The dynamism and complexity of Nigeria’s federalism has attracted academic scrutiny. This is because it has generated so many problems capable of threatening the corporate existence and continuity of the Nigerian state. The abandonment of true federalism in Nigeria has led to the neglect and marginalization of the Niger Delta region of Nigeria, where the bulk of the country’s wealth is produced through the exploration and exploitation of crude oil which is the colossus of Nigeria’s economic base. The people of this region have been agitating for fair share of the country’s wealth, the bulk of which comes from their region. This research makes a critical analysis of Nigeria’s federalism in the context of unabated frequent call for resource control and the resultant crisis in the Niger Delta region of Nigeria. Three local government were selected from Bayelsa state; these were survey was conducted namely Nembe local government area, Ekeremor local government area and Brass local government area. The researcher examining the evolution of Nigeria’s federalism; resource control as a fundamental feature of true federalism; fiscal federalism; issues and challenges of Nigeria’s federalism; Niger-Delta crisis and cause and the agitation for resource control after drawing conclusion from the literature reviewed, the paper will make some vital recommendations.

**Keywords:** Fiscal Federalism, Resource Control, Political Leaders, Niger Delta, Region

**INTRODUCTION**

Federalism as practiced in Nigeria today is a far cry from what true federalism represents. As the nation awakens to the realities of its ethnic, religious, political diversities and corporate existence, the structure of her federalist claims has to be revisited and refocused. True federalism in the real sense of the word promotes accelerated economic development, it unifies and binds people together, and this triggers intellectual dialogue and provokes a healthy rivalry in revenue generation. These laudable goals are only achieved where the federating units are given free access in decision making and inputs into governance. Federalism, as practiced in Nigeria today is linked to a lion chasing an antelope and squeezing out life from it (the lion represent the federal government while the antelope represents the states government). The federal structure of Nigeria today is a gross anomaly, this present structure has positioned itself as an octopus firmly gripping the federating units with its poisonous clutch and constantly dictating its destiny (Denial, 2002).

The evolution of Nigeria's fiscal federalism emanated from historical, economic, political, constitutional, social and cultural factors. In view of this, fiscal federalism has been a central feature of intergovernmental relations in Nigeria. The construction of stable and acceptable revenue formula has been the subject of many commissions and committees since 1914 (Ekpo, 2003). Fiscal federalism in Nigeria has its legal basis laid in the constitution. The 1999 constitution contains copious citations in the second and fourth schedule on the tax powers of the federal, state and local government and also on the system of revenue allocation and management of public funds in Nigeria.

Few national issues have provoked profound debate and lengthy discussions than the practice of federalism and resource control within the past four decades. Indeed these twin concepts formed the focal points among other things at the well-attended Constitutional Conference in 1957 at Lancaster House, London and the 1958 Conference which led to the enactment of the 1960 Independence and 1963 Republican Constitutions. The 1960 Independence and the 1963 Republican Constitutions respectively enshrined some fundamental principles of fiscal federalism and elements of resource control in view of the level of derivation percentage that the regions enjoyed. In the course of the nation’s political evolution, these constitutions were either suspended, modified or repealed by the ruling military leadership and the country tilted to a unitary system with a very strong center. With the return of democratic governance and
the unsolved developmental problems that the Niger Delta region has successively experienced, there has been a spontaneous agitation for the institutionalization of resource control and the practice of true federalism. This is in view of the underlying philosophy of federalism as a system of government where the component units of a political organization participate in sharing powers and functions in a cooperative manner. Control to the federal idea is granting financial autonomy to the different levels of government. But differently, financial subordination makes mockery of federalism no matter how carefully the legal forms may be preserved. The states must not permanently remain dependent on the federal government for allocations.

In view of the relationship of the subject to Nigeria’s continuous existence as an indivisible entity, it has become necessary to undertake a comprehensive study of the subject from an historical perspective. One major character of the Nigerian union which was to remain for many years was that the three regions of the North, West and East retained control of their natural resources. Indeed it was one positive aspect of the practice of federalism in Nigeria. Observers of Nigeria’s federalism have always said that, while the underlying principles of federalism have often been ignored by successive Nigerian governments, efforts were made earlier to implement the policy of fiscal federalism based on the principles of derivation. The 1960 and 1963 constitutions not only granted greater fiscal autonomy to the regions, but also empowered them to compete with one another. The current movement for better treatment of the people of the Niger Delta region has brought to fore the demand for resource control. This phenomenon has generally been misunderstood.

In the on-going debate on the need to restructure Nigeria economically and politically, the two terms of resource control and fiscal federalism have featured prominently as solutions. I think it is important to give a brief explanation of the two policy proposals:

Resource control takes its roots in the oil-producing Niger Delta, where they have been advocating that the entire oil revenues should be given to them, and by extension, that each state should retain the revenue from its soil, which is their resource. It seeks to increase the income accruing to them via the derivation principle from 13% to as close to 100% as possible.

Fiscal Federalism, on the other hand, involves changing the tax policy of Nigeria so that states, not the Federal Government, benefit from Value-Added Tax (VAT), which is the tax paid by companies on goods and services produced. This is in order to make them economically independent and boost their internal economies via more production.

Resource Control focuses mainly on revenues from oil mining, and does not mean Nigeria of our single-product economy, which should be the main focus of our national economic policy. This is because tying economies strongly to oil production is very risky considering the volatility in global oil prices. What is $100/barrel today could easily be $60/barrel tomorrow, especially with the coming on stream of new producers who are not members of the Organization of Petroleum Exporting Countries (OPEC), the oil cartel which imposes production limits on its members in order to maintain as high an oil price as possible.

Secondly, an oil industry, though yielding great financial profits, does not employ as many people as expected. This is because the petroleum industry is highly automated. As a matter of fact, according to John Ghazviniain his 2006 book, Untapped: The Scramble for Africa’s Oil, of the $20bn then spent annually in the entire African oil industry, only $5bn was actually spent in Africa. Even with the present Local Content Act and the proposed Petroleum Industry Bill, it still will not be able to solve our unemployment needs.

Lastly, the conventional rule of governance asks that governments earn their money largely from taxation, which is what an economy focused on an extractive industry does not achieve. All the government has to do to make money is to sink more oil wells and sell new acreages, rather than work to spur more business through the creation of a viable environment. In the end, with resource control, nothing really changes apart from the fact that there will be more money in state government’s hands. We cannot even conclude that the level of governance will increase with more money, considering the fact that the states to benefit most from resource control have been receiving the highest federal allocations with little to show for it. This just smartly plays into a geo-political strategy of ‘we oil money’

Now this is where Fiscal Federalism differs from Resource Control. With Fiscal Federalism, the emphasis is on earning revenues via tax on goods and services produced within the state. This means that the more business activity in the state, the more money they shall earn. When states are largely weaned off federal allocations, they will then be forced to look inwards and develop their economies.

Nigeria is a nation that is blessed beyond measure, in natural as well as human resources. This fact has never been in doubt. In my travels around this country, I continue to encounter massive potentials which are not being harnessed, because there is free money coming in and also because there is no incentive to do so, since it is the FG that will earn their VAT money.

Statement of the problem

Nigeria’s federalism is crisis ridden and one of the perceived causes of the conflict is resource control or allocation formula of resources (Fiscal federalism).

