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EMERGING TREND OF THE AGITATIONS FOR RESOURCE CONTROL AND THE FUTURE OF NIGERIA'S FEDERALISM

BY

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ABSTRACT

Nigeria adopted federalism as-a means of managing her diverse and often conflicting ethno-cultural diversities. Without doubt, this may have resulted in some positive achievements. But one issue that has remained germane to the practice of federalism in Nigeria is the issue of resource control. This bothers on issues of equity and justice in power and resource distribution among the various nationalities in the country. The minority nationalities whose area incidentally produces the nation's resources have been at the receiving end, culminating in their demand for redress. The volatile dimension and recent trends of their agitations however portends ominous threat to the country. Against this background, the paper highlights dimensions of the agitations in the country with a view to draw out its implications on the country's federalism as well as the state as a whole.

INTRODUCTION

Every state is a means to an end - the end being the good life and happiness of the citizens. To achieve this requires putting in place, political arrangements and institutions that would allow for substantial co-operation and harmonious relations between and among the various units in the state. One of such arrangements especially in plural societies is the federal system, which has been offered as an institutional solution to the disruptive tendencies of intra-societal ethnic pluralism because it allows for diffusion of power among the various units. In other-words, it is self-rule plus shared rule,

It is however important to state that a wrong application of whatever governmental system adopted by a state can be as dangerous and catastrophic as choosing a wrong system. This has been the bane of many developing plural states

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including Nigeria since its adoption of federalism. So far, the ideals and gains of federalism appeared not to have triumphed in the country. It has continued to witness increasing and persistent agitations from the various nationalities that composed the federation despite institutional mechanisms put in place to ensure self-realization of the various nationalities within the federal framework. It is important to stress that such agitations revolve mainly around the need to redress and improve each group's standing in power position and resources distribution. Also, the spheres of agitations have almost become co-terminus with ethnic and geographic boundaries such that the north is identified with demand for *sharia* law; marginalization claims and resource control in the south-east and south-south while the south-west is a vociferous advocate of Sovereign National Conference. All these have encapsulated the demand for restructuring and right of various groups to determine how their lives are to be ordered. Paradoxically as well, all seems to be sounding the death knell of Nigeria's federalism. This paper therefore seeks to examine the spate and scope of some of these agitations and the consequences engendered in them with a focus on happenings from May 1999 till date. This is largely so because, the expectation was that the advent of democratic rule in the country would help douse already heightened tension among the various nationalities but on the contrary, the tension seems to have escalated. But before dwelling further, some comments on federalism and its context in Nigeria is quite apposite.

Federalism in Nigeria

The concept of federalism has indeed enjoyed wide patronage in political science literature and discourses on governance. Yet, to say all about it has been exhausted is to underrate its topicality. Its high patronage may in turn be attributed to the fact that it involves, as Burgess (1993:3) puts it, 'the endless debate about political authority and exercise of power' in the state in such manner as to accommodate different units. Thus, it has been conceived as a system of governance which reflects the compromises in a multinational state resulting from the desire of the associating members to form a union without necessarily obliterating their identities at sub national levels (Elaiwu, 2000:38). This was also the views of Watts (2000:3) when he noted that 'federalism permits actions by a shared government for certain common purposes together and autonomous action by regional units of government for purposes that relates to maintaining regional

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distinctiveness'. It appeal to societies is capable of mediating plural elements. The perception of federalism (Gagnon 1993; Loo in a federal state which they exercise power largely depends on dis-aggregative. In terms of exclusive,

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However, it was one of an asymmetry (the North) was excluded together. This arrangement the component unit a lee-way on issue political power and by the phenomenon

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distinctiveness'. Implicit in the above views is that federalism lends a sense of appeal to societies characterised by intra societal ethic and cultural pluralism as it is capable of mediating potential conflicts arising from co-existence of various plural elements. These virtues constitute the hub around which various scholars perception of federalism crystallize (see Tamuno 1998: OJo 1998: Burgess and Gagnon 1993; Long 1991 among others). By its nature therefore, component units in a federal state often enjoy some level of independence in some matters over which they exercise authority. However, the level of such independent exercise of power largely depends on the mode of federating. That is, whether aggregative or dis-aggregative. But largely in most federations, powers are usually defined in terms of exclusive, residual and concurrent lists.

