

# THE POLITICAL ECONOMY OF ELITISM AND FISCAL FEDERALISM IN NIGERIA

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**Abstract:** Since Nigeria gained its independence in 1960, the problem of creating suitable frameworks for the country's revenue allocation has dominated its socio-political landscape like a colossus. It's interesting to note that there seems to be agreement among certain scholars that federalism is a more commonly accepted political system for country like Nigeria because it is best adapted for the allocation and management of her huge but finite resources. Historical and descriptive research design was adopted. The data for this study is primarily derived from secondary sources, such as books, journals, newspapers, and the internet. The data was analysed using qualitative content analysis. It aims to suggest a new fair vertical income allocation strategy to the various tiers of government, as well as other critical stakeholders in the Nigerian state. It further contends that despite numerous concerted efforts, the various commissions charged with the onerous task of accomplishing this crucial task have not significantly reduced the polarisation surrounding this contentious issue, which has persisted in undermining the country's efforts to achieve real development. This study also makes the case that Nigeria's aspirations for equal resource distribution and development would remain unmet until serious efforts are made to rectify the perceived structural disparities in the allocation of state resource. Finally, this paper makes the case that solving the problems with income allocation and fiscal federalism is crucial for Nigeria's democracy as well as the country's general socioeconomic progress.

**Keywords:** Revenue allocation, Fiscal Federalism, Elite, Development, Nigeria.

## INTRODUCTION

The emergence of federalism in Nigeria is characterised by three eras, specifically "the time of "informal federation" (1900-1946), the first phase of "formal federation" (1946-1966), and the second phase of "formal federation" (1967-date), are used to outline the history of Nigerian federalism (Amuwo et al 2003:50). In addition, Nigerian federalism has the following characteristics: the division and sharing of governmental authority between the federal and regional or state administrations; and the constitutional derivation of the authority of the several levels of government. The ratification of a formal, written constitution; the primacy of the federal government; the presence of a supreme court for judicial interpretation and review; the supremacy of the federal government, a single police force, decentralization of the judiciary and public sector, presence of a bicameral federal legislature, a three-layer form of government and the federal character principle (Musa et al 2014:323).

Nigeria continues to operate under a democratic federal system of government with a federal government, 36 state governments, Abuja serving as the federal capital territory, and 774 local government areas, all of which derive their authority and responsibility for governance and resource mobilisation from the constitution. The quest for an equitable resource allocation formula has dominated various political discussions under the current democratic rule, with some sections of the country, particularly the southern part, expressing frustration over being marginalised from the national wealth. Over the years, the issue of designing an appropriate framework for revenue allocation and federal arrangement for Nigeria has dominated the political landscape of the country like since the colonial era (Momoh & Rwang 2018:142). However, this problem is not exclusive to



Nigeria; it also affects other African federal systems, including those in Ethiopia and South Africa. But one of the most important questions has continued to be how to best solve the problems caused by resource allocation.

The challenges of revenue allocation in the Nigerian federation have a long history dating back to the colonial era, and past administrations have been forced to establish a number of commissions and panels, each with the aim of developing a workable and acceptable revenue allocation formula that will lessen the hostilities and tensions that have characterised resource allocation in the nation.

The numerous commissions set up include the Phillipson commission (1946), The Chicks-Phillipson commission (1951), The Chicks commission (1953), The Raisman commission (1958), The Binns commission (1964), The Dina interim Revenue allocation committee (1977), The Okigbo Presidential commission (1979) and T.Y Danjuma Fiscal commission (1988) (Igbuzor et al 2009).

Even though the recommendations of the various commissions and panels established to develop equitable revenue allocation formulas have led to what appear to be robust revenue allocation formula, certain segments of Nigerian society have consistently criticised these formulas for not being sufficiently representative. The commissions'/panels' recommendations have sparked concerns about unwarranted political meddling from influential groups in the Nigerian federation that favour some regions of the nation over others. Additionally, Nigeria has been under civil government for the most of its time since becoming independent in 1960. Nigeria started what can be called her actual democratic journey in 1999, but there have been hurdles along the way, particularly in the areas of political and economic stability. Additionally, ever since the current democratic system of government came into being, different administrations have had to deal with an increasing number of agitations of all kinds coming from different regions of the nation, each with very specific demands for a fair and agreeable revenue-sharing scheme for the various rival elements of the federation.

