



# Federalism in Nigeria: Between Constitutional Design and Political Reality

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## ABSTRACT

Federalism in Nigeria, though constitutionally enshrined, has been persistently undermined by structural, political, and socio-economic challenges. Nigeria is a complex country with intriguing multiethnic, multi-religious, and multi-linguistic interests. The heterogeneous nature of Nigeria's composition makes federalism an appropriate system of government, hence its adoption in 1954. Federalism allows for power sharing between various levels of government, for instance, between the federal or central government and several constituent units (as may exist). Despite the advantages of federalism, its operation has become contentious over the years, casting doubts on its applicability in the Nigerian political context. Rather than advancing national cohesion, federalism in Nigeria has been hindered by challenges such as the over-centralisation of political power, poor leadership, corruption, and bad governance, recurring ethno-religious conflicts, resource control and fiscal operations, revenue allocation, and secession, among others. It is in light of this that this paper - adopting a descriptive approach and relying secondary data - seeks to assess the issues associated with federalism in Nigeria, with its attendant effect. Anchoring the paper on the theory of Classical Model Federalism as postulated by Wheare, it is concluded that the principles of coordination, independence, and autonomy dictated by Wheare's theory are not adhered to in Nigeria. As a result, it is recommended that the government make sincere efforts to ensure an equitable and even distribution of resources among the federating units in Nigeria, rather than paying lip service to restructuring. The government should declare it a national emergency.

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## INTRODUCTION

The idea of federalism in Nigeria has its historical background in the union of the Southern and Northern Protectorates in 1914 under Lord Frederick Lugard. The federal structure of governance was more explicitly defined with the Lyttleton Constitution of 1954. However, the 1999 Constitution was the one that affirmed federalism, giving it a tripartite sharing of powers among the federal, state, and local governments. Ideally, this form of constitutional organisation envisions decentralised power and independence among the 36 states and 774 local governments. As it has been practised, however, Nigerian federalism has tended to fail, as the balance of power has been biased to the centre and the demands of equitable governance have been mainly unmet (Suberu, 2001; Elaigwu, 2007). Federalism is especially important in Nigeria due to its great ethnic, cultural, and religious diversity. It was initially

a mechanism to bring dissimilar groups together, to decentralise power, and to institutionalise unity in diversity. However, six decades after independence, the system remains undermined by political manipulation, ethnic rivalries, and weak leadership (Adebanwi & Obadare, 2013). Instead of serving as an integration mechanism, federalism has, in most cases, strengthened fault lines and therefore restricted its possibilities as a tool of democratic governance.

The contradictions associated with Nigerian federalism revolve around the colonial origins of the federation. Federalism was not the result of any negotiated agreement among the various peoples in Nigeria but rather a convenient administrative tool and economic exploitation by the British (Osuntokun, 1976; Suberu, 2013). The fiscal factor was the most important: the surplus of the South was supposed to subsidise the poorer North, so that the colony would not have to rely on imperial grants (Coleman, 1958). This top-down system incorporated communities unwillingly and entrenched asymmetries that still form the basis of political contestation.

We have seen the implications of such an imposed settlement in terms of the process of constantly aligning the ideals of the constitution with the political realities. The federal system has been abused by Nigerian elites in order to strengthen their grip and control over power and resources, instead of solving inequalities and marginalisation (Faluyi, 2023). Federalism thus swings between theory and practice with the promise of inclusion being derailed by elite capture, regional politics, and bad governance. Despite this, federalism remains a critical framework for managing diversity in Nigeria. However, scholarship on the subject often emphasises either the colonial origins of the system (Coleman, 1958; Ogunwa & Abasilim, 2024; Othman et al., 2021) or its theoretical underpinnings (Amuwo, 1998; Okpanachi, 2025; Okwuokei, 2024), with less attention to the contemporary dynamics of constitutional design and elite manipulation. Such a void necessitates a review of the role of federalism in Nigeria's current politics.

In this regard, this paper explores the course of Nigerian federalism by probing into the history of its structural roots as well as its current operational difficulties. It concerns the differences between the principles of the constitution and the political practice, and ways in which the impacts of colonialism and the dominance of the elite are still felt in the federal system. The discussed dimensions provide the study with a more detailed understanding of the concept behind Nigerian federalism and the perspectives that could shape the nation to enhance its role in promoting national unity and democratic development.