In Nigeria, the practice of federalism started *per se* in 1954 following adoption of the Oliver Lythleton constitution which granted substantial autonomy to the regions in some matters such as having a regional civil service and judicial system. Arguments as to the forces that propelled a Nigerian federation have been well documented in the literature, [see Elaigwu 2000; Ojo 1998; Okhaide 1992; Oyovbaire 1985; Awolowo 1968 among others). What is crystal clear from their arguments however is that the adoption of federalism in Nigeria was a mutual but tacit agreement between the nationalists and the British overlords and it is aimed at allaying fears of political and economic domination, then, expressed, by various groups.

However, it must be noted that right from inception, Nigeria's federalism was one of an asymmetric territorial association. This was because, one region (the North) was equal both in size and population to the sum of other regions put together. This arrangement and some others were to later affect relations between the component units. This is largely because, the asymmetry usually give the north a lee-way on issues to be decided based on size and number especially control of political power and resource distribution. The situation was further accentuated by the phenomenon of military rule in the country's governance.

There is no denying the fact that the military had a profound impact on the practice of federalism in Nigeria. This has been documented by scholars. But what must be noted is that the military laid the foundation for the excessive centrality of the Nigerian state and indeed Nigerian federalism. Perhaps by virtue of its organizational character which is Unitary, the military could not do much less than allow such to influence its style of governing the country's affair. Thus, right from the first phase of military regime (1966 -1979), through the second phase of military regime (1983 -1999), there was a progressive reduction in the powers of

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the units. First, through creation of additional states either resulting from agitations for such and/or as a legitimizing strategy for the military, spheres of influence of each state continued to be whittled down. Second, there was massive transfer of powers from the state to the central government. The veracity of such transfer was aptly captured by Akinyemi (2001a:11) who, based on a comparison of the 1959 and 1999 constitutions noted that:

Only one item "Archive" was transferred from the 1959 exclusive legislative list to the concurrent list of 1999. No item was transferred from the 1959 exclusive list to the 1999 reserved list. Out of the twenty - eight items on the 1959 concurrent list, sixteen items - which translates to roughly 57% - were lost to the 1999 exclusive list.

In addition to the above, the states also lost seven items from the 1959 reserved list to the 1999 exclusive legislative list. Thus, the legacy of military rule on Nigerian federalism is nothing less than balkanization of the autonomy and powers of component units.

Yet, another strain on Nigeria's federalism results from the linkage between military rule and asymmetry of the component units. As noted earlier, the asymmetric territorial association between the North and South places the former at an advantage on issues where representation is based on number. It is therefore not an accident that officers of northern extraction dominated the military establishment which has come to establish itself as alternative to civil rule. It is by the same token that most leaders that emerge after a coup are officers of northern extraction. This situation coupled with politics of ethno-religious sentiments tends to assert one region as a perpetual dominator of all others - a situation which creates frustration for other regions. Consequently as Nwabueze (1993:223-224) noted:

Frustration over monopoly of the headship of the federal government by one group as if it was an exclusive birthright of the group and over the intolerable arrogance in the use of power creates disenchantment with practice of federalism in Nigeria.

A compounding situation to the above lie in the fact that, control of political power also implies control of economic resources of the nation. While this ordinarily would not be an issue where resources are evenly concentrated among component units, it however becomes a major source of acrimony when resources are concentrated in a part especially, with the numerical minority groups as it is currently in Nigeria. Cumulatively, all the above issues combined to serve as spring board for the emergence of series of agitations for resource control. These agitations obviously has acquired increased political salience in post military Nigeria with nationalities concerned 'using all available means from most pacific to the most virulent' (Tyoden 2000:185) to air their grievances.