The analysis of a variety of federalism-related academic works has revealed that there appears to be agreement among experts that, in its current form, federalism is the most favoured type of political system for Nigeria since it seems suited for resource allocation and management. Aside from that, evidence-based studies have revealed that the political and socioeconomic stability of the Nigerian federation has continued to face grave threats due to the Nigerian state's inability to create a workable revenue allocation formula that will take into account the demands of the competing interests within the federation. It is against this background that this study seeks to suggest a new fair vertical income allocation strategy to the various tiers of government, as well as other critical stakeholders in the Nigerian state due to the inability of the Nigerian elites to live up to their billing in the actualisation of equitable revenue allocation formula as a means of fast tracking socioeconomic development in Nigeria.

## 1. CONCEPTUAL DISCOURSE: FEDERALISM AND FISCAL FEDERALISM

The term "Federalism" has been defined in a variety of ways by academics and researchers in federalist literature. The Latin word "foedus," which means "pact" or "covenant," is the root of the word "federalism." Federalism "refers to legal and political frameworks that disperse authority territorially within a state," according to Heywood (2007:167). Federalism, according to Elaigwu (1996:166), is "basically a mechanism for managing conflicts in a multicultural state between two types of self-determination and natural self-determination that guarantee security for all, in the nation state on the one hand, and the resolve of component groups to retain their identities on the other."

Similar to this, Appadorai (1982:495) defines a federal state as one in which there is a central authority that represents the whole and acts on behalf of the whole in matters of international relations and those internal matters that are viewed as being of common interest, as well as provincial or state authorities with legislative and executive authority within their respective constitutionally assigned domains. A further definition of federalism given by Tamuno (2003:13) is "that type of governance where the component elements of a political organisation participate in

sharing powers and functions in a cooperative way through the combined forces of ethnic pluralism and cultural variety, among others." Federalism was similarly described by A.V. Dicey as "a political construct designed to balance national unity and authority with the safeguarding of the rights of the different member states" (cited in Elaigwu et al, 1996:38).

Additionally, according to Jega (1996), federalism is "really about the distribution of political and economic decision-making capabilities among component entities or tiers of governments" (Cited in Elaigwu et al 1996: 38). Therefore, it can be seen from the previous conceptualization of federalism that the scholars and researchers mentioned above have offered varied conceptions of federalism. These definitions share the political devolution of authority and resources between the federal government and other federating units as their common denominator.

Contrarily, fiscal federalism, which is defined by fiscal relations between the central and lower levels of government, is a by-product of federalism. Three main theories, namely: (a) the theory of fiscal relation, which addresses the duties expected of each level of government in the fiscal allocation; (b) the theory of inter-jurisdictional cooperation, which refers to dealings in areas of shared responsibility by the national, state, and local governments; and (c) the theory of fiscal federalism, which illustrates the fiscal relationship between and among the constituents of the federation (Abdul, 2019). It is important to note that, the Abdul (2019) conception of fiscal federalism is vital in the course of this study.

## 2. REVIEW OF RELATED LITERATURE: FEDERALISM AND UNDERDEVELOPMENT

Federalism has been the subject of numerous academic studies in the past. For instance, federalism's nature and evolution Simeon and Robinso (1990); Hamilton, and Jay (1987) (1788); Riker (1964); Riker, (1975); Riker (1987); Russell, Knopff, and Morton (1989); Verney (1995); Warhurst (1987); Ostrom (1991); Ostrom (1995); Wright (1982); Zimmerman(1992); Zimmerman (1993); Osaghae (1990), Agranoff, (1996); Beer (1993); Burgess (1995); Courchene (1993); Cox and Franklund (1995); Dikshit (1975); Dion (1995); Dye (1990); Elazar (1987); Elazar (1984); Elazar (1994c); Elazar (1995); Elazar (1996); Forsyth (1989); Gagnon (1996); Galligan (1995); Gunlicks (1989); Laforest and Brown (1994); Madison, Walker (1995); Wheare (1963); Wiessner (1993); Wood, Williams, and Sharman (1989); Stewart (1984); Saunders (1995); amongst others.

The following academics have conducted in-depth analyses of fiscal federalism, including Ball and Linn (1994), Banting, Brown, and Courchene (1994), Bird (1986); Boothe (1996); MacManus (1990); Nathan and Lago (1990) and Walsh (1992) amongst others. On the challenges of federalism scholars like Brown and Smith (1991); Kincaid (1995); Boeckelman and Kincaid (1996); Elazar (1990); Elazar (1994a); Hicks (1978), Landau (1973); Milne (1991); Young (1995); Weaver (1992) and Peterson (1995) amongst others. They have conducted in-depth examination of the problems that several federal states around the world are currently confronting.