## **LITERATURE REVIEW**

### ***Conceptualizing Federalism***

Federalism is a form of governance whereby the power to govern is constitutionally shared between the central government and the subnational units. This framework also allows collective rule-making and preserves the autonomy of constituent structures. In a scholarly definition, various aspects of this system are stressed. The cooperative aspect of federalism is emphasised by Awa (1976), who defines it as a combination of separate political units that are united by a central body that addresses the interests of the union. On the other hand, Nwabueze (1983) emphasises its structural characteristics, where federalism is described as a system whereby national and regional governments exist autonomously, with each having powers over certain jurisdictions. The two parties agree on the principle of federalism, which allows unity and diversity to coexist without compromising the state's integrity.

It is more so in the multi-ethnic states such as Nigeria, where federalism has been promoted as a diversity management instrument and a national bonding factor. However, the success of federalism depends less on constitutional design and more on the degree to which autonomy, independence, and coordination are respected in practice (Fenna & Schnabel, 2023).

### ***The Classical Model of Federalism***

Where's (1963) Classical Model of Federalism has been the main subject of federalism studies. He defines federalism as a system in which power is divided between one general and several regional governments, each coordinate and independent within its sphere of action, and each exercising authority

directly over citizens. Three characteristics matter: a distinct separation of powers, autonomy of each government in its area of responsibility, and the ability of both levels to take action at the level of the people. To Wheare, these principles are protected under a strict set of constitutional rules, which is the supreme law of the land that precludes any encroachment of one level of government on another. Equality and independence of units that had comprised a federation. In Wheare's classical concept of federalism, the government was a self-government on both the federal and regional tiers, circulating powers in the constitution (Wheare, 1963).

### **Federalism in Practice: The Nigerian Experience**

The Nigerian experience shows that there is a clash between the notion of constitutional theory and political practice. Even though the constitution allows division of powers, the federal government has invaded the powers of states on several occasions (Tongs et al., 2023), thus frustrating the two principles of autonomy and coordination, as proposed by the model by Wheare. Nigeria is therefore a paradox; it is federal by form and unitary by practice. Such a breakdown highlights a larger academic discussion of whether or not federalism in integrated societies is an actual power-sharing structure or just a constitutional metaproject concealing central control. Although Nigeria has a federal system formally structured along these principles, it has always diverged in practice. The Nigerian federation has become exceptionally centralized, with states now financially reliant on federal distributions and constitutionally subordinate to the federal government (Okwuokei, 2024; Ter-Minassian & Fund, 1997). This inconsistency between theory and practice has negated state autonomy, twisted fiscal federalism, and diluted the spirit of federalism in Nigeria.

**Centralization of Power:** The fundamental issue of Wheare is a real separation of powers whereby both the federal and the regional governments should not interfere with the jurisdiction of the other. However, the political practice in Nigeria is an indicator of another reality: domination of the state by the federal level. Although the constitution provides the autonomy of the states, the federal government has centralized its power, and subnational governments have been reduced to an administrative periphery (Suberu, 2001). One manifestation of this over-centralization is fiscal dependence. More than 80 percent of state revenues are based on federally regulated oil income that is delivered via the Federation Account (Asiegbu et al., 2024). This dependency has created functional gaps, preventing states from operating independently and securing funding for development projects without federal assistance. This often leaves states unable to pay salaries or operate communal services until the federal government bails them out (Adedoyin, 2019). Not only does this bring about federal hegemony, but it also exposes the states to vulnerability, which is beyond their control.

**Fiscal Autonomy and Resource Control:** Another assumption in Wheare's model is the reliance on fiscal autonomy, whereby regional units can manage the resources in their area of jurisdiction. However, in Nigeria, the federal government monopolises the country's most important resource, oil. The majority of foreign exchange revenues (more than 90 percent) are collected and reallocated in oil revenues (National Bureau of Statistics [NBS], 2022). This has given rise to resentment, especially among the oil-producing nations in the Niger Delta, where environmental degradation caused by oil exploration is coupled with underdevelopment (Asiegbu et al., 2024). The juxtaposition of the situation is quite clear: the ecological expenses of oil production are imposed on the Niger Delta people, and the federal government steals the funds. The usual shrieks of resource acquisition have now become the clamours of militants and bloodshed by the Niger Delta militants in their desire to attain fiscal federalism (Patience, 2016). The continuing nature of this unrest highlights the fact that such unrest, based on centralised resource control in Nigeria, contravenes the principle of regional fiscal autonomy that Wheare defines as the core of federalism.