Dynamics of the Agitations for Resource Control

As a result of persistent inequality in its distribution, the issue of resource control and distribution has become a thorny one in Nigeria's federalism. According to Kwanashie (2000:181), such issue have remained contentious in the relationships between the component units of most federal states. In some countries, resources are vested in the central government while in others, they are vested in the component units which pay royalties to the central government. This difference in who controls the resources has been attributed partly to the mode of federating and partly to the unequal relationship of groups to state power with respect to the majority-minority dichotomy (Kwanashie 2000: 81). what this suggests is that, where control of state power lies with the majority and perhaps less wealthy group, the tendency is that resources will be centrally controlled and its distribution determined by the interest of the dominant group. This, obviously, is suggestive of Nigeria's situation.

At the centre-stage of the agitations for resource control in Nigeria are the minority nationalities of the Niger Delta region whose area produce the oil which form the mainstay of Nigeria's revenue base. What informed their agitations in the views of Ovwasa (1999:90-91), includes the environmental degradation and in particular, the destruction of farm lands and fishing that constitute their main occupation without adequate compensation and, their presistent marginalization by majority groups depicted in their non-representation in government. In other-words, fiscal federalism in Nigeria rather than leads to general development has only led to continued pauperization of some sections to the advantage of others. To this exetent, the agitation for resource control could be attributed to failure of the elite to , develop the country in the interest of all Nigerians (Akpata

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2000:9). This is more so when it is realized that the Niger Delta has long been neglected in terms of amenities as it 'daily gravitate on the precipice of ecological destruction and total extinction' (Kasim 2000:9). The constant oil spillage, gas flaring and other forms of environmental pollution have indeed put the entire ecosystem and aquatic life in the region under threat of extinction because oil spillages when it gets to the stream destroys marine life, render source of drinking water useless, causes fire hazards followed by visual pollution and possible damage to plant and animal life (Agbu 1998: 7).

An important factor that intensified and heightened the agitation of the minority nationalities was the argument that when the various regions dominated by the majority nationalities were producing the wealth of the federation, the principle of derivation dominated revenue allocation. But since the discovery and exploration of oil from the minority areas, the issue of derivation has been greatly down-played (Kwanashie 2000:169). Ofeimun (2005) captured the fluctuating fortune of the derivation formula in Nigeria from historical perspective in the following words:

*From 100 percent in 1946, the Philipson commission recommended 50 percent for derivation in 1951; Hicks-Philipson recommended 50 percent, 100 percent was actually disbursed in 1953 when the Western Region pushed for it; in 1958, however, the Raisman Commission set derivation at 50 percent; in 1960, it was 50 percent; by 1970, the regime of General Yakubu Gowon...reduced derivation share to 45 percent... In 1975, derivation fell to 20 percent. The Obasanjo / Yar' Adua administration fixed it at 25 percent... Shehu Shagari reduced *it to 5 percent in 1981. Under Buhari, it crashed to 1.5 percent. General Ibrahim Babangida raised it to 3 percent ...it took the rise of Sara Wiwa phenomenon for consideration to be given to a 13 percent rise on the principle of derivation as proposed in the 1995 and now the 1999 constitution.*

It is instructive to note that, one of the arguments on why derivation principle was down-played especially under the military was to achieve national unity and even development. But this has had negative impacts on the practice of

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federalism in the the minority and determination; oil pollution of the are the Eastern M issue of margin standards for diff axix (Ibeanu 199 MOSOP) which 1994/95 Constitu oil was derived s resource and pr Congress, Niger I ethnic nationali Consultative Ass a Niger Delta co future relation w Several other m have also emerg thought from the federation (The

