



Federalism and the Challenges of Socio-Economic Development in Nigeria

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Abstract

The enormous challenges bordering within the orbits of Nigeria's state of underdevelopment and social upheavals in the midst of abundant mineral and human resources, since it gained independence in 1960, constitute the major discourse, debates, and writings of eminent academic scholars in different conferences, workshops, and seminars in Nigeria. Having celebrated its 57th years of independence, the country appears to be on the verge of breaking up. This is due to relatively overarching issues, ranging from some ethnic and interest groups' use of provocative words; the claim of hegemony over and above other groups; political maneuvering; unbridled quest for an all-inclusive restructuring; above all, the glamour for State autonomy through the adoption of fiscal federalism. These agitations are evidence on the activities of such groups as the Arewa youths, the Indigenous People of Biafran (IPOB) and the Niger-Delta Militants in Nigeria. The Conflict theory was used as the theoretical framework, secondary data was collected and used to ascertain the fundamental reasons behind Nigeria's ineptitude to assuage the above anomalies. In the same vein, the paper ascertained whether the adoption and practicability of 'fiscal federalism' could foster socio-economic stability, attract foreign investors, and enhance economic diversification through the exploration of indigenous resources, so as to, diminish the deplorable political conditions of the country. It further revealed that, stagnancy and over dependency on a single export product in Nigeria could only be eschewed by the practice of fiscal federalism. For if, this could present a formidable and inestimable socio-political and economic upturn in countries like the United States of America, Australia, such could as well be the lot of Nigeria. It holds that equity, fairness, and fair play are what Nigerians need to undo the unprecedented division and social disorder that are distorting and demeaning its effectiveness to become economically balanced.

Key words: Fiscal federalism, Federalism, Restructuring, Socio-economic Development.

1. Introduction

Federalism, a political philosophical paradigm, is an aged political system of government that has endured for several decades in Nigeria. Federalism in the past, was deemed fit to accommodate and enhance a peaceful, harmonious co-existence, solidarity, economic and political development in Nigeria. It was also perceived as a powerful instrument for political organization, which can take on different forms over time and witness further changes in the future (Osadolar, 1998). Thus, the British Colonial Masters under the leadership of Sir Lord Lugard, conceived of federal constitution as a means of unifying Nigerians and addressing regional strife, though, without a considerable territorial adjustment and structural restructuring, which are implicitly necessary in tackling the problem of balkanization among the various regions, brought together from different ethnic groups to form a nation. Federalism, like every other systems of government, is a highly dynamic political paradigm that is best practicable in a heterogeneous ethnic society, like Nigeria. This is because it principally upholds unity in diversity. Though, in the case of Nigeria, the reverse has been the case. Probably, due to some principal elements of historical, socio-economic, political conditions, military incursions that have helped to perverse and distort the already deplorable system of the nation.

The study sought to objectively explore Nigeria's perennial underdevelopment in the midst of abundant mineral and human resources vis-à-vis unprecedented violence and conflicts that are gradually eating deep into its system. It would further source for the reasons behind the perennial ethnic group agitations among the youths, highlight how these have truncated sustainable economic development in the country.

2. Historical Account of Federalism in Nigeria

The history of Nigeria at different stages portends one that was inherently clouded with uncertainty, trial and error, both, before and after the country gained her independence in 1960. Prior to the amalgamation of Nigeria in 1914, the British colonial master had already altered the prevailing pattern of inter-group relationship that existed within Nigerian geographical areas. This alteration and subsequent unification formed the strength of Sir Lord Lugard's conception and amalgamation of the two separate entities, the Northern and Southern protectorates that should have stood out or developed as countries of their own. However, the subsequent, amalgamation of the two blocs that took effect on 1st January, 1914 was basically meant to facilitate colonial administrative conveniences as interpreted by a colonial power. Though, local public opinion, for or against the scheme was neither sought for nor given consent to as noted by (Osadolar, 1998).