**Weak Constitutional Safeguards:** Another cornerstone of Wheare's model is the presence of a rigid constitution to protect state autonomy. This is because the 1999 Constitution of Nigeria has a division of powers but lacks proper mechanisms to check federal encroachment. The National Assembly has the

power to amend the constitution, and federal pre-eminence provides results that are centralist in nature (Suberu, 2013). The fact that the federal government enforced a national minimum wage is an example of this weakness in the constitution. This approach would be fair; however, it overlooks the economic capabilities of different states. Consequently, those who could not afford to consider this had to bear the burden within their capacity (Othman et al., 2021). Such federal encroachment illustrates the weaknesses of constitutional protection of state autonomy in the Nigerian federation.

***Stifling of Policy Innovation:*** Federal dominance has also curtailed one of the key advantages of federalism: policy innovation at the regional level. In a genuine federal system, states are supposed to be a laboratory of experimentation. However, centralization in Nigeria has smothered this potential. To prove this point, the standard national curriculum introduction fails to acknowledge the disparity in education levels among the regions, particularly between the northern and the southern states (Adeniran et al., 2020). This is also the case in the health sector, where centralised funding and decision-making have impeded the creation of responsive, state-based health systems.

### **Theoretical Foundations of Federalism in Nigeria**

As a political structure, federalism is crafted to embrace diversity within a single system through the sharing of authority between the central and regional governments. The federal structure was created in Nigeria to deal with the huge ethnic, religious, and cultural diversity in the country. However, in reality, the practice of federalism in Nigeria has fallen short of its theoretical principles, leading to governance and national integrity challenges (Akinyetun, 2018). Faluyi (2023) opine that federalism consolidation cannot be achieved without the mere presence of federal structures. The author note that federalism should not compromise the autonomy of regions and liberty of self-government at the cost of national integrity. This view is consistent with the classical model of federalism illustrated by Wheare (1963) that suggests the strict separation of roles and authorities between the various tiers of government.

In Nigeria, decentralisation of state governments has been compromised by over-centralization of power at the federal level. Ogunwa & Abasilim (2024) states that the states depend almost entirely on the centre to deliver the required services and resources, and this is a contributing factor to tensions and challenges in the governance. Such centralization has been compounded by the ambiguity surrounding the constitution and politicization of federal character principles, which were meant to provide equitable distribution of resources and opportunities across the various ethnic groups found in Nigeria. (Adedoyin, 2019).

### ***The Neo-federal Paradigm: Self-governing Decentralisation***

As a solution to the failure of the federal system in Nigeria, Nkwede et al. (2018) suggest the so-called neo-federal paradigm, which promotes a decentralised federal model with an accent on the independence of the regions, the control over resources, and the equal distribution of power. This paradigm aims to bring the federal system of Nigeria closer to its original intent - restoring balance between the federal and state governments. The classical model of federalism inspires the neo-federal model, but it is modified to fit the specifics of the socio-political situation in Nigeria. It is also assumed to have something in common with the need for a strict type of constitution, which would guarantee the evident division of powers, financial independence of a state, and guarantee the rights of minorities (Nkwede et al., 2018). By decentralising power, the neo-federal paradigm aims to reduce the over-concentration of authority at the centre and promote more effective and responsive governance at the state and local levels. To illustrate non-observance of federal ideals, a comparison will be made between India, a federal system, and Nigeria, where a state gains considerable autonomy in federal health and education policy (Jha, 2025).

## **METHOD**

This study adopts a qualitative research design based on documentary analysis and interpretive policy analysis. The paper relies exclusively on secondary data, including scholarly books, peer-reviewed journal articles, government reports, policy documents, and publications from international organizations such as the World Trade Organization and the United Nations Conference on Trade and Development. The research applies a thematic analytical approach, drawing from qualitative

methodology frameworks (Alvesson & Sköldberg, 2009; Bryman & Bell, 2011). Key themes guiding the analysis include: globalisation, the role of the state, governance reforms, market institutions, democratic capacity, and development outcomes. These themes were identified through systematic review and categorization of the literature. The study is primarily analytical and conceptual, aiming to examine how globalisation reshapes state functions and governance structures. Rather than using empirical field data, the paper synthesizes existing theoretical and policy debates to evaluate the evolving role of the state in fostering development under global economic integration. By integrating governance theory, public administration scholarship, and globalisation studies, the research provides a structured conceptual assessment of state capacity and institutional adaptation in a globalized environment.