Fiscal federalism is the dynamic interaction between different tiers of government. It poses questions as to how the nature of financial relations in any federal system affects the distribution of the nation’s wealth. Nigeria is beset with structural imbalance, and true federalism implies that component units should freely
pursue their own development. Most of the time the conflict is usually between rich and poor states in terms of resources available to them. The reason for this conflict is based on the unaccepted method for revenue sharing.

Oil account for the nation’s 90% of all its foreign exchange earnings, but there are many issues involved in the exploration of this natural resource. They include environmental degradation, air and water pollution, oil spillage which pollute farm lands, river and creeks (Niger Delta region of the country)

Fiscal federalism is one of the problems that the nation is encountering alongside ethnic conflict which is mostly responsible for the centralization of the nation’s account. This problem has cause states to always be in antagonism regarding the exercise of power in terms of fiscal allocation. Explanation for this particular issue and many more lies in the historical development of the country.

Research Question

The following research questions are postulated for the purpose of this research work.
1. Do you believe in Fiscal Federalism in Nigeria?
2. What is Resource control and Fiscal Federalism?
3. Is Resource Control a Fundamental Feature of true Federalism?
4. Do you think that the Niger Delta Crisis is an agitation for resource control?
5. Are there Issues and Challenges of Nigerian Fiscal Federalism?

Objective of the Study

Although there is no ideal federalism, but you will agree with me that there are challenges and problems militating against the federal nature of this country i.e. Nigeria. It is the aim of this study to see the role of derivation and resource control as a panacea for empowering the component states and also work out effective and acceptable ways of distributing resources to the three tiers of government. At the end of this study or research, it is my belief that ways will be fashioned out to manage the country’s resources; this will help to reduce the glaring inequalities among states in Nigeria.

LITERATURE REVIEW

The Concept of Fiscal Federalism in Nigeria

It has been asserted over the years that fiscal federalism or intergovernmental fiscal relation is concretely located within the definitional concept of federalism, though with economic blending. Thus according to Akindele (2009), “federalism could be taken to mean a system of government where revenue and expenditure functions are divided among the tiers/levels of government. Thus, fiscal federalism is one of the major classical principles upon which true and balanced federalism ought to rest.

It shows very clearly that neither the federal nor the state or the local government in a true federation should depend on each other in carrying out the statutory responsibilities and functions, which the nation’s constitution has assigned to it. This paper examines fiscal federalism as well as the enormous obvious challenges it poses to the Nigerian federation, which have resulted in series of agitations for the review of revenue sharing formula and resource control in recent times.

In the context and perhaps with regard to the experience of the United States of America, Hyman (1993) defined fiscal federalism simply as “the division of the taxing and expenditure functions among levels of government” in a federal system. In most federations, the taxes of citizens- corporate and biological, according to Ozor (2005), constitute the major items that go into the common purse of the federation while in Nigeria, the mining rents, rent, and oil royalties by over 80% (Adesina, 1998), account for the largest items in the federation account and the common fund that is shared amongst the component units of the federation.

According to Ozor (2004), fiscal federalism in a federal system of government is the allocation of taxing power, federally collectable revenue and federal expenditures, to the different levels/components of government in a federation so as to enable them discharge their constitutionally assigned functions and responsibilities to their citizens.

To Gbayesola and Uga (1999), within a fiscally federated state, a citizen can be subjected to the influence of fiscal operation of different levels of government. Such a development is what economists tag “economics of multi-level”. Specifically, Nigerian fiscal federalism structure involves the allocation of expenditure and tax- raising powers among the federal, state and local government. According to Guyer(1997), “fiscal federalism is deeply rooted in apolitical arrangement called federalism”. As the financial relationship between and among existing tiers of government, fiscal federalism deals with the system of transfer of grants through which the federal government shares its revenue with state and local government.

Wheare (1953) cited in Bello-Imam and Agba (2004) rightly argued that each level of government should have adequate resources to perform its functions without appealing to the other levels of government for financial assistance. He emphasized this view when he said: “If states authorities for example, find that services allotted them in a federal system are too expensive to perform, and (hence) they call upon the federal authority for grants and subsidies to assist them, they are no longer co- ordinate with the federal government but subordinate to it”.

Fiscal federalism is deeply rooted in apolitical arrangement called federalism”. As the financial relationship between and among existing tiers of government, fiscal federalism deals with the system of transfer of grants through which the federal government shares its revenue with state and local government.
Financial subordination (marks) an end of federalism, in fact, no matter how carefully the legal forms may be preserved. It follows therefore that both state and federal authorities in a federation must be given the power in the constitution, each to have access to and power to control its own financial resources. Each must have a power to tax and to borrow for the financing of its own services by itself.

According to Bello-Imam and Agba (2004), in Nigeria since 1946, the country accepted the principles of federalism. As at today, there are three distinct levels of government in the country. These are the federal government at centre in Abuja, the 36 state governments as at 1999 and the 774 local government units including the six Area councils within the federal capital territory, Abuja. Each of these levels of government has its sphere of influence and functional competence.

Tekun (2000:13) states that fiscal federalism is the form of government where the component units of a political organization participate in sharing powers and functions in a cooperative manner through the combined forces of ethnic pluralism and cultural diversity.

Musgrave (1959) and Oates (1972) state that fiscal federalism concern the division of public sector functions and finances in a logical way among multiple layers of government. Musgrave (1959) and Oates (1972) opined that the finances and functions of government should be shared in a manner that is acceptable by all involved. Fiscal federalism is the allocation of tax powers and expenditure responsibilities between various levels of government. Tella (2000) posits that Nigerian fiscal federalism structure involves the allocation of expenditure and tax raising power among federal, state and local governments.

Nyong (1999), states that fiscal federalist is the relations among various levels of government in respect to allocation of national revenue and tax powers to the constituent units in a federation. He asserts that the principle of fiscal federalism is anchored on revenue sharing (vertical) and distribution of revenue (horizontal) among various tiers of government.

Ekpo (2003), states that fiscal federalism refers to the allocation of resources among tiers of government to discharge the responsibilities assigned within their jurisdiction. Mobolaji (2002) supports the views of Akindele and Tella (1996), when he opined that in a federal state, each unit should have its own sphere of responsibilities, and each should be blamed or commended on how it functions within its own sphere. The former governor of Akwa-ibom state Chief Victor Attah acknowledged the view of Mobolaji when he states that the 1999 Constitution constitutes a fundamental aberration and a violation of our association as Nigerians. He states that the founding fathers of Nigeria agreed on the basis of the foundation in Nigeria as a true federal state, including fiscal federalism but this has been purportedly marred by the Obasanjo administration. Fiscal Federalism refers to the fiscal arrangement among the different tiers of government in a federal structure (Ekpo, 2003).

Uche (2004), states that fiscal federalism is the criterion for government to share revenue among various tiers of government. Ofuebe (2005) indicates that these revenues have fixed principles; and this heightened its inclusion in section 162(2) of the 1999 Constitution of Nigeria.

Resource Control; the fundamental feature of true federalism

Resource control is a basic economic theory grounded in the fact that land, labour, capital and entrepreneurship are factors of production (Adam Smith, an early economist, outlined these in The Wealth of Nations the principal factors of production. These are land, labour, capital and entrepreneurship. Just as the price of labour is wages, capital has interest; entrepreneurship is driven by profit while rent and royalties are rewards for land ownership. Rent is a return for the use of the original and indestructible properties of the soil. Whoever owns a land expects some form of compensation from those hiring this very important factor of production. The clamour for resource control is a clamour for adequate compensation, a cry for redistribution of the revenue allocation formula, and nothing more. The only thing a government should do is to impose tax to be used for the welfare of the community. This theory has been in existence since the creation of man and is correctly reflected in the Bible. If you change these rules ordained by God, then you invite chaos. Hence the Psalm says, "Change and decay around I see; oh thou who changest not, abide with me".