The principal interest in this unification was exclusively that of the British government, designed in their quest to use the fund realized from the rich advantaged 'Southern protectorate' to offset the adverse financial downturn of the poor under prosperous 'North', done solely to reduce undue financial dependence of the latter on scarce imperial grant-in-aid syndrome (Tamuno, 1998). Hence, the act was grounded on the colonial effort to create an enabling environment for easy exploitation and exertion of

its control over the regions. Meanwhile, given the cultural, religious and political interests existing between the two regions, came bitter controversy and resentment among the educated elites from the blocs, and some of the British administrators. Regional agitations over claims of one's seemingly denied or infringed right ensued unabated.

The introduction of the Clifford constitution of 1922, further worsened the situation by creating a deep-rooted sectionalism among the Nigerian people. In view of the foregoing, the Richards constitution of 1946 (ratified on 1 January, 1947) was introduced to address the criticisms leveled against the 1922 Clifford constitution that brought about sectionalism into the politics of Nigeria, at the same time, to promote unity and ensure greater participation of Nigerians in the discussion of their own affairs (Morton, 2016). The Richards constitution yet, as indicated by Olawale (1998), brought about ethnic conflicts in Nigeria through regionalism, by further dividing the country unequally into- Eastern, Western and Northern regions, which paved way for suspicions and fear of dominance among the ethnic groups. Of course, the division, became the basis for the emergence of acrimonious ethnic politics in the country. Even though, the constitution introduced a federal idea, it was considered unsuccessful, because it denied Nigerian populace at the grassroots, the power to run their own government. For instance, there were still Europeans who were in charge of the departments and in the state, the power of veto was held by the Governor in position. These and more saw to the early collapse of the constitution that lasted for only three years.

To remedy the deficiencies implicit in the Richards constitution, the Macpherson constitution of 1951 was enacted. The constitution, although, sought for public opinion by launching constitutional debates and conferences, equally crashed without making any positive impact. This failure was not far-fetched, considering the established socio-political dichotomy and social inequalities already created by the colonial administrators themselves. Like others, it failed on its inability to advance self-government and operated a 'unitary constitution' instead of the 'federal system' as its advocates anticipated (Osador, 1998). The advocates who shared common apprehension of the dangers of concentration of power at the center, originally supported this constitution, with respect to the fact that, Northern Provinces threatened to pull out of Nigeria, if half of the seats in the House of Representatives were not granted them (Dudley, 1974). This demand, however, was granted them at the expense of others. As time proceeds, the constitution proved covertly and overtly unsuitable to address the prevailing social phenomenon of the time. The constitutional framework also failed to encourage close interaction between the blocs, conversely, encouraged regionalization of Nigeria, reserved exclusive control of power at the center, intensified disparity among the then political parties and increased the dichotomization of the regions during the decolonization process of (1952-1960). Furthermore, resulting to the intensification of regional strife, rivalries and inter-ethnic distrust among the people.

It was against this background that the colonial secretary, Oliver Lyttleton called a conference in 1953 and situated in London, for the review of the 1951 Macpherson's constitution was convened. The constitution however, fully introduced a federal system for the North, East, West regions with federal capital territory in Lagos (Olamide, n.d).

The pressing demand by the leaders of the main political parties for the adoption of a federal system that would ensure regional autonomy, free from any form of intervention by the central government was sought after. This gave birth to 1954 constitutional reform. Thus, the political restructuring that informed the 1954 constitution, inter alia, established a federal framework for Nigeria (Osadolor, 1998). It permitted the regions to prioritize government and to develop at their own pace. The constitution from 1954-1963, saw a drastic economic upturn, through economic diversification, with respective region's engagement in local exploration of indigenous raw materials and production of export goods and services. The West for instance, became the dominant producers of cocoa and other cash crops with the introduction of free education policy in the region; the North produced agricultural products such as groundnuts, animal skin, mineral resources like tin, iron, etc. while, the East carved a niche in the production of palm oil and kernel and other agricultural products.

In addition, the Mining of nation's minerals and rock resources became the sources of earnings for Nigeria too, up to the period of post-independence era. From 1950s to 1970s, Nigeria was notably known to be major producers of tin, columbine and tantalite (Ukaegbu, 2018). Same was the situation found in other states in the country. Regrettably, the advent of civil war and the use of decree in 1972 to introduce the exercise of direct control of mining by European enterprise brought about a decline in the mining sectors especially, in the Southern part of the country. Ukaegbu, further stressed that, Nigeria possesses all the mineral and rock resources rich enough to ward off its seemingly perverse condition to run a modern economy; only that, widespread poverty and despair due to unexplored resources make everything look unattainable.