Additionally, several academics have also investigated how to restructure various federal states such as Simeon and Swinton (1995); Morton (1995); Nathan (1992); Olson and Franks (1993); Pittenger (1992); Alen and Ergec (1994); Buchanan 1995); Cairns (1992); Coper (1989); Gleason (1992); Gunlicks (1994); Knop, Ostry, Russell (1993); Saunders (1989); Smiley; Watts (1985) and Omotola (2016) amongst others. While, scholars like Burgess (1996); Christiansen (1996); Fleiner and Schmitt (1996); Forsyth, (1981); Galligan (1993); Hesse and Wright (1996); Hodgins, Eddy, Grant and Struthers (1989); Hrbek (1991); Jeffery and Sturm (1992); Kenyon and Kincaid (1991); Kincaid (1990); Kincaid, (1993); Lister (1996); Maclay (1992); Leonardy (1993); Michelman and Soldatos (1994); Watts (1977); Watts (1981) and Tarlton (1965) conducted investigations into the connection between federalism and integration between and within states.

Also, scholars like Burgess and Gagnon (1993); Bzdera (1993); de Villiers (1994); Dorff (1994); Duchacek (1987); Duchacek (1988); Elazar (1993); Elazar (1994b); Elazar (1997); Franck (1966); King (1982); Marsh and Uhr (1995); Pennock (1959); Sharman (1994); Watts (1987); Scharpf (1988); Watts (1989) and Watts (1996) amongst others have undertaken various studies on comparative federalism while Friedrich (1968) and Leslie (1996) have done same in theoretical issues of federalism.



According to the literature analysis above, research efforts have been concentrated on the history of federalism, comparative federalism, fiscal federalism's difficulties, inter-governmental relations, and federalism and integration. Less attention has been paid to the consequences of the Nigerian elites' incapacity to guarantee a fair revenue allocation mechanism for the nation's development, though. In genuine actuality, this study makes an attempt to close that gaping hole.

### 3. THEORETICAL FRAMEWORK

According to the preceding analysis of the literature, the study is located within the framework of the elite theory. The writings of academics like Weber (2005; 1922), Pareto (1935), Mosca (1939), and Michels are where elite theory first emerged (2009, 1915). According to the elite idea, there are two groups of people in every democracy. The great majority of people in society and the elite, who are typically a small minority group in power. Scholars have used elite theory to investigate a variety of topics, including political parties, governmental organisations, private businesses, unions, and social movements. The elites and the people make up human society, according to elite theorists. The actors who control the resources are the elites (Yamokoski and Dubrow, 2008). The elite theory postulates that it is the high and mighty who rule in any society.

Additionally, there are three different versions of elite theory. Notably, normative elitism, which asserts that elitist rule is preferable. According to this School of thinking, a knowledgeable or enlightened minority should hold political power. The Classical elitism school of thought, which was created by Gaetano Masca (1857-1914), Vilfredo Pareto (1848-1923), and Robert Michels (1876-1936), asserts that elite authority is an unavoidable, unalterable aspect of social existence. The classical elite variation contends that elite rule is a necessary and desirable aspect of social existence in its analysis. Because political power is always held by a privileged minority—an elite group—democracy was nothing more to the classical elitists than a silly illusion. For example, Mosca (1939) proposed that "two groups of people arise in all societies—a class that rules and a class that is governed." His argument is that because the resources needed for rule are inequitably distributed, a cohesive minority will always be able to manipulate and control the masses, as is the case in Nigeria's democracy today, where the elite rule with the support of less than 10% of the population while the masses make up the other 90%.

Furthermore, C. Wright Mills established the concept of modern elitism as an empirical analysis, but it is more analytical and selective regarding the reasons for elite dominance. Modern elitists like C. Wright Mill have frequently sought to draw attention to elite control in an effort to both explain and counteract it. According to Heywood (2007), the word "elite" originally meant and still means the highest, greatest, or superb. According to him, the term elite refers to a minority group in whose hands power, wealth, or privilege is concentrated, whether legitimately or not. Thus, the belief in or practise of a ruling elite or minority is referred to as elitism.