Odje Mudiaga, in his book “The Challenges of True Federalism and Resource Control in Nigeria” succinctly consider the twin concepts of true federalism and resource control. As far as he is concerned, the two concepts mutually complement each other. A true federal state practices resource control while resource control functions vibrantly in a true federal state (Odje, 2000). Put together, resource control is an indication of the practice of true federalism. According to Azaike, one major character of the Nigerian union which was to remain for many years was that the three regions of the North, West and East retained control of their natural resources.

This was one positive aspect to the practice of federalism in Nigeria. Azaike went further to say that “while resource control is a basic economic theory grounded in the fact that land, labour, capital and entrepreneurship are factors of production within the context of federation, it implies that the federating units within a federation have a right to primarily control the natural resources within their borders, and to make an agreed contribution towards the maintenance of common services at the centre” (Azaike, 2003: 163). This was the case with Nigeria until the military struck in 1966. With the advent of the military in 1966, federalism suffered in
Nigeria. The independence of the regions was compromised as a hierarchical command structure emerged. A very powerful central government came into being and the states which succeeded the regions became mere appendages to the central government. Interestingly, the military arrived the scene when oil was gaining prominence over cocoa, groundnut and palm oil. Even more interesting was the fact that the oil deposits were found in states controlled by minority ethnic groups with very little say in the administration of the nation. It is therefore beyond coincidence that the principle of derivation was cancelled, and the rights and control of the natural endowments of the Niger Delta were transferred to the federal government. Were Nigeria to uphold the principles of true federalism, the present call for resource control would be non-existent. This is because true federalism guarantees resource control. True federalism protects the fundamental rights of both the individual and the federating states. It affords states the benefit of deploying their resources for their own development. Davidson, (1992) notes that Nigeria is currently operating a defective and fallible federalism because the Nigerian federal system has consistently undermined one of the most cardinal philosophical principles of federalism. He says the relative autonomy, independence and self-determination of these units must be appreciated and guaranteed in clear terms.

Advocates for resource control have argued that in any true federalism, powers are shared between the federating units and the central government in such a way that each government has its own apparatus for the conduct of its own affairs. They stress that in any true federalism, the oil, gas or any other mineral found in any state belongs to that state. They maintained that the fact that the areas that provide the national wealth are the poorest in the country is provocative. The condition of these areas (the Niger Delta States) and their people is aptly captured by Duru. "Foremost is that although the bulk of crude oil, the country’s main source of revenue is derived from their land, they belong to the ranks of the most marginalized groups in the country. Another is that several years of exploration and hazards of spillage and gas flaring which accompany it have degraded their environment and left the communities desolate. Not only have farming and fishing, the major occupations of these mostly riverine minorities been decimated, their territories have continuously lacked basic infrastructure and amenities like electricity, roads, schools, hospitals, portable water and so on." (Duru, 1999: 54) Duru’s observation was corroborated by O’Neill (2007) who posits that “the cruelest twist is that half a century of oil extraction in the Delta has failed to make the lives of the people better. Instead, they are poorer still, and hopeless.” Ibanga (2002) sees resource control within the contest between the states of the Niger Delta region and the federal government as signifying the political-legal authority by states to manage natural resources within their territories, in terms of defining the manner and mode of exploitation as well as the utilization of proceeds accruing thereto. Albert Okumagba, an environmentalist and a strong advocate for resource control views resource control as: The desire of every state in the federation of Nigeria to control and manage the natural resources located therein. We do not want to seize the oil, but to participate. By no stretch of imagination thereof can the concept of resource control be equated with crude oil only. It surpasses same in a million fold. (Okumagba, 2002: 162). To him, resource control transcends the narrow confines of crude oil to include coal, hides and skin, tin, limestone, groundnut, rubber, cotton, palm oil and solid minerals on earth. Consequently any state that is endowed with any of these resources will be empowered to control and manage same upon payment of taxes to the federal government. Above all, he says that resource control will stimulate the healthy competition among the states and eventually lead to even development of the country. New barriers will be broken; more resources will be discovered and managed for the benefit of the Nigerian federation. The fact is that resource control will lead to diversification and revamping of solid minerals sector which has been neglected. To this end, the belief is that the practice of resource control will improve the pace of economic development of the whole country in general and particularly make the respective states to identify their comparative advantages which best serves the country.

The overdependence on oil has resulted in the abandonment of the solid mineral sector, thus illegal miners, in collaboration with some unscrupulous businessmen, are now having unhindered access to these minerals and exploiting same illegally. However, as succinct as the points raised by the advocates for resources control, mostly the elites from the South-South geopolitical zone of the country, their northern counterparts have consistently kicked against the agitation, seeing any attempt to allow states to control their own resources as a “recipe for disintegration”. Presenting the Northern elites’ position in an article caption “States Cannot Control Resources” and published in The Punch Newspaper of April 6, 2001, Alhaji Umar TukurDangaladima, a one-time Commissioner in Zamfara State dismissed the demand as unrealistic, adding that “the people of oil bearing states only migrated to settle in their present abode” and that they “met the land and everything there and therefore, cannot claim the resources to be their own.” Similarly, a prominent Northern political leader, Alhaji Tanko Yakassi, has expressed the unfortunate posture of the North to the resource control issue. In an article published in The Guardian Newspaper of May 20, 2001, he noted that all the constitutions that had been operational in Nigeria from the colonial dispensation to date have placed the control of natural resources in the hand and control of the federal government. He also argued that all over the world, things like oil mineral deposits and so on are naturally controlled by the central government and wonders why Nigeria should deviate
from such acceptable standard. He reminded the Niger Delta states that when the defunct Biafran Republic was declared over the area in 1967 by Colonel Odumegwu Ojukwu, the entire people of Nigeria sacrificed to liberate them. To this end, he creates a justification that other Nigerians deserve to share from the resources derivable from the Niger Delta area. This Day Newspaper of Sunday, April 15, 2001 presented the position of the 19 Northern state governors on the issue of resource control. The paper quoted a communiqué issued at the end of one of the Northern governor’s meeting in Kaduna as rejecting the “true federalism” stance of the Southern governors, insisting that the actualization of such demand would have accompanying grave implications for the country.

Niger Delta political leaders agitation for resource control

The agitations against degradation and underdevelopment of the Niger Delta are not really novel. They belong to a long tradition of the resistance against political and economic external domination spanning centuries. Thus, the resource control struggle represents a stage in the history of Niger Delta resistance. There is a linkage in all the agitations in the region: from the Isaac Boro resistance; agitations for State creation in the first and second republics; Governor Ambrose Alli of defunct Bendel State’s litigation against the Federal Government on the derivation principle of revenue allocation; Ken Saro-Wiwa’s Movement for the Survival of Ogoni People (MOSOP); Kaima declaration; environment rights struggles; and then the current agitations for resource control and fiscal federalism, which now constitutes core issues in the advocacy plank of some of the elected Governors and other political leaders in the Niger Delta States today.