The 1954 constitution though, made an in-road towards boosting of regional, indigenous economic growth, consequently, could not promote regional political sovereignty or guarantee the regions legitimate power to run their affairs without the intervention of the center. The associated problem of skewed political and geographical structural imbalances remained neither unresolved nor restructured. The contradictions, surrounding the political culture at the time paved way for military intervention and the bloody Nigerian civil war of 1967 to 1970. When the military came into power, they ruled Nigeria with decree and saw it as a vast barrack that must be terrorized or coerced into obeying their decrees (Osha, 1998). The discovery of oil in the late 50s and the sudden rise in the prices of oil in the international market on the other hand, worsened the situation, been that, the issue of adopting or advocating for a fiscal federalism and a democratic government at some point became a thing of the past.

Military Interventions in Nigeria

Successive military government that ruled Nigerians with a carrot and stick approach adversely worsened its situation. The military government distorted and disintegrated the regional economic might of (1956-1963) which gave Nigerian citizens some glimpse of hope, economically. The period, for the first time in Nigeria, really practiced federalism, which became the bond of unity in diversity at independence. Meanwhile, the wake of military misfortunes, beginning with the military coup of 1966

and the counter coup of 1967, worst still, the civil war, which erupted and endured from 1967 and 1970 (Akande, 2017). Against which, the military government completely took over power that lasted for 15 years (from an infantile country, yet, at the dawn of its freedom), ruled the people with decrees and treated Nigerians and Nigerian elites in particular, with disdain.

In the course of military rule, oil money was carted away with impunity by military officers in position of power. Every group or individual or opposition party was silenced, like in the cases of June 12th, 1993 election and judiciary hanging of the Ogoni nine, including Ken Salo-Wiwa in 1995, who were charged for their quest for the minority rights and campaigns for the environment (Osha, 1998). Under the military junta of late General Abacha and General Babangida, several states were created on an unequal footing, leading to more division between the Northern and the Southern blocs. Never were they bordered on the need to evolve a coherent policy or ideology of national integration and nation building, but provided ad hoc solution of sharing of national-cake-syndrome, instead of, creating a long-term integrative majors, on discussing national problems. They ensured the strengthening and maintenance of a strong center and weak states that must depend on federal revenue, in order to, run the affairs of the states (Osha, 1998). Hence, the activities of the military, in the history of Nigeria, and that of the colonists, provided enough evidence in support of the need for political restructuring of Nigeria via the adoption of fiscal federalism.

It is imperative to state, now, that, Nigeria's politics has turned to democratization of militarism, stemmed from early military interference in the affairs of the Nigerian people. Hence, it became the root cause of continuous discontentment, resentment, and agitations among diverse ethnic groups in the country. In his speech on 'restructuring, the only solution to Nigeria's problems', Admiral Ndubuisi Kanu in Odili (2006) remarked that, "the absence of military rule does not mean that there is democracy". This he referred to as dictatorship of the majority, which in a way is dictatorial democracy. Little wonder, the more Nigerians deliberate on the need for economic diversification, the more our leaders and some elites who control the oil well, refuse neither to diversify nor to talk about it. To this effect, Tamuno (1998) described Nigeria politics as becoming more and more, one of struggle for economic and social benefits than that of altruistic consideration of the majority poor. Some Cabals in Nigeria, who pride themselves on oil money, want to maintain the status quo. They ignored the fact that, mass freedom and empowerment of the impoverished majority in the country would only be actualized through the practice of federalism; a practical avenue to spur some lazy states or state governors into action. Apart from little restrictions mounted by the former president Olusegun Obasanjo's regime, Nigerian market was a free, liberal market that harboured sales of all kinds of goods, while, the leaders were busy carting away oil money, hidden in foreign banks. The militarization of democracy was recently evident among others, on President Mohammed Buhari's payment of \$496,374,470 into the treasury of the United States government account for the purchase of 12 A29 Super Tucano aircraft ahead of legislative approval. In his letter, he appealed for the money to be included in the 2018 Appropriation Bill (Baiyewu, 2018).