## **RESULT AND DISCUSSION**

### **Comparison: India and the United States**

#### **India's Federal System**

The federal arrangement of India is described as a powerful central government possessing substantial authority over the state governments. The Indian Constitution specifies the sharing of powers between the Union and the States in three lists: the Union List, the State List, and the Concurrent List. States are free in some territories, but the central government has the authority over issues considered national (Bhat, 2024). Notwithstanding this centralization, the federal system has been able to handle the multi-national population in India through the mechanisms of the Finance Commission that recommends the allocation of financial resources between the Union and the States. Besides, the judiciary of India is instrumental in settling conflicts between the Union and the States and preserves the balance of the federation (Ghosh, 2020).

#### ***The Federal System of the United States***

However, the United States has a federal system in which there is a clear division of powers between the federal government and the states. The powers of the federal government are listed in the U.S. Constitution, and all other powers were left to the states. This demarcation has given states much autonomy in areas like education, health, and law enforcement (Bulmer, 2017). A system of checks and balances also characterises the U.S. federal system, and the independent judiciary system, which can resolve any differences between the states and the federal government. This is the system that has led to the stability and resilience of American federalism (McLaughlin, 2018).

#### ***Lessons for Nigeria***

This is what the experiences of India and America can teach Nigeria. The centralised system of federalism has enabled the state to coexist as a nation in India, but has also caused conflict over regional independence. On the other hand, the U.S. paradigm of state independence has resulted in both innovativeness and responsiveness at the cost of coordination of national policies. In the case of Nigeria, it might be a good idea to borrow aspects of both systems. One way in which unity and diversity can be balanced is through a decentralised federal system where regions need independence. However, a powerful central government is needed to provide solutions to national problems. Such a balanced approach would be possible by implementing the neo-federal paradigm.

### **Contemporary Federalism: Moving Beyond the Classical Model**

Ware has provided a classical model of federalism, which serves as a platform for describing the separation of powers in the federal system (Ware, 1963). However, the trends in contemporary rule, particularly in a heterogeneous and developing nation like Nigeria, have resulted in the formation of more responsive policies. Among the most topical ones, cooperative and asymmetrical federalism also possesses more flexible solutions to the needs of diversity in the area and the national unity (Elaiwu, 2017).

#### ***Cooperative Federalism: A Framework for Collaboration***

Cooperative federalism stresses collective accountability of the federal and state governments in the resolution of common problems. Instead of operating independently, the various levels of government synchronise their activities on matters concerning healthcare, education, infrastructure, and security (Bashiru, 2024; Krotoszynski et al., 2012). The underlying assumption is that national issues need to be addressed in an integrated manner, whereby resources can be pooled, expertise shared, and policy comprehension increased.

In Nigeria, where federal-state relations have often been characterised by contestation, cooperative federalism offers an opportunity for collaboration rather than conflict. The introduction of the National Health Insurance Scheme (NHIS) is an example of how cooperation is required among governments. Although the federal government funds the regulatory framework, state governments dominate local application and management, and, consequently, service delivery is informed by regional demands (Kulal et al., 2024). As shown in this model, shared governance may help to improve accountability and inclusivity in policy delivery.

### ***Asymmetrical Federalism: Tailoring Autonomy to Regional Realities***

In contrast to cooperative, asymmetrical federalism considers the fact that even distribution of power in very diverse societies is not a realistic phenomenon under normal conditions (Bulmer, 2017). It permits some subnational units to have a higher level of autonomy within acknowledgment of historical, socio-political, or economic diversity. Asymmetry will reduce the distance between the regions and increase the unity of the federal systems through the adjustment of the authority to the situation (Yimenu, 2022). The asymmetrical federalism is relevant in Nigeria due to the existence of strong regional imbalances in the country. The states in the north, characterised by gross poverty, illiteracy levels, and constant insecurity, need effective intervention by the federal government. Instead, the south, and more so, states with endowments of resources, or those with good economies, would have better freedom in fiscal and administrative terms (Suberu, 2013). By providing oil-producing states in the Niger Delta with better control over resource revenues, grievances about resource exploitation and conflict in the region could be reduced (Patience, 2016). Secondly, the issue of political marginalisation can be addressed through asymmetrical composition, where the minority party is empowered to represent the minority. Conferring special status or more legislative authority would be a way to correct the cultural history of ethnic underrepresentation in Nigeria and establish a more inclusive federation (Ogedengbe, 2025).