The organizational forms, the scale of mobilization and the specific agendas canvassed by the protest groups have changed according to the historical circumstances, but the common striving for equity and autonomous space is unmistakable. However, despite the common thread, the individual interests of ethnic nationalities largely drove the previous forms of the struggle. A pan Niger Delta Consciousness was feeble - a weakness that made it possible for the Nigerian State and the multinational oil companies to play one group against the other. The Nigerian State used this in isolating the various earlier agitations from enjoying the active solidarity of its other Niger Delta neighbors who are also victims of the same environmental and developmental fate.

This limiting of consciousness to ethnic basis also fostered a political leadership in the previous civil administrations in the first and second republics, which deliberately accepted political satellisation as a means of benefiting crumbs from the tables of political parties constituted by the larger ethnic nationalities. In their role as willing appendages, the pressing issues of the Niger Delta region did not feature in the manifestoes of the dominant political parties. Consequently, the political behavior of several of the appended leaders was determined by personal accumulation rather than the interest of the collectivity.

However, the complimentary indifference of the Nigerian State to the problems of the region, coupled with the brutal repression of the Ogoni agitations, as well as the international isolation of the General Abacha regime deepened frustration and produced a variety of rebellious youth movements in the Niger Delta and other parts of the country in the 1990’s. Today, in the Niger Delta, many communities have been overwhelmed by their youths. Monarchs, chiefs, elders, community notables and a crop of compensation agents who used to mediate relationships with the oil companies lost most authority they hitherto had. The youths forcibly took over as a new social force in the Niger Delta struggle, though intense fractionalization and some element of criminality also exist within the ranks of the youth formations.

D. O. Dafinone (2001) Opine that Expectedly, the Governors of the 17 southern states rose from its third summit in Benin City, the Edo State Capital, March 27, 2001, and proclaimed its preference for fiscal Federalism based on the principles of national interest, need and derivation. Its communiqué at the end defines resource control as “the practice of true federalism and natural law in which the federating units express their rights to primarily control the natural resources within their borders and make agreed contribution towards the maintenance of common services of the government at the center. This dogma is not true in its entirety as the individual and not the state is the final repository of this General Will. The benefits of resource control according to Chief Obafemi Awolowo should accrue to the individuals and not the state following the principles finally expatiated upon by Adam Smith in The Wealth of Nations in 1776.

The significant development in the agitations in the Niger Delta is the very fact of a democratic transition - albeit a nascent experience in 1999. The development constituted an opportunity for a legitimate constitutional public postulation of the problems and the public bargaining about the solutions to the crisis of the region. Indeed, the elected representatives, particularly State Governors and Legislatures seized the constitutional opening to raise the issues affecting the region.

The free expression which came as an immediate dividend of the democratization process, created the opportunity for broadening the Trans Niger Delta consciousness. Hence the near unanimous discontent expressed by all the Niger Delta States against the lopsided allocation of resources which came largely from the region, and the expansion of the definition of resource control beyond gas. The argument of the political leaders in the Niger Delta is that, the current crisis and conflicts in the region is the result of neglect by successive central governments, hence the leaders
opened up a serious debate pointing increasingly in the direction of the demand for a thorough-going fiscal federalism, which could free up more resources for the development of the region.

Most intriguing, is the courage of the formal Delta State Governor, Chief James Onanefe Ibori, who initiated and spearheaded the struggle for resource control and fiscal federalism. Of particular interest is the fact that he was elected under the platform of the ruling People’s Democratic Party. His position therefore contradicts the satellisation, which characterized the political leadership within the region in the earlier civil political dispensations.

Chief Ibori showed courage in the face of intimidation and blackmail in restating that, the underdevelopment of the Niger Delta region is the root cause of the conflicts sweeping across the region, and that this is a direct consequence of the plunder of the region by the Nigerian State. Resource control is therefore, a statement that the Nigerian State has deprived the region the necessary resources for development and that the way out, is a return to fiscal federalism, which could guarantee the region the needed resources for its development. The most precise definition of resource control is that put forward by the Southern Governors, in a communiqué from their meeting in Benin City. It read:

“The practice of true federalism and natural law in which the federating units express their rights to primarily control the natural resources within their borders and make agreed contribution towards maintenance of common services of sovereign nation state to which they belong. In the case of Nigeria, the federating units are the 36 states and the sovereign nation is the federal republic of Nigeria”

The central theme of resource control as argued by the Southern Governors, is that the federal system does not tolerate subordination, particularly financial subordination, which a centralized federal system has enthroned on Nigerian polity. It stands to reason therefore, that each component unit must have the power to harness its resources for its own development purposes.

In other words, the federal system must emphasize the self-governing status of each component unit, and adequate provisions must be made to guarantee the economic independence of the states that make the polity.

The agitation for resource control is therefore rooted in the desire to promote the practice of fiscal federalism as the most efficient means of freeing Nigerians from the hangover of military authoritarianism and misrule. It enunciates a competitive federal system in which every component unit is able to exploit its vast economic potentials towards rapid development and progress of every section of the country.

Though the resource control agitation has not produced the desired results, however, its critical achievement is that it has drawn the attention of policy makers at the centre to the crisis of oil exploration in the Niger Delta region. The deluge of views on the subject confirms the success of the sensitization campaign of the Niger Delta political leaders. It has also opened up a strong debate over the practice of the federal system in Nigeria.

The Niger Delta crisis and causes

The Niger Delta region of Nigeria had for many years been a centre of major confrontation between host communities, on the one hand, and the government security forces and oil companies on the other hand. This has made the region to become an enclave of intense social strife. The discovery of oil in the Niger Delta region in commercial quantity triggered a chain of events that has led to the political and economic marginalization of the inhabitants. It has been argued by some scholars that oil has been more of a curse than a blessing to the people who have been at the receiving end of government and oil companies’ oppression and brutality; often resulting in fatalities. Despite many decades of oil production and hundreds of billions of dollars of oil revenue, the people of the region remain in abject poverty without even the most basic amenities such as water and electricity. Although the region has a long history of violence, the situation has gone from bad to worse with the emergence of armed militant groups willing to kill as part of their campaign for a greater share of the region’s oil wealth.

According to Azaiki (2003: 147) “The fact of the matter is that the political, economic and social dynamics of the region can be better understood in the context of the age-long neglect and underdevelopment of the area, occasioned by the exploitation and exploration of its rich oil and gas reserves”.

The recurrent crises in the region are not recent developments or occurrence confined to few communities. They are flashpoints of the region’s expression of long-term frustration at what the people of the region understand to be inequitable distribution of income accrued from the oil produced from the region. Various militant groups have sprung up of recent to undermine the activities of the oil companies, using different methods and tactics, thereby daring the Nigerian government. Prominent among such groups are the Movement for the Emancipation of the Niger Delta (MEND), the Niger Delta Peoples Volunteer Force (NDPVF), the Joint Revolutionary Council (JRC), and the Movement for the Survival of the Ijaw Ethnic Nationality (MOSEIN).

Causes of the crisis

Different reasons have been given as the raison d’etre of the Niger Delta crisis. It is germane to examine the historical and societal underpinnings of the crisis. The factors responsible for the crisis are: Poverty and lack have been advanced as major factors responsible for the
crisis in the Niger Delta region. The government of Nigeria has made hundreds of billions of dollars of oil revenue in the last 40 years of oil production in the Niger Delta. Despite this huge amount of money, the people in the region remain in abject poverty and deprivation as they lack basic things of life like water and electricity. Life in the creeks of Niger Delta is anything but rich and prosperous.