Emergency of Oil Economy and Its Paradox

The discovery of oil has been viewed as a major obstacle to the adoption and practice of federalism in Nigeria. If colonialism blocked Nigerians' attempt to discuss genuinely their future, the greatest obstacle to discussing Nigeria's federalism today would be the politics of oil (Sahara reporter, 2010). Oil that should have been *haven on earth* turned out to become what is referred to as '*resource curse*'. There is no gain-saying, whether oil and oil products have made an impactful contribution to the socio-economic advancement of Nigeria; it has also been the major source of strife, agitations and conflicts of different types in the country. As Soludo, the former central bank governor succinctly put, that oil production is the mainstay of Nigeria's economy; therefore, any unfavourable occurrence in the sector directly undermines the revenue profile and other productive activities in the country (Olaiya, 2006). Nigeria became a major beneficiary of the 1970's and early 1980's oil boom. From an insignificant contribution to the nation's coffers in the early 60s, earnings grew to hundred millions to 4.733 billion in 1975, 10 billion in 1979 and an unprecedented 15 billion naira in 1980 (Beblawi and Luciani, 1987).

Oil exploration, however, debased other economic sectors as it independently counts for eighty percent of federal revenues and 90% of foreign exchange earnings of the country (Obi, 1998). Unfortunately, the 1970s oil boom, that motivated Awolowo not only to organize FESTAC, but also to remark that, 'Nigeria has a lot of money but do not know what to use them for'; unmistakably shows evidence of why other sectors have remained standstill for some many decades now. Successive military leaders intensified the federal control over revenue allocation process in a zero sum context marked by narrowing of access, which undergirds intergovernmental fiscal relationships to the advantage of federal power. From 1967-1975 the military used decree to balance control and access to revenue slant towards fiscal centralization at the central government. This was perfected through the progressive narrowing of the *principle of derivation* (based on fiscal federalism) initiated by the Phillipson Commission in 1946, which emphasized that each region's revenue allocation would be proportionate to its contribution to the central government's treasury account. And the reinforcement of the *principle of Distribution Pool Account (DPA)* an idea derived from the Raisman and Tree Commission of 1957, who in their effort to remove fiscal imbalances between the Western province and other regions reduced the derivation principle and adopted the Distribution Pool Account (DPA) which relied on equality and population of states as the determining factor for revenue allocation. Thus, favoured the large ethnics that contribute less to the central account, to the detriment of those on whose land the oil is deposited and explored. Following the DPA allocation method, different regional governments were proportionately meant to receive as follows; the North 40 per cent, West 24 per cent, East 31 per cent while, the then, Southern Cameroon was set for 5 per cent (Obi, 1998).

In 1977, however, DPA was supplanted with a single federation account distributed on the basis of ratio. The overall tendency of this act was to ensure federal tier hegemony, through reservation of allocation formula to its own advantage without creating sustainable production and viable alternatives to oil as a single export good. The

above observations, have become the very reason, Nigeria has remained a reinter state with mono-cultural economy, above all, a dumping ground for foreign finished products, amidst, other numerous human and mineral resources it is endowed with. For these acts and more (ranging from the federal government revenue allocation system, structural and political imbalances characterized by sheer negligence, marginalization and unjust treatment) are the root cause of growing disenchantment, protests and acrimony by different groups in Nigeria especially, those from the oil producing states, whose resources and means of livelihood are perpetually destroyed by oil spillage.

Faces of Conflicts in Nigeria

The underlying contradictions surrounding the emergent political culture as explained above, became some of the most critical challenges affecting the stability of the nation. Besides, re-occurring suspicion and struggle among the dominant ethnic groups to dominate and outwit one another, due to perceived undercurrent subjugation and marginalization of one another, constitute major discourse among political analysts today. Following the discourse are other federal questions and demands from some quarters towards issues like—federal fiscal centralization maintained by military regimes, alienation of oil minority states from having direct access to oil, demand for federal restructuring that would give autonomy to other tiers of government, formulation of oil minorities, social movement, compensation of the oil minority people for the level of pollution caused by oil spillage and more. Hence, apart from the 1967-1970 civil war, the afore-mentioned federal questions became the main sources of agitation and conflict from diverse groups that have marred the peaceful co-existence of the Nigerian people (Obi, 1998).