In addition, Pareto (1935) proposed that the traits needed to govern by the elites belong to one of two psychological categories. Typical characteristics of Nigerian presidents, particularly in the dark days of military dictatorship, include "Foxes" (who dominate by cunning and are able to manipulate the assent of the masses) and "Lions" (whose dominion is often gained through compulsion and brutality). Nevertheless, Michel's contends that regardless of how organised or democratic the Nigerian democratic setting may appear to be, power is typically concentrated in the hands of a small number of powerful individuals who can plan and make decisions rather than being in the hands of a "apathetic rank and file," which he termed "the iron law of oligarchy" (Heywood, 2007:83).

However, we will use the new elite theory in this study. The new elite theorists have developed a typology of elite configuration throughout the years, with notable variations including (a) disunited, (b) consensually united, and (c) ideologically united (López, 2013: 5). While elite disagreement is a typical occurrence in unstable democracies and authoritarian regimes, the elites' configuration of consensual unity is appropriate to stable democracies in North America and Western Europe. Ideological unity is linked to totalitarian regimes where the ruling class upholds and sustains a highly centralised ideological command (Linz, 2000; Lopez, 2013: 5).

The new elitist model has been applied to research a number of political development factors that affect elite unity and disunity, including former colonial control, economic opportunity, conflict, political violence, ideological movements, the people, and hostility (López, 2013: 5). The new elitist model stated how elite configuration is crucial in the development of political regimes and gave historical data showing how elites changed from elite disunity to consensual unity.

Additionally, there are two types of the new elite models: elite convergence and elite settlements. The majority of democratisation movements over the years, in the opinion of the new elitists, have been accomplished through elite agreements. The process by which elites in a state negotiate a new political order by acknowledging one another as legitimate political actors is referred to as elite settlement. It is important to remember that democratic government is a feature of elite settlements (López, 2013: 5). Additionally, Higley et al (1992) asserted that elite settlements are related to a state's reaction to a social or political crisis in which non-elites (or "the masses") pose a threat to elite positions or elite interests in governance. We will look at the implications of the role of the Nigerian elites in tackling the difficulties of fiscal federalism in the perspective of Higley and Gunther (1992). Additionally, Higley et al (2006) have linked the concept of "interdependence" to the function that non-elites play in elite theory.

While elite convergence frequently precedes elite settlements, it really describes a process in which politically savvy anti-system elites abandoned their past extreme opposition and adopted a coalition approach that would increase their chances of electoral success. Furthermore, under such a plan, a state's former radical elites embrace the political game's rules and unite with the ruling class to support democracy. This process of elite convergence is frequently associated with a state's transition from authoritarian rule and an unstable democracy to a consolidated democracy in which no elite faction will challenge the democratic system. In general, the new elitist model contends that the establishment of democracy in any state is the result of elite agreement inside that state.

#### 4 REVENUE ALLOCATION FORMULA IN NIGERIA

In order to promote sustainable economic growth and development, reduce intergovernmental conflicts, and aid the country in achieving unity, revenue allocation is the system for allocating the nation's financial resources among the many tiers of government in the federation. However, a number of guidelines have been employed in Nigeria since independence in 1960 to guarantee equity in the distribution, including the Revenue Allocation Principles, Principle of Derivation, Even Developmental Principle, Principle of Need, Principle of Population, Internal Revenue Effort and Landmass and Difficult Terrain, Equality of States, Minimum National Standards, Absorptive capacity, Minimum Responsibility of Government, and Social Development Factors (Abdul 2019).


According to studies, federal states base their revenue allocation on two different plans. The first is referred to as vertical sharing or allocation between the federal and other tiers of government. For example, in Nigeria, revenue allocation (such as royalties, export duties, import taxes, mining rates, etc.) is split between the federal, states, and local governments (Akujuru, 2015).