It is equal represents the e federations, the e reform, which m Nigeria, while th government for r argued that state royalties on such arguments and o between various resources contro units opposed to units. Consequer with mostly the advocates of this

federalism in the country, culminating in the rise of various movements mostly in the minority areas with demands revolving around securing right of self determination; return to allocative principles of derivation and, compensation for oil pollution of the environment (Obi 1998:269). Notable among these movements are the Eastern Mandate Union (EMU) whose major goal is to address the 'perennial issue of marginalization and unjust character of the polity which sets different standards for different peoples, depending on their geo-political and ethno cultural axis (Ibeanu 1999:41) and; the Movement for the Survival of the Ogoni People (MOSOP) which along with other oil producing communities, demanded at the 1994/95 Constitutional Conference that, communities from whose areas (on-shore) oil was derived should be part owners together with the federal authorities of the resource and proceeds from it (Osaghae 1998:12). Others include Ijaw Youth Congress, Niger Delta Consultative Assembly among others. Similarly, late in 1999, ethnic nationalities of the Niger Delta under the auspices of the Niger Delta Consultative Assembly (NDCA), met in Port-Harcourt empowering a group to draft a Niger Delta constitution which according to them, will form the basis of their future relation with the rest of Nigeria (*Tell magazine*, November 22, 1999:16). Several other militant groups such as the Niger Delta Volunteer Force (NDVF) have also emerged. All the above are in addition to series of calls by leaders of thought from the area calling, in unequivocal terms, for the restructuring of the federation (*The Guardian*, April 17, 2000).

It is equally important to stress that, the present agitation for resource control represents the emergence of new impulse in Nigeria's federalism. As with all federations, the emergence of such impulses usually create new agenda for federal reform, which may either, tend towards centralization or decentralization. But in Nigeria, while those pushing for resource control favoured the latter, the central government for reasons bordering on national unity and security have persistently argued that states cannot control mineral resources, issue licenses or even collect royalties on such (*Punch Newspaper* November 15, 2000: 2). This has led to arguments and counter arguments as well as alignment and re-alignment of forces between various units in the federation. It was the belief of the proponents of resources control that the federal government, with insinuation from some other units opposed to resource control, was foisting the centre dominance on all other units. Consequently, the argument has become polarized along geographic divide with mostly the north in opposition while the southern states are vociferous advocates of this idea thus, organising conferences, seminars and summit of all

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southern state governors to discuss the issue. While those opposed to resource control see it as 'a dangerous trend in the practice of federalism in Nigeria' (Kachala 2001:18) capable of causing disintegration, the southern states hinged their argument on the fact that it is *sine-qua-non* to the practice of 'true federalism' (Attah 2001:22; Nigerian Tribune, September 15, 2001: 31). The southern states, especially, south-south, have continuously been calling for a return to the 1954-66 format and an amendment to item 39 on the exclusive legislative list in the 1999 constitution in such manner as would allow states to control the mineral resources within their domain (Punch Newspaper August 2, 2000 : 40; November 15, 2000: 2).

Admittedly, one of the initial steps taken by the government in the past to douse tension and stimulate rapid development in the Niger Delta area was the establishment of the Oil Mineral Producing Areas Development Commission (OMPADEC) in 1992. The commission was charge with the responsibility of managing allocations to oil communities and to ensure socio-economic development of the area (Osaghae 1998:13). The commission made a good beginning by embarking on developmental projects in addition to supervision and completion of several others which it inherited from the defunct Presidential Task Force on the Fund for Oil Mineral Producing Areas (Suberu 1996:39). But within a short time, the commission was engulfed by series of problems most threatening of which was the phenomenon of corruption which virtually rendered it ineffective to discharge its functions, it became reputed for series of abandoned projects, contract inflation among others thereby giving it the image of a 'contract awarding rather than development outfit' (Ovwasa 1999:92). Therefore, the commission was more or less in abyss until the Obasanjo government established, the Niger Delta Development Commission (NDDC) to replace it. Similarly, derivation to the oil producing areas was increased from the previous 3% to 13% on-shore. Ironically however, the new initiative at solving problems of the Niger Delta only amounted to opening the pandoral box because it led to virulent protestations and agitations from within and outside the region. First, there were acrimonies between the oil producing communities themselves on the issue of headship and composition of the NDDC on the grounds that, some of the appointed members of the commission were not from an oil-producing village or community though they are indigenes of the Niger Delta or for their alleged involvement in certain irregularities in the past (The News Magazine, August 21, 2000 p. 38; Comet Newspaper October 22 and 29, 2000; Punch Newspaper, October 24 and November 25, 2000). Second was

the problem over the on-shore/off-shore dichotomy. Whilst derivation was being calculated from on-shore extraction only, the oil bearing states want the off-shore extraction to be included. This was a major area of disagreement between the federal government and the oil producing states. Akinyemi (2001 b: 12) succinctly put the thrust of the argument thus:

The Federal Government has taken the position that the constitution has laid down minimum of 13% on on-shore resources while off-shore resources belong to it. The oil producing states have taken the position that not only is the 13% minimum and not the maximum laid down by the constitution but that whatever percentage is agreed upon should be applicable to both onshore and off-shore resources.

