesse.

It is this kind of orientation that has continued in reality to strengthen the federal government. It has built the federal government into a collosus of sorts. It has conduced both in other governments and the ordinary people a culture of preference for, seeking the presence of, deferring to and actually responding to the federal government rather than the state governments. The federal might, so to say, is seen as the superior solution even to the ordinary people. The citizens of the state look beyond the state and the federal presence has become the yardstick for inclusion or exclusion.

It is this kind of orientation that has made the state and local governments to be allegiant, obedient and dependent. Even though nothing actually prevents it, the orientation has made the LGs and states to be less creative and assertive in governance and in relation to the federal government. It is like, it is against the current to challenge the federal might. Few political leaders have had the courage to contest anything with the federal government.

At the state level, the history and development of the local government has been that of a subordinate, an appendage, an extension of the states and an inferior, low capacity and weak institution that has to be led, closely controlled and supervised. This orientation has its origin in the native authorities, the various reforms instituted by the regions and the various states since the 1950s and the weaknesses of the local government system prior to 1976. The dominant conception and orientation towards the LG has remained in spite of the numerous and considerable attempts at reforming and institutionalising it. The concept of the LG is not accommodative of autonomy as the LG is not yet accepted and regarded as a government that is capable of local leadership and development.

These orientations of the centre and the local, have dictated a hierarchical

relationship between the federal government and the states and between the states and the local governments. The orientations institute, support and feed into the dominant IGR patterns and trends that we have enunciated earlier. It is the orientation that delegates development from the local to the state and from the state to the centre. It is the greatest enemy of effective de-centralisation. It is the same orientation that feeds into an unwholesome dependence of the local on the state and the state on the centre for funds, aid, assistance and support. It weakens internal resource mobilisation and capacity in favour of federal allocation and handouts. These orientations disable horizontal relations. The only legitimate, wholesome and beneficial relations is the vertical. The concept and the superior logic of the centre and the state, prevent effective state-state and local-local mobilisation and even resistance against domination.

In essence, then, the bane of intergovernmental relations and of its non-orientation and utilisation as instruments for strengthening good governance and development is the absence of certain orientations. These are the absence of decentralising and federalising orientations and the absence of the orientation of good governance and development. While the former are situated in our history, the military heritage and the peculiar outcomes of hegemonic struggle among constituent groups, the latter is situated in the character of the state, its officials and the political elite.

References

Adagbabiri, M.M. (2003). "Joint Account and Financial Control in the Local Government System: A Dilemma of Local Government in Nigeria (1999-2003)". Unpublished Seminar paper presented at the Department of Public Administration, Ambrose Alli University, Ekpoma, December.

Ajakaiye O. and Benjamin S.A. (1999) "Introduction and Overview", in O. Ajakaiye and S.A Benjamin (eds.) *Issues in the Review of the 1999 Constitution of the Federal Republic of Nigeria*. Ibadan: NISER.

Banovetz, J. (1980) "Federalism and Intergovernmental Relations: The American Experience", in *Quarterly Journal of Administration*, vol. xiv, no. 2, January.

Bello-Imam, I.B. (1995) "IGR with Reference to Local Government in Nigeria", in Ekoko, Aghayere and Mowah (eds.) *The Political Economy of Local Government Reforms and Transition to the Third Republic,* Ekpoma: Department of Political Science.

Buchanan, J.M. and Flowers, M.R. (1987) *The Public Finances: An Introductory Text* (sixth ed.) Illinois: IRWIN Inc.

Dare, L.O. (1980) "Perspectives on Federalism", in A.B. Akinyemi, P.D. Cole and W. Ofonagoro (eds) *Readings on Federalism*. Lagos: Nigerian Institute of International Affairs.

Derthick, M. (1992) "American Federalism: Madison's Middle Ground", in R.J. Stillman II, (ed) *Public Administration: Concepts and Cases* (fifth ed) Boston: Houghton Mifflin Company.

Egborge, A.M.B (1999) "Forty years of Oil and Gas: Environment and Sustainable Development. Proceedings of the First Urhobo Economic Summit". *Vanguard*, Wednesday, 6 January, p. 23.

Friedrich C. (1968) *Trends of Federalism in Theory and Practice,* New York: Praeger.