Table 1 below shows the beneficiaries, present revenue allocation and proposed revenue allocation based on percentages

**Table 1 Present and proposed vertical Revenue Sharing Formula**

Serial Number	Beneficiary	Current formula as percentage of Federal Account	Proposed formula as percentage of Federal Account
1	Federal Government of Nigeria	48.5%	41.3%
2	State Governments in Nigeria	24.0%	31.0%
3	Local Governments in Nigeria	20.0%	16.0%





4	Derivation	1.0% (of Mineral revenue)	-----
5	Federal Capital Territory Development Fund	1.0%	14.7%
5.1	Special Fund	6.5%	1.2%
5.2	Ecological Fund	2.0%	1.0%
5.3	National Reserve Fund (Stabilisation)	0.5%	1.0%
5.4	Science and Technology, Agriculture and Solid Minerals Development Fund	-----	1.5%
5.5	Basic Education & Skill Acquisition Fund	-----	7.0%
5.6	Development of Mineral Producing States	3.0%	-----
<b>Total</b>		<b>100%</b>	<b>100.0%</b>

Source: (Jega 2007:235-236)

The second principle of revenue distribution is horizontal revenue sharing, which is based on differences in the ability of various tiers of government, other than the federal government, to generate revenue (Akujuru, 2015).

Table 2 shows the various federal and state governments shares of proceeds from the distributable pool from 1960 till date.

**Table 2: Federal-State Shares of Proceeds from Distributable Pool**

Years	Producing state (Region). Percent (%)	Distribution pool/ account Percent (%)
1960-69	50	50
1969-71	45	55
1971-75	45 (minus offshore)	55 (plus offshore)
1975-79	20 (minus offshore)	80 (plus offshore)
1979-81	-	100
1982-92	1.5	98.5
1992-99	3	97
1999-date	13	87

Source: Akujuru (2015:26)

The aforementioned analysis of Nigeria's vertical and horizontal revenue allocations shows that, despite changes in the numbers over time based on the aspirations of many Nigerians, it is frequently claimed that the current vertical revenue allocations between the federal and state governments have not been particularly favourable because the federal government frequently receives higher revenue allocations than the other tiers of government. Additionally, the 13 percent derivation formula principle, which has been in place since 1999, has encountered fierce opposition in some circles, sparking calls for increased funding for state governments to support development and effective governance.

## 5. THE POLITICAL ECONOMY OF ELITISM AND FISCAL FEDERALISM IN NIGERIA

Since the days of colonialism, Nigerian elites have had a say in how the country's resources are distributed. According to Omitola (2016), "the ruling elite have been engaged in a conflict and struggle for political control of the state with the ultimate goal of accessing its economic riches." The country's "exploitation did not stop after independence, but rather it took on a new dimension



as the emergent ruling class furthered such exploitation to serve their own interests and the goals of the colonial masters, he continued. The country's economy gradually underperforms as a result of this trend (Omitola, 2016: 179-180).

Therefore, the growing protests by some regions of the nation against economic marginalisation have been intensified by the Nigerian elites' inability to develop an equal income allocation formula throughout the years. Over the years, organisations like the Arewa People's Congress, Niger Delta Avengers, Oodua People's Congress (OPC), and MASSOB/IPOB have emerged in the north, south-western, south-south, and south-eastern regions of the nation, advocating for equitable resource distribution within the Nigerian federation. The agitation by the aforementioned organisations has the inference that each organisation wants to advance their own interests over the interests of the broader federation.

The high percentage of resource allocation, which the federal government accrues at the expense of the other tiers under the existing revenue-sharing system, is one of the major issues facing Nigeria's fiscal federalism. As a result of the years-long struggle for resource management, the excessive percentage accruable to the federal government has caused so much stress and friction among the three tiers of government (Federal, States, and Local Government Areas). Many Nigerians believe that having access to political power at the federal level is essential for accumulating resources and riches, which is one of the far-reaching effects of this harmful trend on the modern democratic environment in Nigeria. As a result, over time, the groups that make up the Nigerian federation have generally believed that their ability to influence federal politics is essential to their ability to access state resources. This has contributed to underdevelopment of the nation because resources intended for national development are frequently diverted to serve a few particular interests, pushing other ethnic groups within the Nigerian state to the margins.

Another bone of contention in Nigeria's fiscal federalism is the elites' failure to create a fair and widely supported revenue-sharing formula for all levels of government in Nigeria, who have benefited from the country's uneven resource distribution over the years. The federalism of Nigeria and its efforts to consolidate democracy and advance socioeconomic development have been seriously threatened by this. This issue arises from the anger that some oil-producing states have for other non-oil-producing states. States that produce oil frequently feel unfairly treated by the current revenue allocation mechanism in this regard. As the famous "goose that lays the golden eggs," they instead feel undervalued in terms of the revenue that should have accrued to them, particularly when the oil-producing states split revenue distribution with other states that have comparatively high levels of domestic revenue, such as Lagos.