### **From Colonial Foundations to Modern Challenges: The Story of Nigerian Federalism**

The federal system in Nigeria is a colonial product. In 1914, the consolidation of the Northern and Southern protectorates under Lord Frederick Lugard formed the basis of a centralised political system that ignored the sovereignty of pre-colonial polities (kingdoms, emirates, chiefdoms, and so forth) with already established sociopolitical systems (Nkwede et al., 2018). This was a union that was not fuelled by nationalistic intentions but rather by the economic common sense of Britain and her government. This source gave rise to a more experimental than organic federal system and sowed the beginnings of contestation that has so far continued to exist (Okwuokei, 2024).

This course was strengthened by the constitutions that succeeded. The politics of exclusion that the Clifford Constitution of 1922 had instituted agitated the South (Suberu, 2013). Regionalism was established by the Richards Constitution of 1946, and regional autonomy increased by the Macpherson Constitution of 1951, but still under a unitary system. The Lyttleton Constitution of 1954 was the first to offer a real federal form of government because it created a definite separation of powers between the central government and the regional governments. Its frailty notwithstanding, it was a move towards political maturation in Nigeria, as the pressure on autonomy and representation continued to increase.

Nigeria had inherited this federal structure at independence in 1960, and it was riddled with structural imbalances. Multiethnicity, unequal resource allocation, and untrustworthy and unstable political representation all contributed to this instability of the federation (Akinyetun, 2018). Such wars then led to the Nigerian Civil War (1967 to 1970) due to the secession of the Eastern region to Biafra. Centralisation of power and the establishment of more states were part of post-war federal government attempts to undermine regional hegemony, but instead of federal liberation, only strengthened central

authority (Ebonine & Akinyetun, 2022). In the following decades, this centralization was enhanced due to military rule. Command structures supplanted federal institutions in coups of the 1960s and 1970s. Due to the centralisation of oil revenues under the federal government, which negated fiscal federalism and made the states dependent on federal allocations, oil revenues became the primary source of national income (Faluyi, 2023). The 1999 Constitution has still maintained this imbalance even after the restoration of civilian government. Although it affirms Nigeria as a federation of 36 states, it centralises power at the centre, allowing the federal government to exercise power over 68 exclusive items, as opposed to 24 simultaneous ones (Ogunwa & Abasilim, 2024).

The colonial and militaristic past can still be observed in what theorists call unitary or command federalism, in which states do not have actual freedom (Arowola and Olujobi, 2023). There is a lack of fiscal federalism, and the states are heavily dependent on federal transfers, particularly through oil revenues. These forms of institutionalised dependency perpetuate the current inequality of resource allocation and spark even more anger in the area (Okwuokei, 2024). Furthermore, security, defence, and foreign policy, which are vital spheres of state activity, are still dominated by the federal government at the expense of state initiative. These endemic vulnerabilities manifest in modern issues of federalism in Nigeria. The issue of resource ownership has been contentious, particularly in the Niger Delta, as the oil-producing communities seek a larger share of the national wealth (Ogunwa & Abasilim, 2024). One can observe that the disillusionment with the federal system is the factor that makes such elements of the army as the Niger Delta militants and the Indigenous People of Biafra (IPOB) still exist (Akinyetun & Ebonine, 2022; Ebonine & Akinyetun, 2021). The insurgency of the Boko Haram group in the northeast illustrates the inability of the federal government to reduce poverty, unemployment, and exclusion that breed disaffection in the region (Akinyetun, 2020). These struggles will highlight the long-standing crisis of Nigerian federalism: a system that is created to ensure administrative convenience, but not genuine pluralism; one full of centralization, inequity, and weak glue at best.