Grindle, M.S. (1996) *Challenging the State: Crisis and Innovations in Latin America and Africa*. Cambridge: Cambridge University Press.

King, M (1988) *Localism and Nation Building*. Ibadan: Spectrum Books.

Marando V. I. and F Lorestano Partricia S. (1990) "Intergovernmental Management: The State of the Discipline", in Naomi B. Lynn and Aaron Wildavsky (eds) *Public Administration: The State of the Discipline.* Chatham NJ: Chatham House Publishers Inc.

Nchuchuwe, F.F. (2003) "Local Government Finances in Nigeria; Issues in the Generation, Utilisation, Accountability and Service Delivery". Unpublished seminar paper presented at the Staff and Graduate Seminar, Department of Political Science and Public Administration, University of Benin, Benin City, March.

Federal Republic of Nigeria (1983) *Report of the Study Team on the Management of Intergovernmental Relations in Federal Administrative Systems*. Lagos: Federal Government Press.

Issues in the Review of the 1999 Constitution of the Federal Republic of Nigerroduction to Public Administration. Benin City: Ambik Press.

O'Connor, K. and Sabato, L.J. (2000) *American Government: Continuity and Change*. New York: Longman.

Okonmah, I.E (2003) "Proposed Local Government Reform in Nigeria by President Olusegun Obasanjo: Imperatives of Democracy and Change". Unpublished seminar paper presented at the *Staff* and Graduate Seminar, Department of Political Science and Public Administration, University of Benin, Benin City, October.

Ola, R.F. (1995) "Nigerian Federalism and the Third Republic: Local Government Service Commission as an Agency of IGR, in Ekoko, Aghayere and Mowah (eds) *The Political Economy of Local Government Reforms and Transition to the Third Republic,* Ekpoma: Department of Political Science.

Oronsaye, A.O. (1998) "Machinery for Policy Making and Implementation Under the Nigerian Military-Bureaucratic Structure (1966-1979 and 1983-1999)". *Nigerian Journal of Politics and Public Policy* vol. 3, 1 and 2. December.

Popoola A.O. (2001) "Intergovernmental Relations, Federalism and Balance of Power Among the Levels of Government under the 1999 Constitution". Paper delivered at the Centre for Democratic Research and Training B.U.K. 28 May.

Roberts, N. (1999) "The 1999 Constitution of the Federal Republic of Nigeria: Implications for Intergovernmental Relations", in O. Ajakaiye and S.A. Benjamin (eds*) Issues in the Review of the 1999 Constitution of the Federal Republic of Nigeria,* Ibadan: NISER.

Sears, D. (1969) "The Meaning of Development". *International Development Review* xl (4).

Stillman II R.J. (1992) *Public Administration: Concepts and Cases*. Boston: Houghton Miffhin Company.

Stouffer, W.B., C. Opheim, and S. B. Day (1996) *State and Local Politics: The Individual and the Governments* (second ed.), New York: Harper Collins College Publishers.

Todaro, M.P. (1985) *Economic Development in the Third World.* New York: Longman Inc.

Ubhenin, O.E (2004) "Intergovernmental Relations in Nigeria: The Fourth Republic Experience". Unpublished mimeo.

Watts, R.I. (1970) *Administration in Federal Systems* London: Hutchinson Educational Limited.

Wright, D.S. (1982) *Understanding Intergovernmental Relations*. California: Wadsworth.

Newspapers and Magazines

Aborishade, A. (2003) "Another Score for federalism". Lagos: *TELL*. 11 August.

Aboyade, F. (2003) "Between Government Reforms and The Constitution". Lagos: *ThisDay,* Tuesday, 19 August.

Abugu, U. (2001), Oil Act, Traditional Rulers Threaten Face-off with FG". Lagos: *Vanguard,* Tuesday, 1 August .

Abugu, U. (2004a) "Delta Reorganises Local Councils Operations to Facilitate Grassroots Development", *Daily Independent*, Wednesday, 21 April p. A10.

Abugu, U. (2004b) "Students Want FG Sued Over Poor Funding of NDDC". *Daily Independent*, Friday, 6 February.

Adefaye, G. (2002) "Corruption in Government: The NULGE Challenge". Lagos: *Vanguard*, 25 August.