This is the quest for a right interpretation of the constitutional provision that led to a constitutional suit by the federal government against the thirty-six states in which the former prayed the Supreme Court to determine

the seaward boundary of a littoral (or coastal) state within the Federal Republic of Nigeria for the purpose of calculating the amount of revenue accruing to the Federation Account directly from any natural resources derived from that state pursuant to section 162(2) of the constitution of the Federal Republic of Nigeria 1999 (see Nigerian Tribune February 8, 2001; 4).

But in its ruling, the Supreme Court averred that the seaward boundary of a littoral state for the purpose of calculating revenue accruing to the federation account is the 'low-water mark of the land surface thereof... or the seaward limits of inland water within the state, (The Commet, April 6, 2002: 1-2). By this verdict, the littoral states had lost the battle while derivation will continue to be calculated based on 13% of shore. This verdict further posed new threat to some of the littoral states who stood the chances of losing every entitlement to derivation if the federal government should embark on strict implementation of the Supreme Court judgment. For instance, a state like Akwa Ibom which has all its oil resources off-shore will not only loss entitlement to derivation but may have to refund the monies already allocated to it. The quest for a way out of this strangulation led to mutual calls by all the parties including the federal government for a political solution

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which saw the President presenting before the National Assembly, a bill for the abrogation of the on-shore/off-shore dichotomy and its consequent passage by the legislative house. The bill, the onshore-off shore (abrogation) bill, 2004 has since received the President's assent. (See, The Punch, February 19, 2004:4 and 12). But the signing of the bill by Mr. President was to spark off new trouble for the government and the oil producing states. It resulted in another litigation instituted by the 19 Northern states governors and their counterparts in Ogun and Osun state, South - South west Nigeria against the federal government. The governors are now seeking a nullification of the on-shore /offshore abrogation. Their argument hinges on constitutionality of government's action in that regard and fears' that it would lead to preponderance of some states over others in terms of availability of wealth. While the case is still in court and some other political moves were still on towards resolving the matter, the federal government announced its intention to convey a National conference to address the log jam and several other issues plaguing the federation.

Following report of the. Makarfi committee set up to work out modalities for the conference, a 400 member National Political Reform Conference (NPRC) was eventually inaugurated by the President in February 2005, The conference swung into action immediately and as expected, agitation for resource control was a major feature. Accordingly, committees were set up by the NPRC to look into specific issues after which various committees' reports will be discussed and ratified in a plenary. It was at this stage that the conference came to a cross road as recommendations of the committee on ' resource control which the plenary passed created a stalemate. The professor Imku committee had recommended an increase in derivation from present 13 percent to 17 percent, a recommendation which was passed by the conference. However, this did not go down well with delegates from the South-South who alleged foul play in the manner the recommendation was . passed. Consequently, the entire delegates of the South-South staged a walkout from the conference on the insistence that it would only return if derivation is increased to 20 percent and graduated to 50 percent over a period of five years. All efforts to persuade the delegates to return to the round table proved abortive as the intransigence could not be resolved until the conference adjourned *sine die* in July 2005. Consequently, an acceptable percentage of derivation could not be arrived at and the conference had to make this known in its final report submitted to the President.