The Niger Delta, according to Mukagbo, Cable Network News (CNN) anchorman for „Inside Africa”, “is a region where time seems to have stood still and where people live the most meager of existence, leaving them bitter and angry from not having benefited from the black gold that makes Nigeria Africa’s largest producer” (Mukagbo, 2007). Some leaders of the Niger Delta region have alluded to the fact that poverty and deprivation is one of the major reasons behind the agitation of the people of the region.

The reason for the crisis in the region is deprivation and poverty amidst its plenty oil and gas resources. All these statements seem to be in agreement with the World Bank view that poverty is one of the few causes of conflict in oil producing countries. The Bank, in an outcome of a research conducted, asserts that “the key root cause of conflict is the failure of economic development such that many of the world’s poorest countries are locked in a tragic vicious cycle where poverty causes conflict and conflict causes poverty (Shankileman, 2006: 38).

The Niger Delta region is underdeveloped in all its ramifications, despite the fact that it is the bread basket of Nigeria. Whittington aptly described the economic dilemma of the region when he stated that “the oil region in Nigeria seems to be stuck in a time warp, with little real change since oil was discovered 45 years ago. Away from the main towns, there is no real development, no roads, no electricity, no running water and no telephone” (Whittington, 2001). The underdevelopment is so severe the youths of the region are the hardest hit by lack of development. This is why many of them have resorted to militancy in an effort to focus national and international attention to their plight. Despite all the claims by the oil companies to be involved in the development of the region it is to the contrary. The pervasive underdevelopment made Whittington to note that, “the government and oil companies have profited by hundreds of billions of dollars since oil was discovered. Yet most Nigerians living in the oil producing region are living in dire poverty.” Unemployment is very high among the people of the Niger Delta region as the oil companies do not hire their employees from the region that produce the oil, but from non-oil producing regions of Nigeria. Speaking on the unemployment level of the youths, Birisibe said “majority of the youths from the region are unemployed. They do not benefit from the presence of the multinational corporations operating in their communities. Less than five percent of the people from the Niger Delta work in these companies, women from the region in oil companies are less than one percent.

A majority of the beneficiaries are from other parts of Nigeria”. (Birisibe, 2001: 5) Violation of the human rights of the local populace can be cited as one of the factors responsible for the militancy in the Niger Delta region. Oil companies like Chevron, Shell, Agip, Mobil and the other western oil companies have been very unkind to the people of the region. The human rights of the people are constantly violated by security forces at the behest of the companies. There has been excessive use of weapons by security agencies in the course of peace keeping often resulting in avoidable deaths. The Federal Government, exercising the instruments of coercion, forcefully descends on the communities of the region through the use of regular and mobile policemen, complemented by trigger-happy soldiers and plain-cloths security agents who are ready to kill at the slightest provocation. Instances abound where the government deployed soldiers and other security agents to decimate entire communities. These include the Ogoni crisis of 1994 which resulted in the murder of the environmental rights leader, Ken Saro-Wiwa and eight of his kinsmen, the Umuechan Saga of 1990, the Choba crisis of 1999, as well as the annihilation of Odi community in 1999.

The Niger Delta region is riddled with bad governance and corruption on the parts of government officials, both at the state and local government levels. It has been argued that if government officials in the region have utilized judiciously their monthly allocations to better the lots of the ordinary people, through the creation of jobs, and embark on infrastructural development of the region, the situation would have been better than this current sorry state. Rather the jumbo monthly allocations are spent on frivolous things that have no corresponding bearings on the life of the people. Another factor that has been attributed to be responsible for the crisis in the Niger Delta is the alleged insincerity of the Federal Government to fully develop the region in partnership with the state governments. Commissions like the Oil Minerals Producing Area Development Commission (OMPDAEC), created by the regime of General Ibrahim Babangida, for the development of the area did not achieve its aim due to poor funding on the part of the Federal Government, in spite of the huge amounts of dollars made from the area from crude oil. This gradually led some leaders in the region to begin agitation for resource control, and subsequent militant activities by the youths in the region. The government of Obasanjo set up another agency, the Niger Delta Development Commission, to bring development to the doorsteps of the people, but the operation of the commission is being hampered by lack of money to carry out its mandate and it became a serious obstacle in pursuing the goal of developing the region.

The insincerity of the Federal Government made the people, especially the youths to confront the issue in a militant way. The situation forced many indigenes of the area to feel frustrated that another hope and promise has gone down the drain. It marked the hydra-headed
issue of kidnapping of oil workers. The people, in their own judgment felt that the best way to react was by disturbing the flow of oil. They were of the view that since the government would not fulfill its pledges, they too would cripple the source through which oil flows.

Issues and Challenges

The issue of fiscal federalism in Nigeria seems to have derailed national development due to fiscal imbalance, over-dependence on the centre, agitation for resource control, among others. Thus, inequitable revenue sharing practices have not addressed the problem of true federalism. Fiscal Federalism is a political-economic arrangement whereby the public revenue of a federation is shared among the various levels of government. These levels are centre, the federating states or provinces and the applicable regional governments (Uchendu, 2001). Fiscal federalism necessitates revenue sharing arrangement to enable the component units carry out their various functions (Danjuma, 1994). Emmanuel O. Ojo (2010) identified the problem of resource control as one of the perennial problem which has not only defied all past attempts at finding lasting solution, but has also evoked high emotions on the part of oil producing communities concerned. According to him, it has been an issue of "robbing Peter to pay Paul". This he identified as both counterproductive and dysfunctional. J.T. Dibua (2005) in his work, He stated that the principle of true federalism/resource control will be fully operational on the ground that it is accompanied with meaningful devolution of power at the local level, to ensure that the common people have a better control over the wealth derived from their nature resources.

Obviously the issue of resources control means different things to different people in Nigeria. To the south south region of Nigeria, it is a noble cause worth fighting & dying for; to other regions it evokes negative images that should best be suppressed.

The oil producing region have suffered a huge loss in terms of human capital & extensive degradation as a result of oil exploration, ironically it is the least developed region in the country.

The continued underdevelopment of this region pose a threat to the nascent democracy currently witnessed by the country and must not be encouraged. The 1960 independent & 1963 Republican constitution recognized this elementary principle by describing each region as "self-governing" (Aibieyi, & Osemuota 2006) at independence the three regions had resource autonomy (Agriculture & other products).

It is worthy note to appreciate the fact that the British colonial government upon handing over recognized this principle of resource control by the regions. This they did by retaining the provision of "1946 mineral act" which was approved and implemented in the independence constitution.

A progressive derivation principle was to ensure justice & fairness in the allocation of revenue form minerals in the 1960 and 1963 constitution.

The principles are as follows;

1. 50% of proceed for region of mineral extraction,
2. 30% to the distributable pool for regions including the region where proceeds when gotten from and
3. 20% to the federal government.

We had so many issues and challenges during Obasanjo administration

1. Resource control: The controversy between the Nigeria government and nine oil producing states of Akwa-Ibom, Cross River, Rivers, Bayelsa, Delta, Edo, Ondo, Abia and Imo states agitating for resource control in Nigeria, ranks as one of the major issues (Sanyaolu and Dunmoyo, 2004). The federal government contended that the southern seaward states were inland waters within the state; the natural resource located within the continental shelf of Nigeria was in contention. All the oil states claimed that their territory extended beyond the low water mark on territorial waters and the exclusive economic zone. The natural resources derived from both onshore-offshore are national security irrespective of their territory and thereof entitled to 13 percent derivation formula set aside for oil states as provided in section 162, 1999 Constitution (Supreme Court, 5 April 2002). The issue of resource control has been a subject of controversy since 1999 till date, even the unanimous judgment of the Supreme Court could not put it to rest.