### **Issues and Challenges of Federalism in Nigeria**

***Over-centralization of Political Power:*** One of the most deep-rooted problems of the federal system in Nigeria is its over-centralization of power. The autonomy of states and local governments has been diminished by the centralization of power, where the federal government dominates most national resources, implements policies, and dictates most important decisions. Ideally, federalism is meant to ensure that states have the authority to manage their own affairs and resources. In Nigeria, however, the central government dominates oil revenues, foreign policy, and defence, among others, and the states rely on federal allocations to administer themselves (Onah et al., 2022). The phenomenon of excessive centralisation of power can be traced back to history, when the British established a highly centralised system to control different regions of Nigeria. This centralization would be further increased by successive military regimes that came after independence and consolidated more power in the federal government. According to Nkwede et al. (2018), the elements of the federation, the states, as they exist today, are almost wholly dependent on the centre in terms of security, finance, roads, schools, health facilities, power, employment, water, industries, etc. States have lacked the capacity to control their resources, resulting in severe economic imbalances, especially in oil-producing regions where local governments have very little control over the resources within their jurisdiction. Nigeria's poor constitutional distribution of powers has only worsened the situation, as it leaves no space for genuine regional autonomy. States are forced to conform to federal policies and regulations, even when it would be more advantageous to them to be governed more locally. This has resulted in a scenario where the state governments are financially reliant on the federal government. So, the federal structure is too weak to provide the much-needed balance between the centre and states (Tongs et al., 2023).

***Poor Leadership, Corruption, and Bad Governance:*** The issue of leadership is one of the most critical factors contributing to the challenges faced by Nigerian federalism. Bad governance and ineffective federalism have been attributed to poor leadership that is characterised by a lack of vision, direction,

and accountability. According to Bakare et al. (2019), one of the most significant obstacles to national development and democratic stability in Nigeria has been leadership. The absence of strong leadership has reinforced corruption, eroded the institutions of leadership, and enabled the federal system to act in a manner that sabotages its most essential values.

These problems have been compounded by corruption in Nigeria's federal system, which robs it of resources that could be used to serve the people and develop the country. According to Bashiru (2024), corruption has been a characteristic aspect of the politics of Nigeria, especially in the management of federal finances. Embezzlement of state resources by political elites to their benefit is the primary source of inefficiency and political instability. The combination of systemic corruption and poor governance has led to widespread disillusionment with the federal system, as people perceive it not as a means of promoting the needs of the many but as a means of enriching the few (Ogedengbe, 2025).

The inability of Nigeria's leaders to create a cohesive and unified national identity has undermined the potential of federalism to promote national integration. The federal system has not been applied to accommodate Nigeria's diverse ethnic, cultural, and religious groups; instead, it has been used as an instrument of power and control over resources by the political elite. This has led to a sense of discontent and increasing feelings of marginalisation, particularly in areas that feel they are excluded from the political process.

***Ethno-religious Conflict and National Integration:*** The federal system of Nigeria has been unstable because of ethno-religious strife that has persisted in Nigeria. The conflicts, which are primarily presented in the form of violence among ethnic and religious groups, have acted as a setback in attaining national cohesion and integration. During the colonial rule, the divide-and-rule policies led to the emergence of artificial ethnic divisions between ethnic groups, which have continued into the post-independence era (Fatai-Abatan et al., 2025). This historical background is essential in explaining the ethnic and religious conflict that still characterizes the federal system of Nigeria. Failure of the federal government to deal with these divisions has led to conflict, especially in the northern parts of the country, where religious and ethnic groups tend to fight over political and economic power. According to Akinyetun et al. (2020), the root of such conflicts lies in the elevated rates of ignorance, poverty, and lack of trust between ethnical and religious groups. With these groups struggling over resources and political influence, Nigeria, as a federal system, becomes a battleground of competing interests instead of being a unifying factor.

Such is the case of insurgency in the northeast, spearheaded by the religious extremism of Boko Haram, which has seen the region become impoverished and marginalized by politics, leading to the enlistment of many youths in armed action against the state. Similarly, groups like the Indigenous People of Biafra (IPOB) in the south east have come out as activist groups in response to what they perceive to be marginalisation and political exclusion. These movements indicate the rooted dissatisfaction with the federal system as ethnic groups seek increased autonomy or even secession in Nigeria. (Akinyetun, 2018; Akinyetun & Ebonine, 2022).

***Resource Control and Fiscal Operations:*** Resource control is one of the most contentious issues in Nigerian federalism. Control over Nigeria's ample natural resources, particularly oil, has been centralized, leading to significant regional imbalances and tensions. Oil-producing zones, particularly in the Niger Delta, claim that they are supposed to have more control over the resources found in their territories (Obi, 2014). However, the federal government has resisted calls for a total dictatorship of resources, as it believes this move would disrupt the political and economic status quo of the land (Asiegbu et al., 2024).