Adeniyi, A. (1999) "Obasanjo Presents Niger Delta Bill to Senate". Lagos: *The Guardian*. Thursday, 15 July.

Adeyemo, W. (2001) "Mr President: You are Greedy". Lagos: *TELL*.

Adebayo, S. (2001) "Ijaw Youths Tackle S. South governors on NDDC Jobs". Lagos: *Vanguard*, Monday, 17 December.

Adejokun, S. (2004) "Row at FAAC Meeting Over Allocation to New Councils" *Daily Independent,* Wednesday, 21 April.

Adindu G. and Ekuma-Ibe E. (2003) "Council Reform to Check Inefficiency and Mismanagement", *Daily Independent*, Thursday, 14 August.

Akanimo, S. (2003) "Police, SSS Abort Mass Protests in Port Harcourt". *Daily Independent*. Monday, 3 November.

Awofadeji, S. (2003) "L.G. Reforms: "Don't Misinterpret FG's Stand". Lagos: *ThisDay,* Saturday, 16 August.

Ajanaku I. (2004) "Lagos Council Workers May Miss Pay Over Stoppage of Allocation". Lagos: *The Guardian*, Thursday, 22 April.

Alabi W. (2003) "The Real Challenges of Councils' Reform". Lagos: *The Guardian On Sunday*, 10 August.

Alifa D. (2003) "The Governors Are to Blame for Council Failure – Ogbeha". Lagos: *The Guardian On Sunday*, 22 June.

Anaele, A. (2003) "Indicted Former LG Bosses Will Make Refunds". Lagos: *The Punch*, 26 June.

Dakoru, I. (2001) "Traditional Rulers Seek More Funds for NDDC". Lagos: *ThisDay,* Saturday, 17 November.

Djebah, O. (1998) "Probe OMPADEC, Oil Communities Urge Government". Lagos: *The Guardian*, Friday, 18 September.

Dozie, P. (1999) "Governance, Corruption and Due Process". Lagos: *The Guardian*, Wednesday, 27 November.

Ebiri, K (2003) "Council Reforms: Divergent Options from South-South". Lagos: *The Guardian*, Sunday 10 August, p. 15.

Ezereonwu, J. (2004) "Obasanjo Wants Take-off of States, Council Joint Account". Lagos: *The Guardian*, Thursday, April.

Fagbemi, A. (2003) "Revenue Commission Raises Government's Monthly Earnings to ₦172 billion". Lagos: *The Guardian,* Wednesday, 26 February.

Falodun A. (2004) "Intrigues Behind New Revenue Allocation Formula". *New Age*, 3 March.

Habib A. (2003) "Why Lagos Wants Parliamentary System for LGs'". *Daily Independent,* Thursday, 28 August.

Habib A. (2004) "Egwu Defies PDP, Conducts Polls in New Councils", *Daily Independent,* Monday, 29 March.

Independent Monitor (1998) "Groups Drag Abubakar to Court Over Ali's Appointment". 5-8 November.

Jimoh, A.M. (2004). "Obasanjo Wants Governors, Others Arrested Over Misuse of Funds". Lagos: *The Guardian*. Wednesday, 9 June.

Meya, E. (2003), Dasuki, Bafarawa Disagree Over, Council Reform". Lagos: *The Guardian on Sunday*, 22 June .

Muyiwa D. (2003) "LG Reforms aimed at Rigging 2007 Elections", Says UAD". *Daily Independent,* Wednesday, 27 August.

National Interest (2001) "Niger Delta" (Editorial). Saturday, 15 December.

Nasir B. (2003) "Jigawa Citizens Advise on LG Reforms". Lagos: *ThisDay*, Thursday, 19 August.

Niboro, I. (1997) "Dreams Die First" Lagos: *TELL* 3 March.

Nwabueze, R. (2003) "Reforming Grassroots Governance for Development". Lagos: *ThisDay*, Monday, 30 October.

Obari, J.O. (1998) "Students Protest Ali's Takeover of OMPADEC". Lagos: *The Guardian,* Monday, 2 November.

Obe, E. (2001) "Police Investigates Theft Against LG Boss". Lagos: *The Punch*, 2 March.

Obibi, C. and O. Djebah (1998) "For OMPADEC, Not Yet a Beginning". Lagos*: The Guardian,* 3 November.