It might be argued that the principle of derivation is not always seen as a crucial component in the income sharing formula, which has led to increased tension and friction. Therefore, addressing the issue of how to strike a balance between the principle of derivation, the principle of equity and efficiency, the issue of how to correct long-standing injustice, particularly the neglect of environmental issues in the oil and other mineral producing states, and the issue of "how to persuade Nigerians to recognise that federalism is, for the foreseeable future, the best system for Nigeria, and that total resource control is incompatible" with a federal system has been addressed (Jega 2007:237-238). It is important to note that in Nigeria, particularly in the oil-producing states, conflict and agitations over resource control by state and local governments have hampered efforts to achieve national cohesion and unity and, in large part, slowed the pace of economic growth.

Furthermore, the difficulties Nigeria's fiscal federalism faces have created serious problems for the nation's governance. This was noted in the UNDP Annual Report (2014), which illustrates how social exclusion and poor management of public resources are examples of governance shortcomings (UNDP, 2014:3). In addition, the country has such enormous potential that it is known as the "Giant of Africa." However, because the Nigerian elites are unable to effectively use the nation's God-given wealth to raise the standard of living for its people, many scholars now refer to Nigeria as the "crippled Giant." Additionally, Nigeria faces a number of development obstacles that can be overcome, just like any other emerging nation in the world. Nigeria is fortunate to have the human, material and financial resources needed to leapfrog its economy.



Nigeria's fiscal federalism is marked by persistent protests and demands for reform and resource management. Disaggregate federalism's centrifugal tendencies are to blame for this. These various issues are related to the three levels of government's ability to raise money and allocate expenditures fairly. The tension between centrifugal pull and centripetal push is one that practically never goes away. The following issues still need to be resolved: State and local government joint accounts; functions and tax-raising ability; challenge of an appropriate sharing formula (Abdul 2019).

The idea behind fiscal federalism can be summed up as allowing for the distribution of responsibilities among the different levels of government in a way that the federal government provides public goods for the interest of the majority of citizens in an equitable manner, while the state governments are expected to provide for the local public goods (Omotola, 2016). It is important to note that, in a federal system, the main purpose of revenue distribution is to make sure that one level of government complements the duties of the others in order to provide public goods. However, when this objective is subverted by elites or sectional interests looking to advance their narrow interests at the expense of the broader populace, it becomes counterproductive to the goals of such a society's development.

### CONCLUSION

The colonial era is where Nigeria's fight over resource distribution began. Furthermore, since the nation's independence in the 1960s, achieving equitable revenue distribution has sparked a great deal of conflict, especially between the various ethnic groups that make up the Nigerian federation, such as the Arewa People's Congress, Niger Delta Avengers, Oodua People's Congress (OPC), and MASSOB/IPOB. This study has suggested a new, fair vertical revenue distribution system amongst Nigeria's various levels of government. It makes the case that the current revenue distribution is no longer viable, has failed to foster cohesion, and should therefore be reorganised in a way that will forcefully address the areas of unrest by different interests within the Nigerian federation. Furthermore, we made the case that the competing interests of the elites who represent different groups within the Nigerian state are to blame for the Nigerian federation's incapacity to create an equitable revenue distribution. Instead of advancing the collective interests of the many important stakeholders in the Nigerian enterprise, they would prefer to boost their own personal interests.

### RECOMMENDATIONS

First, the President should establish an income allocation committee under the current democratic system, with its main goal being to redress the structural disparities that the elites have long been responsible for creating, fostering, and maintaining. This would significantly advance the goals of developing a fair revenue allocation mechanism that will address the growing concerns of both real and perceived economic marginalisation.

Second, a bill to further decentralise power should be approved by the ninth National Assembly. More resources will be distributed to the states as a result, hastening socioeconomic growth.

Thirdly, the elites of Nigeria should come to an agreement on a fair revenue distribution system based on derivation, where states that create more resources are given larger allocations than states that produce fewer resources. This will, among other things, inspire less resource-rich states to come up with innovative ideas for new sources of income rather than going cap in hand to Abuja for a monthly allocation from the federation account.

Finally, the 2011 amendment to the 1999 constitution, which blatantly breaches the federalism principles in relation to the distribution of revenue using the derivative formula of 13% to 25% for states that produce oil, should also be modified by the ninth National Assembly. As a result, the problems of environmental deterioration and the general underdevelopment of the region will be more effectively addressed.


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