2. Non-Correspondence Problem: Ideally, each level of government should have adequate resources to enable it discharge its responsibilities, and this is impossible due to non-correspondence between the spending responsibilities and revenue sources to different levels of government. In Nigeria, most of the revenue sources fall within the jurisdiction of central government. The problems of fiscal federalism remain unresolved as divergence between assigned functions and tax powers (horizontal and vertical allocation), over-dependence on the Federation Account makes federal presence unfelt in Nigeria (Fadahunsi, 1998). Federalism has the notion of unified national wage structure for federal, state civil servants and educational institutions, the component unit should establish salary structure based on capabilities (Okpe, 2005). In vertical formula, central government share should be reduced to 10 percent, state government 55 percent and local government 30 percent. On horizontal formula, equality ratios 40 percent, financial efficiency 10 percent, financial responsibility 10 percent, education and health 10 percent, derivation 20 percent and population 10 percent (Ekong, 2003).

3. State and Local Government Joint Account: There is unbridled diversion of local government funds by state governors to the extent that hardly can any local
government impact positively on its people after payment of staff salaries and personnel emoluments. In this arrangement, state government is the clearing house for councils’ share from the federation account. Instead of state governments adding the mandatory 10 percent of internally generated revenue to local governments’ they siphon resources allocated to them from the federal level. This situation worries the former chairman of Peoples’ Democratic Party (PDP) Chief Audu Ogbeh, who threatened to deal with those governors with the penchant for deducting council funds and passing pittance to the localities (Ola, 2004:1). Despite this threat, the situation is unabated, and the worriesome is the continued denial by council chairmen of this fact, in the face of obvious evidence. This can be attributed to what most of these governors need from the chairmen, total loyalty to the governors who helped to put them in position, and this is so in that everywhere the last local council election was everything but credible. The diversion of local government funds has serious negative effects in Nigeria, on grass root development.

4. Fiscal Dependence: The oil boom makes the state and local levels dependent on the Federation Account for revenue resources. In Nigeria, fiscal laws allocate more powers to federal level, while sub-national government lacks financial autonomy in their areas of jurisdiction. This has distorted constitutional mechanism to address problems of fiscal management. The inception of democracy in 1999 improved the situation. Barkan, et.al. (2001) states that local governments in Ogun, Nasarawa, Delta and Rivers states provide complete financial autonomy, the contract approval comes from the approval of local council legislative arm of their annual budget process. Military intervention weakened the revenue base to state and local levels due to the penchant for state creation and over-dependence on crude oil (Akpan, 1999:218).

5. Revenue Sharing: The current revenue formula allocates more funds to central government at the expense of states and local levels. The system has killed the urge for internally generated revenue (IGR). Even when the monthly allocations to councils come, it is reallocated by States Joint Allocation Committees (JACs). Agba and Bello-Imam (2004), assert mutual suspicion between the component groups on revenue allocation, the shift from resource control manifested arguments for and against derivation principle and other principles. Odoko and Nnanna (2009), state that fiscal federalism is anchored on who gets what, when and how of national cake. Akindele (2009) states that by virtue of constitutional provision, revenue should be disbursed to three tiers of government directly, but federal level has not justified its lion share with small expenditure assignment to component states (Nasir, 2011).

The literature reveals that fiscal federalism expenditure must be in the same level with taxation to reduce over-dependence in financing expenditures. Some challenging issues bordering on fiscal dependence, state local government joint account, resource control, non-correspondence and revenue sharing formula inhibit national development from pre-colonial era to post-independence era in Nigeria.

The emergence of Nigerian federalism is not without challenges. B. O. Nwabueze in his book, “A Constitutional History of Nigeria” has identified the greatest problem of federalism in Nigeria today as the lack of proper understanding among the leaders and the general public of the nature of federal relationship as manifested between the federal and state governments. He has noted that in the Nigerian experience, the autonomy of each tier of government is misconstrued to mean competition and confrontation with each trying to frustrate the other whereas the conception underlying the system is that the federal and state governments are mutually complementary parts of a governance mechanism. To him, federalism demands cooperation between each level of government in order to promote the welfare of the people through their combined powers (Nwabueze, 1982). Nwabueze goes further to examine what he calls the six different principles involved in his definition of federalism namely: separateness and independence of each government, mutual non-interference of inter-government immunities, the question of equality between the regional/state governments, the number of regional/state governments whom a federal government can meaningfully exist, techniques for division of powers and a supreme constitution. He proffers some answers as to why revenue allocation has evoked intense controversy in Nigeria. According to him, the main reason is that federally collected revenue is the mainstay of the finances of the state governments accounting for over 90 percent of the total revenue and their entire developmental initiative is embodied in this. The Nigerian federalism originated from an existing unitary state devolving some of its power to the newly created governmental units based on the three regions of the country. Had the federation been formed by the coming together of existing independent states with already developed sources of revenue of their own, the question would have been how much of such sources of revenue should be surrendered to the new federal government. Another problem associated with Nigeria’s federalism lies in what Professor Kimse Okoko calls “internal colonialism in Nigeria.” He notes that in Nigeria, groups that are politically dominant use their political linkage to appropriate more resources to themselves to the detriment of the politically disadvantaged groups. In the case of revenue allocation, their obnoxious practice has been most apparent. He recalls that the 1960 independence and the 1963 republican constitutions clearly favoured equitable use of resources by the regions. He quotes a section of the 1960 Constitution which maintains thus: There shall be paid by the Federation to each region a sum equal to 50% (a) the proceeds of any royalty received by the federation in respect of any minerals extracted in that region (b) any mining rents derived by the Federation from the region
(Okoko, 2002: 12). He adds that the central or federal government has subsequently become increasingly dominant at the expense of the oil producing states. Looking at the aspect of ethnic balancing in terms of state creation, Okoko observes that out of the 36 states and the Federal Capital Territory which now assumes the status of a state, only 6 states are created in the oil producing minority areas and when the fact that these states are not viable, and that they all depend on the Federation Account built around oil revenue for survival and the fact that the prevailing revenue allocation formula lay emphasis on population, landmass, need, equality of states over and above derivation, one begins to appreciate the fears and concern of oil producing communities in the Niger Delta. Ibaba S. Ibaba in his work, “Understanding the Niger Delta Crisis”, renders account of the contradictions which have caught up with the crisis of development and general state of instability in the Niger Delta region. He describes the Niger Delta as an “old paradox” in many respects because, in spite of its evident and abundant resources both human and materials, including oil wealth of the country alongside its potentials for economic growth and sustainable development, the area represents one of the extreme situations of poverty and underdevelopment. He blames the situation largely on the nature of Nigerian federalism as defined by ethnic based political domination. He posits that “it is ethnic based political domination that is used to expropriate the resources of the oil communities for the dominant groups and the alliance between the dominant groups, the oil companies and the state enterprises, restricts the minorities access to the modern and more rewarding sectors of the economy” (Ibaba, 2001: 28). The author blames the government and the oil companies operating in the region for the long neglects. He cites what he calls the poor state of infrastructure and high unemployment of the indigenes as major indices to substantiate his proposition. He also links the myriads of problems faced by the region to what he describes as “internal factors” such as weak socio-economic foundation of the region, compradorial leaders (elites, chiefs, opinion leaders), social disintegration, educational backwardness and lack of entrepreneurship coupled with the difficult geographical terrain of the area. In concluding this section of literature review, one can say that the problem of Nigeria’s federalism is associated with the creation of economically unviable states especially from the North. This has become a burden to the federal government which spends huge revenue to sustain the unviable states. Related to this is the question of overbearing powerful Centre, politicization of population census, neglect of minority fears and agitation, bitter ethnic rivalry, corruption and poor leadership, lopsided revenue allocation and demand for fiscal federalism, federal character and military intervention in politics. The advent of military intervention in the political process of Nigeria was a major problem to Nigeria’s federalism. The military sacrificed Nigeria’s federalism on the altar of centralization. (Ebegbulem, 2010).