Prominent among these groups, continued Obi, are the Niger Delta Militant groups such as Movement for the Survival of the Ogoni People (MOSOP), the group that stopped Shell operations since May, 1993, which tantamount to the daily loss of \$9.9 million. The Ethnic Minority Organization for Africa (EMIROAF); the Ijaw Ethnic Minority Rights Protection Organization; the Southern Minority Movement etc. have through their activities constituted mayhem in the area. Some of the groups' activities ranged from abduction or hostage-taking of personnel's of Multi-National Companies (MNC), to the destruction of oil facilities. At the pick of their operation, Chukwueke cited in Olaiya (2006) lamented that the nature of violence in the area, dropped the countries contribution to the global oil output by 800,000 barrels per day. Thus, Nigeria was losing \$56.7million or \$7.28 billion per day at the price of oil, which cost \$73per barrel of oil. Another group is the Indigenous People of Igbo (IPOB) though armless, have persisted in their agitation for the creation of a Biafran state, which its off-shoot rests on 1967-1970 Nigerian Civil war that claimed a lot of lives and property among the Ibos. Kanu in Odili (2006) aptly noted that Igbo are known to be peaceful and have contributed much to the development of Nigeria. He stressed that what the Igbos want is not to separate from Nigeria so to say, but equity, fairness and fair play.

The most recent face-off between the IPOB and the Arewa youth in 2017, when Igbo in the North were given three months to vacate the place also created an atmosphere

of fear and anxiety in these areas. Even as, some Northerners in Igbo land were not ready to leave, most Igbos in the North shunned every threat posed on them by the Arewa youths. International organizations are now concerned with the level of corruption, violence, election rigging, and conflicts that characterize the Nigerian society. Of which, these have been the bane of its economic development and productivity. Stiftung (2007) noted that Nigeria has suffered unprecedented wave of violent conflicts in the recent past, which had brought about serious setbacks and instability to the nation's economic advancement. It is imperative to state as quoted above that, "Nigeria, in recent times, has documented unprecedented crisis that have threatened human security traceable to authoritarianism and bad governance. Such that the country's recent political and economic history is characterized by corruption, lack of accountability, deprivation, abuse of human rights, environmental pollution and degradation. All these in one way or the other have engendered violent conflicts and economic downturn in the country.

Federalism: Prelude to Economic Development

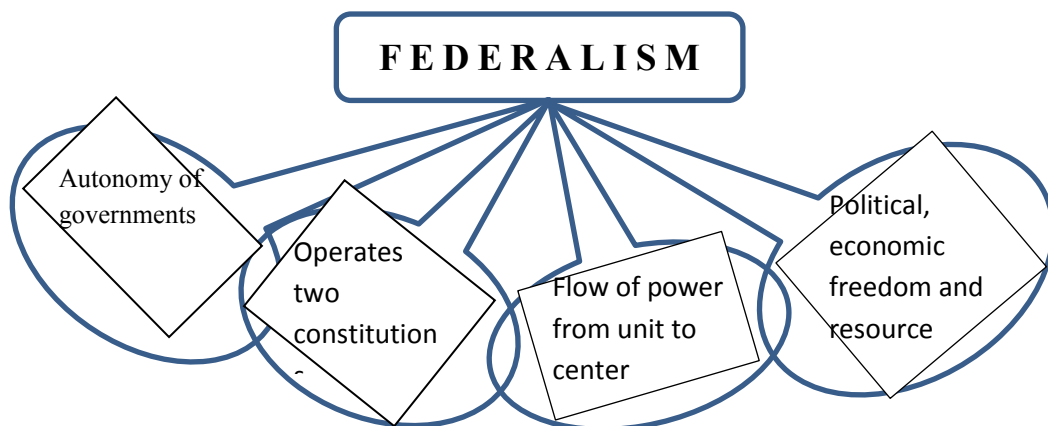
The term federalism has been conceptualized differently by diverse authors. Moodle (2014) cited in Nwaeze (2017) defined federalism as a system of government that advocates for the dividing of power between member units and common institutions. This of course, implies that it is not about the central government being more powerful than the state government, even, down to the distribution of wealth. But, it is a system of government that upholds the autonomy of a state or the constituent units, by extending power to them, to independently harness their indigenous resources as well as run their political affairs, as best suits them.