The concentration of oil revenues has caused much dissatisfaction because communities in the area are the ones who suffer the environmental and social impacts of oil production, yet receive minimal returns. The emergence of militant groups in the Niger Delta, including the Niger Delta Avengers, is an immediate reaction to the inability of the federal system to respond to these complaints. The militants want more control of the resources within their area, which they claim would help them invest in development projects and deal with the environmental harm caused by oil mining (Patience, 2016). The larger problem of fiscal federalism in Nigeria has also led to regional conflicts in the distribution of revenue generated by natural resources, which is viewed as unfair. The current arrangement, where the

federal government receives a fair share of oil revenue, has been criticized for not distributing income more equally. Controversy, however, surrounds resource control, and there is no unanimity of opinion on how to handle the imbalance between the oil-rich areas and the rest of the nation (Egboboh, 2025).

***Military Interregnum and Its Impact on Federalism:*** The prolonged military administration in Nigeria had a profound impact on the country's federal system. During the military era, power was highly centralised, and the principles of federalism were sidelined in favour of military authoritarianism. The military government nationalised primary resources belonging to the states, including newspapers and television stations, and centralised authority on a federal scale. Such a concentration of power throughout the military period undermined the autonomy of the states and the federal system that was instituted after independence (Adejumobi, 2010). According to Adejumobi (2010), military rule has misguided the concept of federalism in Nigeria because the military was preoccupied with ensuring that the regions could not dominate the federation. This has created a political scenario in which the federal government holds disproportional influence over the states, and states are unable to govern or manage their own resources effectively. The history of the military still defines the federal structure of Nigeria, as the nation finds it hard to move to a more decentralised form of governance.

***Succession and Ethnic Rivalry:*** The issue of succession in Nigeria has contributed to the challenges facing federalism. Competition and ethnic animosity over access to political authority have resulted in secessionist demands, especially among people like IPOB. The demand for secession reflects the frustration of ethnic groups that feel marginalised by the federal system and excluded from political power (Ebonine & Akinyetun, 2022). The ethnic conflicts in Nigeria have a long history since the colonial period, when the British enforced unrealistic borders that disregarded the ethnicity and the culture of the people. These unnatural borders have resulted in a political regime that is usually incapable of serving the various needs and aspirations of the ethnic groups in Nigeria. The demand of these groups to get their independence, either through federal reform or secession per se, reflects the inability of the federal system to represent the political and economic desires of the various peoples of Nigeria (Fatai-Abatan et al., 2025).

***The Problem of Revenue Allocation:*** One of the most controversial problems of the federal system in Nigeria is revenue allocation (Godwin et al., 2023). There have been numerous revenue allocation commissions in the country, each with its own set of principles for resource allocation. The principle of derivation, which distributes resources based on each region's contribution to the national economy, has been a source of strife, particularly between oil-producing states and the rest of the country (Iyoha, 2021). This has resulted in strains between the federal government and the states because some states believe that they are not being given their due fair share of the pie. The oil-producing nations, especially, claim that they deserve a higher amount of revenue generated through oil mining. The federal government, however, has not been quick to give these states more power to control oil revenue since it believes that it would destabilise political and economic stability in the country (Agboola et al., 2024).

## **Conclusion**

The biggest problem of the federalism of Nigeria today is the excessive centralization of political power. The federal system, initially modelled to balance power between the federal government and the states, has evolved into a centralized system that compromises regional and state-level autonomy. The federal government of Nigeria has a disproportional level of power over national resources, security, and economic decisions, which leaves the states with high levels of reliance on federal allocations to finance their operations. Centralization has led to a situation in which states have minimal fiscal independence and cannot implement their own development plans or policy projects. Nigeria is a country with a leadership crisis, which makes this situation even more serious. The full potential of the federal system has not been achieved due to poor governance and corruption that have plagued the federal and state governments. As Akinola et al. (2015) point out, democratic consolidation and good governance have been hampered by a lack of visionary leadership, resulting in widespread inefficiency, misplaced

resources, and deterioration of institutions. The federal structure has been especially weakened by corruption, as the political elites have exploited federal institutions to serve their individual interests instead of those of the entire nation.

The question of resource control has also complicated Nigerian federalism. The federal government's domination of Nigeria's natural resources, particularly oil, has led to an imbalance in the country's economy, particularly in the oil-bearing regions of the Niger Delta. The absence of a transparent and equitable fiscal policy on resource management has created resentment, especially among ethnic groups in resource-endowed regions, as the centralized control of the federal government exploits them. A lack of a fair formula of revenue sharing has further fuelled regional animosity, making demands of secession and autonomy increasingly popular, leading to the emergence of armed movements such as the Niger Delta Avengers and the Indigenous People of Biafra (IPOB).