RESEARCH METHODOLOGY

This area gives detailed methodology or procedures adopted in carrying out this study. It discusses the method and procedures employed in carrying out the research work. It also discusses the research design, study area, population of the study, sampling size and sampling technique and the data gathering method.

Research Design

This research project adopts a research design for this study. A research design is a blueprint that specifies how data relating to a given problem should be collected and analyzed. The Research design adopted in this study is survey method. According to Nworgu (1991) Survey research is one in which a group of people or items studied by collecting and analyzing data from only a few people or items considered to be representing the entire group. Thus such representation is called a sample.

Area of the Study

As earlier stated, Niger Delta region is a large area made up of nine (9) states in Nigeria, namely Bayelsa, Delta, Rivers, Abia, Akwa-Ibom, Cross River, Edo, Imo, and Ondo states. Due to this large area, this survey will be carried out in one state namely Bayelsa state of Nigeria. However, three local government were selected from Bayelsa state were this survey was conducted namely Nembe local government area, Ekeremor local government area and Brass local government area.

Population of the Study

The target population of this study is comprises of students, and servants, politicians, unemployed persons and self-employed persons.

Sample Size and Sampling Technique

The sampling method or technique adopted in this study is the stratified sampling technique (Quasi random sampling). This is a sampling technique in which the subjects are selected depending on the variable of interest in a particular research. As, Bell–Gam and Omiegbе (1998) stated that “a population could be stratified along the following variables and sample drawn from it: sex, location, environment (urban, rural), socio-economic status, local government, state, country, age, tribe, political affiliation religion etc. Certain variables was used to select sample these includes sex,
profession and age”.
However, the study covered a sample of 150 (one hundred and fifty) persons who were selected through the use of stratified sampling techniques.

Sources of Data

Two different sources of data that were used for the purpose of this research:

**Primary source:** this is a source of data were information used was collected from the field of study themselves. The data may be collected through the use of questionnaires, or other sources that will be in direct touch with those concerned, it is in most cases preferred to secondary source of information because when collected it is not bias and the level of reliability is very high.

**Secondary source:** this refers to other sources of data different from the primary source. Secondary data are collected from other sources such as data collected and used by someone in the past, it could also be collected from sources like leaflets, journals, books, abstracts and other reviews which will give related information on the research at hand. Secondary sources are most times unreliable and are used to complement the primary data collected for better results.

Research Instrument

In this survey, the instrument used for the purpose of data collection is the questionnaire. The questionnaire was administered to 150 (one hundred and fifty) persons.

Method of Data Collection

In this study the method used for data collection is the questionnaire. The questionnaire contains sets of question or statements designed to elicit response from the subjects of study known as the respondents. The structured questionnaire or closed ended questionnaire was the questionnaire adopted in this study. The structured questionnaire is a type of questionnaire which the respondents are restricted to some options.

Method of Data Analysis

Data analysis refers to the collection, organization and examination of data and presenting them in an interpretable, meaningful and useful form. The data collected from the respondents was analyzed using simple statistics like frequency and simple percentage gotten by:

\[
\frac{R}{N} \times \frac{100}{1}
\]

Where:

- \(R\) = Responses
- \(N\) = total number of respondents

Data presentation, analysis and interpretation and discussion of findings

This chapter has to do with the statistical analysis of the responses of the respondents from the questionnaire administered. The analysis and interpretation and result were based on the responses in relation to the findings of this research work.

Analysis of Questionnaire

A total of 150 questionnaires were administered to the respondents from within the area of study. The researcher retrieved all 150 questionnaires from the respondents. All of the questions were answered correctly given a response rate of 100 (%) percent. The respondents’ responses were tabulated and descriptive analysis using frequencies and percentages.

Classification of Respondents

The information obtained was based on sex, Age, Education and profession.

Table 1 shows that out of the 150 respondents that responded to the questionnaire, 100 (66.7%) were male, while 50 (33.3%) were female.

Table 2 shows that out of the 150 respondents, 50 (33.34%) were civil servants, 30 (20%) were politicians also 30(20%) were unemployed while 20 (13.34%) were self employed and 20(13.34%) were students.

Table 3 shows that 75 (50%) of the respondents are between the ages of 20 – 29, while 30 (20%) are within the ages of 30 - 39 and 40-49 respectively. Also 15 (10%) of the respondents are between the age bracket of 50 – 59. While there was none (0 %) for the age bracket of 60–above. This implies that majority of the respondents are between the ages of 20 – 49.

Table 4 shows that there is no practice of fiscal federalism inNigeria, as 45(30%) of the respondents strongly disagree, also 40 (26.7%) of the respondents disagree, 15 (10%) of the respondents were undecided. While 30(20%) of the respondents agrees and 20 (13.3%) of the respondents strongly agree with the above statement.

From table 5, the response percentage for strongly agree and agree shows 20% (30) and 10% (15). While the responses percentage for strongly disagree and disagree is 36.7% (55) and 33.3% (50). 0% (Nil) was undecided. This response indicates that 36.7% (55) and 33.3% (50) of the responses disagrees that Resource control and Fiscal federalism are synonymous. This shows that Resource control and Fiscal federalism are
Table 1: classification by sex

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>100</td>
<td>66.7</td>
</tr>
<tr>
<td>Female</td>
<td>50</td>
<td>33.3</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 2: classification by profession

<table>
<thead>
<tr>
<th>Profession</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil servant</td>
<td>50</td>
<td>33.34</td>
</tr>
<tr>
<td>Politician</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Unemployed</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Self employed</td>
<td>20</td>
<td>13.34</td>
</tr>
<tr>
<td>Student</td>
<td>20</td>
<td>13.34</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3: Age distribution of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29</td>
<td>75</td>
<td>50</td>
</tr>
<tr>
<td>30-39</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>40-49</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>50-59</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>60-above</td>
<td>Nil</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4: Fiscal Federalism in Nigeria

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>20</td>
<td>13.3</td>
</tr>
<tr>
<td>Agree</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Undecided</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Disagree</td>
<td>40</td>
<td>26.7</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5: Resource Control and Fiscal federalism

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Agree</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Undecided</td>
<td>Nil</td>
<td>0</td>
</tr>
<tr>
<td>Disagree</td>
<td>50</td>
<td>33.3</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>55</td>
<td>36.7</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

not synonymous.