Montesquieu perspective of Federalism posits that federalism is an assembly of several similar states who agreed to become members of a larger one". Yet, to Finer, "it is one in which part of authority and power is vested in the local areas while, another part is vested in a central institution deliberately constituted by an association of local area (Burgess, 1993a & b)".

Admiral Ndubuisi Kanu in an interview granted him by the Vanguard newspaper readily disclosed that, when we talk about 'exclusive power' of the federal government, it simply means powers given to it to handle exclusively by the then regions. Federalism, therefore is the aggregate powers given out to the center to run this, while the people run that, this he said referred to concurrent (Odili, 2006).

According to Elaigwu (1998) Nigerian federalism has been so centralized that its structures reflect a unitary system more than it does a federal system. This type of federalism has suffered unequal resource allocation among the parts due to negligence and corruption and has led to a total disaffection among Nigerians (Nwaeze, 2017). Absolute centralization of power, of course, cannot give sufficient room for proper accountability, flexibility and transparency.

Federalism is most fundamentally, characterized by the following Nwaeze (2017):



It is noteworthy to state that, the above formations are most needed in a heterogeneous country like Nigeria and they are the sure ways to facilitate good governance as well as mediate our differences. In Indonesia, for instance, UNDP (2010) disclosed that Indonesia has experienced great political changes in its history, primarily, in the area of decentralization of power. This distribution of power from the central government to the provinces, to districts and municipalities has brought about large scale institutional and regulatory policy changes as these are combined with parallel judicial systems. If therefore, such was attainable in a county like Indonesia, such could also be made possible in Nigeria.

Unfortunately, the feelings and fear that those in the oil producing states would run away with the commonwealth of the nation still dissuades the need to discuss federalism, restructuring and the path way for establishing national unity so as to become economically prosperous (UNDP, 2010). It is therefore, important to note that, most developed nations of Europe, which operate the federal constitution such as America, Switzerland, Canada, Australia, Germany among others, have developed a long-term, enduring political culture and stable government in an uninterrupted democratic transitional process—simply by adhering to the principles of federalism that recognize the command of more power by the states than the national government as the constitution suggests (Tella, Doho and Bapeto, 2014).

In propounding the Conflict theory, which as a response to modernization theory's inadequacies, Karl Marx and Engels in Sazonov (1984) declared that, "the history of all hitherto existing society is the history of class struggle", which explains the universality of conflict in all human societies. Conflict perspective sees society as an unstable system of opposing groups (Owo, 1994). It is described as a ubiquitous phenomenon inevitably present in all human societies. Marx gave preeminence to the clash of interests as the underlying factor that causes conflict and change in society. While, Ikpefan and Sholarin (2008) see it as the "struggle over values or claims to status, power and scarce resources, which emanates out of clash of interests and directions. Hale (1990) in his own account of Marx, sees conflict as arising from asymmetrical

relationships that manifest between the dominant class and the dominated one in society. Because of economic interests, the exploitative relationship that dismembers society into two groups of the capitalist and the working class, dictates the types of conflict due to clash of interests. Ralph Darendorf according to Anele (2004) held that conflict ensues from authority relations existing among the “imperatively coordinated’ groups. He saw the distribution of power between the dominant groups and the subordinate group of persons who cannot access power positions as a factor that occasions conflict. It is therefore, competition and agitation for scarce power, positions that engender conflict between two opposing groups. It is the redistribution of scarce authority in this “imperatively coordinated group” that brings about change. Darendorf further noted that, the more intense the conflict the greater rate of structural change and reorganization would be.

In Nigeria for instance, the struggle for power possession and the cravings for the control of federal authority, found its niche among the national elites, shortly before independence in 1960. This struggle was insinuated by the elites drive over who takes power from the British government. The struggle and various groups’ agitations ensued as a result of the fear of being marginalized, subjugated or alienated of one’s ethnic group from the scheme of events, by another assumed dominant group or groups. As stated earlier, some states or geo-political zones had been structurally, politically, and geographically disadvantaged compared to others, it is imperative to underscore that, the structural imbalances occasioned by unequal treatment meted out by the British colonists to some ethnic groups produced a competitive federalism. Against, which the conflict theorists believe that ‘state’ is an agent in control of government machinery for the interests of the dominant class or group, who in turn created them (Owo, 1994). This study, howbeit, debunks the fact that reorganization process can only be possible through intense conflict as enunciated by Ralph Darendorf. The study believes that consensus and dialogue as posited by the functionalists’ perspective theorists can meticulously address the issues that perverse the country, by restoring peace, equity, sanity, sustainable growth and development in the country.