Obiri, C. (1998) "Niger Delta's Needs: Challenges of the New OMPADEC". Lagos: *The Guardian,* Tuesday, 11 August.

Okhomina, O. (2004) "Delta Government Wants New Focus for NDDC". Lagos: *Vanguard*, Friday, 18 June.

Ogbonna O. (2003) "Whose Agenda"? *The Punch*, Saturday, 9 August. Lagos.

Ogbu, C. and Onuwa, S. (2003) "L.G. Funds; Revenue Commission Accuses States of Misappropriation". Lagos: *The Punch*, 18 August.

Ogugbuaja, C. (2002) "Monarchs Seek Release of OMPADEC's Billion to NDDC". Lagos: *The Guardian*, Friday, 25 January.

Okoro, B. (2001) "MOSOP Demands Apology from the Police". Lagos: *The Post Express.* Sunday, 9 December.

Olabode, N. (2003) "Ogun Warns LG Bosses Against Debts". Lagos: *The Punch*, 17 July.

Olaifa, B. (2002) "Dafinone Blasts Govs". *The Post Express*, Monday, 14 January.

Olaniyi O. (2004) "Three Tiers of Government Adopt Uniform Accounting System". Lagos: *Daily Independent* Thursday, 29 January, p. A4.

Olatunji, S. (2001) "Police declare Opia Wanted Over ₦3 billion OMPADEC Fund". Lagos*: ThisDay,* 8 February.

Onah, G. (2003) "Tears as Court Remands Asuquo in Prison Custody". Lagos: *Vanguard*, 24 October.

Orji, U. (1996) "OMPADEC Bows to Pressure". Lagos: *The Guardian*, Friday, 8 March.

Oyadongha, S. (2000) "Ijaw Youths Vow to Fight Obasanjo Over NDDC Bill". Lagos: *Vanguard,* Friday, 5 May.

Oyadongha, S. (2004) "Irate Youths Sack Bayelsa NDDC HQ., Seek Removal of State Representatives", Lagos: *Vanguard*, Thursday, 1 November.

Pryor, J.R. (2003) "How Private and Public Sectors Can Sustain Good Governance". *Daily Independent*. Thursday, 18 December.

Sanni L. (2004) "Lagos defends Tinubu's Position on Fuel Tax, Restates its Illegality", *Daily Independent,* Monday, 26 January.

Sanya A. (2004) "Government Seeks 51.44 percent of Federation Account". *Daily Independent,* Tuesday, 24 February.

Sanya A. (2004) "Igbinedion Laments Deductions from Federation Account", *Daily Independent,* Monday, 16 February.

Solomon, T. (2003) "A'Ibom A.G. Orders Suspended Uyo LG Boss to Refund ₦21m". Lagos: *Vanguard*. 19 December.

Sunday Tribune (2001) "Four Governors, Ministers, Local Government Bosses Face Anti-Graft Panel". Ibadan. 27 May.

Tempo (2001) "Rogues in the Council". Lagos: 3 May.

The Post Express (2002) "Two Years of Democratic Governance at the Grassroots". Lagos. 30 May.

ThisDay (2003) "Editorial: A Reform in Need of Reform". Sunday, 23 November, p. 40.

The Guardian (1998) "Playing Politics with OMPADEC. Editorial Opinion". Tuesday, 8 September.

Uchenna, A. (2003) "National Assembly queries NDDC over ₦3 billion Road Contract". *Daily Independent*. Thursday, 18 December.

Uduak I. (2004) "Special Adviser Sues for Patience on LG Reforms". *Daily Independent*, Thursday, 18 September.

Ugbor, E. (2003) "Deputy Governor Orders Seizure of Transition Committee Chairman's Salaries". Lagos: *Vanguard,* 3 July.

Vanguard (1999) "The Niger Delta Bill – Old Signs, New Dawn". Saturday, 11 December.

Ughegbe, L. (2002) "Supreme Court Annuls 4 Years Tenure for LG Chairmen". Lagos: *Vanguard,* 26 June.

Ushakang, J. (2003) "Councils Wasted ₦716 Billion in Four Years; NULGE Boss". Lagos: *New Age*. 26 June.

Index