From Table 6, it is obvious that resource control is a fundamental feature of true federalism. It shows that 65 (43.4%) of the respondents strongly agreed and 35 (23.3%) of the respondents agree that resource control is a fundamental feature of true federalism. On the other
Table 6: Resource Control a Fundamental Features of true Federalism

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>65</td>
<td>43.4</td>
</tr>
<tr>
<td>Agree</td>
<td>35</td>
<td>23.3</td>
</tr>
<tr>
<td>Undecided</td>
<td>Nil</td>
<td>0</td>
</tr>
<tr>
<td>Disagree</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>35</td>
<td>23.3</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 7: Niger Delta Crisis and Resource Control

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>105</td>
<td>70</td>
</tr>
<tr>
<td>Agree</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Undecided</td>
<td>Nil</td>
<td>0</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>6.7</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>5</td>
<td>3.3</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 8: Issues and Challenges of Nigerian Fiscal Federalism

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>55</td>
<td>36.7</td>
</tr>
<tr>
<td>Agree</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>Undecided</td>
<td>Nil</td>
<td>0</td>
</tr>
<tr>
<td>Disagree</td>
<td>35</td>
<td>23.3</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

hand, 15(10%) of the respondents disagree and 35 (23.3%) of the respondents strongly disagree with this statement. While Nil (0%) was undecided.

Table 7, shows that Niger Delta crisis is an agitation for resource control, as 105 (70%) and 30 (20%) respondents attest to the fact that the Niger Delta crisis is an agitation for resource control. While 10(6.7%) and 5 (3.3%) of the respondents disagrees and strongly disagree that the Niger Delta crisis is an agitation for resource control. Also, Nil (0%) was undecided.

From Table 8, it is obvious that there are issues and challenges of Nigerian fiscal federalism. As, 55 (36.7%) and 45 (30%) of the respondents attest to the fact that there are issues and challenges of Nigerian fiscal federalism. While 35(23.3%) and 15 (10%) of the respondents disagree and strongly disagree with the above statement.

INTERPRETATION AND DISCUSSION OF FINDINGS

From the data obtained so far from the respondents, one would have no option than to disagree that there is fiscal federalism in Nigeria as shown in Table 4. The majority of the respondents however disagreed that resource control and fiscal federalism are synonymous as shown in Table 5, where the highest percentage of responses to Statement 2 asserts that resource control is not synonymous with fiscal federalism.

Furthermore, the majority of respondents agree that the Niger Delta Crisis is an agitation for resource control as shown in Table 7. Also as shown in Table 6, the respondents affirm that resource control is fundamental features of true federalism as the highest percentage of responses attest this fact. It is however believed that resource control is fundamental features of true federalism. However, the highest percentage of responses as shown in Table 8 affirms that there are issues and challenges of Nigerian Fiscal federalism. Finally, from the above analysis, it can be stated that the findings of the survey is that;

1. People of the Niger Delta (especially the respondents) disagrees that there is fiscal federalism in Nigeria
2. Resource control is not synonymous to fiscal federalism.
3. Resource control is a fundamental feature of true federalism.
4. People of the Niger Delta (especially the respondents) agree that the Niger Delta crisis is an agitation for resource control.
5. There are issues and challenges of Nigerian Fiscal Federalism.
SUMMARY

This research focus on Fiscal federalism and the politics of resource control in the Niger Delta. In carrying out this study successfully, the researcher review some related literature of intellectuals on the following headings. The concept of fiscal federalism in Nigeria, Resource control the fundamental features of true federalism, Niger Delta Political Leaders Agitation for Resource Control, Niger Delta Crisis and Causes, Issues and Challenges. The Research design adopted in this study is survey method and the findings shows that fiscal federalism is prevalent in Nigeria and that the Niger Delta Crisis is an agitation for resource control.

CONCLUSION

The essence of true federalism is to allow each state or region in a federation a significant measure of autonomy to manage its affairs. The federalist debate in Nigeria centers essentially on the need to understand the basis of the contract of true federalism and resource control. This debate is longstanding, passionate and inconclusive. Despite the contrived arrangement as articulated by the ruling class, the systematic dysfunction has resulted in a series of violent, dramatic and traumatic inter-ethno regional confrontation, ventilating the essence of the debate (Ihejiamaiizu, 2001). Indeed, the most spectacular and deliberate expression of the centrality of the contention is the current unprecedented demand of the Niger Delta states for resource control. Political observers, especially those of them from the Niger Delta region have argued that the agitation for resource control is a litmus test for the enthronement of true federalism. What made the regions strong in the first republic was their financial independence. Each region took care of itself and its needs within the limits of its internal revenue resources. What the regions received from the federal government through the principles of fiscal federalism which obliged the state to provide such assistance, was minimal. Contrary to the opinion from certain quarters, especially in the Northern part of the country that resource control would benefit only the oil producing states, it will clearly benefit all states of the federation. After all, the six geo-political zones in the country are endowed with abundant natural resources waiting to be explored and exploited. We must recognize the position of the Niger Delta on this issue as a vital contribution to the resurrection of true federalism in Nigeria. All the 36 states will benefit from this, as they will also exercise exclusive jurisdiction over the natural resources in their respective territories. That crude oil production has been by far the most important activity in the Nigerian economy since the early 1970’s is not subject to debate. Its impact is not limited to its contributing approximately 90 percent of Nigeria’s total foreign exchange earnings but also to the fact the budgets are predicated on the expected annual production and price of crude oil. That being the case, it would be quite reasonable to expect that the areas producing the nation’s oil would be very highly developed as compensation for what is taken away as well as for the devastation on the land engendered by the exploration process. Despite the existing federal legislations which make resource control to appear as an illusion, Senator David Dafinone sees resource control as a basic political theory grounded on the fact that land, labour and entrepreneurship are factors of production owned by individuals and should therefore be controlled by them. Akpan says that resource control and fiscal federalism are natural features of democracy, and the moment they are subtracted from the system, what may be achieved is internal colonialism. He adds that democrats are supposed to be champions of liberty, egalitarianism and equity while despots are supposed to toe the line of oppression and forcible expropriation of the natural resources of people without commensurate compensation. Like Okumagbo, he believes strongly that when resource control becomes operational, it will spark off competition and development endeavours. This study has been able to review critically and constructively the contributions of these scholars on the twin concept of true federalism and resource control as they affect the Niger Delta of Nigeria.

RECOMMENDATIONS

Nigeria cannot be a strong and united federation unless and until the constituent parts (states) are sufficiently empowered by enabling practices that conform to the principles of federalism. It is the recommendations of this study that:

1. All traces of unitary system of government should be removed from Nigeria’s form of autonomous and independent to a reasonable extent.
2. An agreed percentage of tax or royalty should be paid by the states to the federalism and allow the states the degree of freedom and autonomy consistent with federalism.
3. A major constitutional reform should be in place to make the states central government, and the oil producing states of the Niger Delta region must be allowed to participate in the exploration and exploitation of oil and gas in the states.
4. The derivation formula should be increased substantially from 13% to about 50% for the oil producing states, and the derivation principle should be extended to other resources including solid minerals and agricultural resources.
5. The Federal Government should tie the derivation fund that accrue to the oil producing states from the federation account to specific development projects in the oil producing communities to prevent the local ruling elites from diverting or misappropriating the funds as they are currently doing. This will enable the oil producing communities to benefit directly from revenue allocation.
6. The Federal Government should identify and repeal all legislations facilitating the economic oppression and political repression of the Niger Delta region.

7. There is need for review of the revenue allocation formula in order to increase the share of the federating units (States) to facilitate the discharge of the additional responsibilities devolved to them.

8. However, cogent as the demand for resource control may be, those agitating for it should continue to use dialogue, diplomacy and superior argument instead of violence to ask for their rights. The agreement and the understanding reached by the founding fathers of the Nigerian nation should not be undermined. The foregoing recommendations are the leverage Nigeria needs for effective federalism that can forestall crisis in the Niger Delta region.

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