The political developments in Nigeria and other sub-Saharan African countries are said to be chiefly accountable for their perennial underdevelopment (Nwaeze, 2017). While, Nigeria is still dialoguing on what constitutes workers minimum wage, how to conduct a free and fair, credible elections, how to repatriate stolen money etc., countries like South Korea, China, Malaysia and Singapore who were classified as undeveloped in the late 1950s and early 1960s together with Nigeria, have within the space of twenty five years, focusing on China for instance, become one of the most important, super economies and trading powers of the world (Sachs, 2005). Furthering on this course, Sachs reported that Bangladesh one of the poorest nations in the world, not only had their foothold on the development ladder, but they are optimally climbing it.

The constitution set up in 1999 upon which the country is at present governed is a unitary and imperfect constitution because of its military origin. The executors of this constitution are not concerned with improving the living standard of the population at the grassroots. In other words, the system is bedeviled by leaders who sought for their own

pocket, lack social justice, greedy and self-centered. It is pertinent to note at this juncture that, economic development is quite synonymous to fiscal Federalism. Therefore, with the principle of federalism in our multi-ethnic and multi-lingual nation, development would only be achieved as Rodney's (1973) succinctly put, in an exclusive economic sense. This simply implies that a society develops economically as its members increase jointly their capacity for dealing with the environment. This capacity for dealing with the environment is dependent on the extent to which they understand the laws of nature (science), the extent to which they put that understanding into practice by devising tools (technology), and on the manner in which work is organized. In relation to this definition, Nigeria should rationally comprehend the fact that, they cannot run away from the truth, they should look inwardly, strengthen and encourage local resource production by different states of the federation

3. Conclusion and Recommendations

It is important to note that, hunting of corrupt government officials is a welcome idea, but it is more appropriate to vent more energy how its economy can be diversified and how its structural imbalances can be reorganized for better governance, devoid of rancor and acrimony. The country is enormously endowed humanly like China. But, there is a gross negligence towards human capacity development by the Nigerian government. At the wake of independence in 1960, Nigeria nationalists were not keen on the issue of human capacity building especially among the youths, rather, they were busy scrambling for who retains or takes over power from the British colonists. The activities of the multinational companies (MNCs) were not checkmated, cash accrued from excess crude oil production were flown back home by the managers of these companies. Obviously, this remains the reason behind Britain's control of oil production in the country, today. Finally, while the adoption of federalism and political restructuring of Nigeria would create mutual relationship between confederating units, increased economic productivity and human development will engender a collective inclusiveness of major states and the minority ones. Decentralization of power on the other hand, will check for political excesses, corruption, nepotism as well as see to the domestication of or a total elimination of violent conflicts in the country.

The problems surrounding Nigerians socio-economic development are not far-fetched. They stem from poor managerial ability, poor political will to excessive overload of the federal government with works that could have been distributed to other units for easy handling. Therefore, by applying the principles of federalism:

- i. the late 1950 and early 60's economic boom and diversification can still be made feasible.
- ii. the principle of economic diversification will also create an atmosphere of competition among the states. As this would help to reduce the level of economic impoverishment and unemployment among the youths in the country.
- iii. the adoption and practice of fiscal federalism would downplay and eschew all sorts of inter-tribal, communal and religious conflicts. This is because every state will become accountable to their own citizens, since the autonomy to control and

manage its available resources using the best global practices is bestowed on them.

- iv. Setting up of industries in every state would, not only create, employment opportunities but would also reduce economic dependency of the states on the federal government (the center).
- v. increased employment opportunities will reduce the rate of insurgency, kidnapping and violent conflicts among various groups in the country.
- vi. government should ensure that most of the industries are built in proxy to different disciplines of concern in the universities (like in health science) such that, what was taught, is also practiced. Hence, producing an army of creative and innovative graduates at the end of the day.

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