Lastly, the federal system of Nigeria has been the permanent repercussion of the military interregnum in the nation. The military government centralised authority in the federal sphere, destabilising the independence of the states and undermining the balance at the federal level. This concentration of power within the military period has rendered Nigeria incapable of fully accommodating the ideals of federalism in the post-military period, even after federalism was formally enshrined in the 1999 Constitution. With these factors in mind, it is unmistakably evident that the federal system in Nigeria requires a total overhaul to bring back balance, equitable development, and national cohesion. In this regard, the neo-federal paradigm offers an encouraging model that can be used to redesign the neo-federal system in Nigeria and tackle the inherent imbalances that have existed since independence.

#### **Pathways to Reform and Stability: Policy Recommendations for Nigeria's Federal System**

Centralization in the federal system of Nigeria has created structural tensions, weakened the autonomy of the subnational government, and compromised the unity of the nation. They can only be corrected through the implementation of reforms that include decentralisation, institutions, and inclusive governance. The following section presents significant policy recommendations regarding how to reform federalism in Nigeria in a neo-federal paradigm.

***Decentralisation of Power and Resource Control:*** A central priority for reform is the decentralisation of political and fiscal powers. The prevailing system of revenue distribution is highly skewed in favour of the federal government, creating a feeling of dependency among the states and restricting their ability to control their own governance. Fiscal responsibility and growth would be triggered by the modified distribution formula, which allows a state to retain a larger portion of the revenue generated locally, specifically from natural resources (Suberu, 2001, 2013). In areas endowed with resources like the Niger Delta, the best way to solve this, as has been the case, would be to grant the area more control over the oil and gas resources. It would be an agreed percentage remitted to the federal government, which would settle many grievances, and war would be reduced.

***Restoring Regional Autonomy and Strengthening Local Governance:*** The federal imbalance in Nigeria has undermined the independence of state and local governments and overdepended on federal transfer. Regional autonomy means providing the state with a chance to design and implement policies that address their developmental interests in addition to their security interests, such as localised policing and regional security formations (Elaigwu, 2007). Local government, the nearest authority to the citizens, also needs to be empowered by ensuring that they have fiscal independence and access to resources that are guaranteed by the constitution. Increasing their administrative and financial capacity would lead to better service delivery to the citizens and create confidence in governance.

***Institutional Reforms and Democratic Accountability:*** Federalism flourishes in a place where there are institutions that offer checks to executive supremacy. The judiciary and electoral institutions are among the weakest in Nigeria, eroding accountability and enhancing centralization. So, it is important to make the judiciary more autonomous in settling federal-state conflicts and in enforcing the clarity of the constitution (Suberu, 2013). The media and civil society also play important roles in facilitating transparency, reforms, and mobilisation of the people to support decentralisation (Adebanwi and Obadare, 2013). Robust and independent institutions would reinforce the principles of shared rule and self-rule on which federalism depends.

***Leadership and Political Will:*** The reform of the federal system of Nigeria depends on the leadership. Thoughtful and responsible leaders must introduce reforms that balance unity and diversity. Such

leadership should focus on national interests rather than individual or sectional interests, and consensus should be formed among stakeholders regarding decentralisation, control of resources, and hardening of institutions. Leadership capacity can also be improved through the training of political elites and public officials on matters related to governance and conflict resolution.

**Implementing the 2014 National Conference Proposals:** The 2014 National Conference is a critical point of departure in terms of restructuring. Its recommendations, particularly those touching on resource management, fiscal federalism, and state policing, are still pertinent in fighting federal ills that have been experienced in Nigeria (Obiora, 2017). Reconsideration of such proposals through inclusive dialogue or referendum would render the reform process justifiable and result in greater buy-in in society.

**Inclusive Dialogue and National Cohesion:** Inclusive dialogue that acknowledges ethnic, religious, and regional diversity in Nigeria should be at the heart of sustainable federal reform. Trust can be built in national forums that involve political elites, minorities, women, youths, and civil society to negotiate equity in any arrangement and enhance cohesion. Nigeria can transition to a federal system that balances the management of diversity with stability by integrating inclusivity into the reform process.

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