As efforts to find a lasting solution continued, the emergence of the

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Movement for the Emancipation of the Niger Delta (MEND) and the tempo of its operations introduced a new dimension to the agitation. This is because, its activities has become more of an insurrection in recent times, especially, after the arrest for treasonable charges by the federal government, of leader of the Niger Delta Volunteer Force, Mujahid Asari Dokubo. Consequently, MEND is agitating for local control of the region's oil wealth along with release of its leaders arrested by the government. It also hoped that by shaking up international oil market, it can bring international pressure on the government to respond to its demands (The Wall Street Journal, April 10, 2006: 32). A strategy it has adopted in this regard is to attack oil installations and kidnap oil workers. Thus, on January 18, it executed its first attack on vessels near a Shell offshore oil field and took some workers hostage. These were later released. Few days later, the militants also attacked a Shell pumping station killing about fourteen soldiers and two Shell caterers (The Wall Street Journal, April 10, 2006: 1). Again on February 18 2006, the militants struck at Willbros barge and kidnapped nine foreign oil contractors. Following series of negotiations between the government and the militants, six of the captives were released while it took the direct intervention of British and American envoys before the remaining three (Two Britons and one American) were released, though unharmed. "But to say that this would be the end of the insurgency is to underrate the determination of the militants as they have 'continued to carry out more attacks on oil installations as well as kidnap of oil workers. First, to drive its point home and second, to demonstrate their opposition to the stakeholders meeting convened by the federal government (Thisday, April 13, 2006: 1). The federal government had earlier in April convened a stakeholders' meeting Port Harcourt, hoping through it, the log Jam would be resolved. The extent to which this initiative would go in addressing the issue and extent to which MEND as well as other militant groups that have emerged would sustain the struggle is only a matter of time, But the whole episode apparently poses some challenges and has implications for the Nigerian federation and world community. These we shall explore in the next section.

Implications of Agitations

Embedded in every action and reaction are certain facts, which becomes revealed from time to time as situations unfold. The agitations for resource control in Nigeria helps bring out a basic fact about federalism which is that, the maintenance of a federation requires the continuous renewal of the idea of federalism which can only be achieved through interactive processes, This is

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because reliance on constitutionally defined structures alone cannot ensure stability in federations. Rather, they only provide the most minimal framework. Indeed, the logic of federation as Chapman (1993:72) has noted operates more through process than structures. What this points at with reference to Nigeria's federalism is that the present agitations represent one of those interactive processes necessary for the maintenance of the federal idea but this need to be accompanied by deliberate attempt at reforms on the part of the state. Else, the actions and reactions it entails may make units to seek alternative arrangement that gives broader expression to their interest. What is being emphasized here is that minorities' agitations over power, representation and control over resources poses fundamental challenges to the nature and processes of federalism in Nigeria. Part of this potency according to Agbese (1999: 2) is the unsettled issue over the appropriate basis for the constituent units of the federation. In other-words, where it is not well managed, it is capable of crumbling the country's federal system. First is that, if agitations for resources control are carried too far, it may eventually lead to inter and intra community skirmishes because the oil resource has a concentric existence, flowing from someone's backyard to become the nation's oil. In other words, even if the nationalities are allowed to control the resources, the agitations will likely continue to flow down until it gets to somebody or a family laying claim to the land from which resources are extracted. Elements of this were glaring in the furor over composition of the NNDC. Secondly, concession to resource control may spark off further agitations within the Nigerian state by even non-oil producing regions but who one way or the other contribute to the national purse. For instance, there have been the emergence of parallel agitations from some non-oil producing states in the federation with claims that though they may be lacking in oil resources, but they equally possess other resources that generate revenue for the federal government and as a result of which they suffer environmental degradation. States such as Kwara, Kogi, Niger and Kebbi have put up claims that parts of their states continually suffer degradation owing to activities of the National Electric Power Authority, NEPA (now Power Holding Company of Nigeria) in generating hydro-electricity for the nation at Kainji dam. For this reason, they also want to be considered for 13% derivation, (see *Sunday vanguard*, September 3, 2000 :15-19). Note worthy is that with this, one may not be able to rule out possibility of other forms of agitations from elsewhere which are yet to become manifest, if these continues and the state is unable to develop capacity to accommodate them, federalism in the country may become evanescent.

Equally, where the threats and attacks on oil installations become sustained, it will have implications for federal financing. This will tie as a result of decline in oil output and the attendant fall in the country's oil proceeds. Already, there have been about 25 percent decline in the country's oil output. Against the background of oil as the major revenue source for the country, there is no doubt that there will be a cut in the expenditure profile of the federal government and by extension, state governments. To this extent, it could also affect development and welfare programmes of the state with attendant consequences of aggravating poverty, unemployment and general dissatisfaction among citizens. Although the crises in the Niger Delta may have shoot up prices of oil at the world market, but this may not translate into fortunes for Nigeria. This is because with the disruptions that have taken place so far and its consequent effect on capacity of the Nigerian National Petroleum Corporation to supply gas to the Power Holding Company of Nigeria (PHCN), Nigeria is said to need about 1.5 U.S. dollars (about 192 billion Naira) to meet up with gas supply to its power stations (see Thisday, April 13, 2006:1). It implies that while prospects of revenue is declining, there is a gradual increase in the propensity to expend.

The Niger Delta attacks as well constitutes a threat to global energy security.. Viewed against Al-Qaeda's threat and target of oil facilities in Saudi Arabia - world's largest producer of crude oil - it is obvious that the world's oil need may be in jeopardy especially in an era where there is increasing need of the commodity by countries. The astronomical increases in price of the commodity in recent times is a pointer to the fact there is a sharp disequilibrium between demand and supply which also have implications for world economy.

But apart from the above, the agitations for resource control may eventually turn a blessing in disguise for the country's federalism. This flows from the series of meetings and conferences held by the southern states governors. Such meetings are capable of narrowing down perceived areas of conflict among the southern states and if accompanied by similar initiative in the other regions, it is capable of reducing intra-regional differences thus, allowing for relative stability in the system. Also, such forum if sustained can provide opportunity for discussion on trade, investment, finance and other forms of co-operation. Where this takes place along north-south divide, it has the potential of helping to achieve one of the ends of federalism canvassed by Gagnon (1993:1). Gagnon had said *inter-alia* that federalism allows for politics of innovation. That is, it allows for different manifestations of policy innovation because the tendency is that regions or units will always strive to outdo each other in terms of developmental programmes.

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Consequently he argued that, the most important contribution federalism could have on developments of society is indeed at the level of innovation (Gagnon 1993: 34). However, success in this regard is dependent on sagacity of political actors in the management of emerging impulses from the system.

Conclusion and Recommendations

Our analysis so far has revealed that Nigeria's federalism operates in both fiscal and political contexts. Fiscal relations among the component units is seen to be a major factor that engendered problems in the practice of federalism in the country. This is because, it is characterised by the big but less wealthy groups not only dependent on the smaller but wealthy groups, but as well dictating the revenue sharing formula to its own advantage. This has made federal presence and development in the minority nationalities' areas to be minimal. Though they bear the nations oil resources, they have continued to suffer consequential effect of oil exploration. The consequences of this are the increasing waves of unrest, violence and agitations for resources control by these nationality groups which from all intent and purpose, are now seriously undermining the very basis of Nigeria's federalism.

Finally, this paper recommends that intensive search must continue for a satisfactory arrangement for representation of the various nationalities most especially, the minority nations within power matrix and resource distribution in the federation. But while this is going on, existing institutional provisions such as the federal character principle, derivation to oil producing communities and the NNDC must be consolidated and their details scrupulously pursued to achieve the desired end. Equally, there must be willingness on the part of the various nationalities to co-exist in order to make government's efforts at making each realize itself within the Nigerian nation-state a success. Federalism is a dynamic process which must respond to societal impulses as they emerge, Nigeria's federalism must be seen and operated in this light in order to douse emerging tensions from the system.

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ABSTRACT

This paper evaluates the impact of the civil service of Nigeria on the economy. The core of civil service is the responsibility to enhance higher education, and to ensure that the personnel to the civil service are of high quality. The paper also discusses the impact of the civil service on the economy, and the need for reform. The paper concludes that the civil service has a significant impact on the economy, and that reform is needed to improve its performance.