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FEDERALISM AND RESOURCE CONFLICT:

Assessing the Impact of Federalism in Curbing Conflict over Petroleum Resource Revenues – A Case Study of Nigeria and Canada

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JOHN OTISI KALU

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ABSTRACT

This thesis focuses on lingering conflict over natural resource revenues which has ravaged many countries. The problem has no doubt attracted the attention of researchers who have approached it, mostly, from the angle of how natural resources lead to violent and armed conflict; impact of natural resource conflict on economic growth; causes and the factors that increase the intensity of the conflict. Regrettably, the preoccupation of researches on those other aspects of resource conflict as mentioned, results in the unfortunate dearth of research that focus on charting out the means to bring about solutions to the problem. This study therefore argues that genuine solution to resource conflict can come from a specific design of the political institution of government—precisely, the institutionalization of federalism in the given country.

However, the case of the Nigerian federation suggests the contrary, with conflict over resource revenues getting increasingly strident. It was therefore deemed vital to undertake a comparative case study of the problem in Nigeria and another federal country – Canada, in order to ascertain the extent to which federalism can contribute to resolve resource conflict. In-depth interviews were conducted with selected respondents in Nigeria and Canada to complement the secondary data from extant literature. The 'method of difference' was employed in the analysis of data which aided the identification of significant differences that account for variations in the manifestation of conflict over resource revenues across the countries.

After the analysis, this study makes two major discoveries that contribute to the existing scholarship on the subject as follows. Firstly, findings from the case of Nigeria reveal that factors inhibiting federalism in mitigating resource conflict are linked primarily to a huge influence of oil and gas on the economy, or over dependence on the resource to drive the economy. The research illustrates clearly how this factor leads to excessive fiscal centralization, which undermines subnational fiscal autonomy, heightens poverty, enables ambiguous design of the fiscal constitution, and facilitates widespread corruption and non-adherence to the rule of law; all of which enhances the severity of resource conflict. Secondly, findings from the Canadian case illustrate how the reinforcement of subnational fiscal autonomy, which is the hallmark of federalism, counteracts the above

mentioned effects of over dependence on petroleum resources. This consequently reduces the violent manifestation of resource conflict.

With some illustrative diagrams built to support arguments, the study concludes that the institution of federalism provides an effective means through which resource conflict can be addressed. This study provides lessons that would no doubt be useful to, not only Nigeria and Canada but also, many other natural resource endowed countries that are still battling problems of resource revenue dispositions. More so, the analysis in this thesis should be of interest to scholars of conflict and resource governance in deeply divided societies, students of federalism and multi-level governance, as well as policy makers and analysts interested in the facilitation of unity through diversity in their respective countries of focus.

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LIST OF ABBREVIATIONS

BOF – Budget Office of the Federation

CBN – Central Bank of Nigeria

CIT – Corporate Income Tax

CRA – Canada Revenue Agency

DPR – Department of Petroleum Resources

EFCC – Economic and Financial Crimes Commission

EIA – Energy Information and Administration

FAAC – Federation Accounts Allocation Committee

FG – Federal Government

FGN – Federal Government of Nigeria

FGT – First Generation Theory

FIRS – Federal Inland Revenue Service

FMF – Federal Ministry of Finance

FMG – Federal Military Government

FPTP – First-Past-the-Post

FRN – Federal Republic of Nigeria

GPI – Global Peace Index

GST – Goods and Services Tax

HDI – Human Development Index

HDR – Human Development Report

HFI – Horizontal Fiscal Imbalance

HRW – Human Rights Watch

HST – Harmonized Sales Tax

IMF – International Monetary Fund

LNG - Liquified Natural Gas

MOSOP – Movement for the Survival of Ogoni People

MP – Member of Parliament

NBS – Nigeria Bureau of Statistics

NCS – Nigeria Customs Service

NDDC – Niger Delta Development Commission

NEITI – Nigeria Extractive Industry Transparency Initiative

NFL – Newfoundland and Labrador

NGSA – Nigerian Geological Survey Agency

NNPC – Nigerian National Petroleum Corporation

NS – Nova Scotia

OAGF – Office of the Accountant General of the Federation

OMPADEC – Oil Mineral Producing Areas Development Commission

PEI – Prince Edward Island

PIT – Personal Income Tax

PPPRA – Petroleum Products Pricing Regulatory Agency

PPT – Petroleum Profit Tax

QST – Quebec Sales Tax

RMAFC – Revenue Mobilization Allocation and Fiscal Commission

RST – Retail Sales Tax

SGT – Second Generation Theory

TI – Transparency International

UNCLOS – United Nations Convention on the Law of the Sea

VFI – Vertical Fiscal Imbalance

CHAPTER ONE.
BACKGROUND OF THE STUDY

1.1 Introduction

This research is about lingering conflict over natural resource revenues which has ravaged many countries.[1] Whereas natural resource endowments ought to contribute positively to improve the economy and lives of the people in resource rich countries, the struggle over revenues generated has unfortunately confined many to perpetual conflict that inhibits meaningful gains from the resources. Predictably, as economic progress may have been elusive, one would think there would be economic stagnation at least. But the worst is that in some of the cases, there is retrogression instead.[2] The situation has attracted the attention of researchers who have approached the problem, mostly, from the angle of how natural resources lead to violent and armed conflict; impact of natural resource conflict on economic growth; causes and factors that increase the intensity of resource conflict. Those prominent among the relevant researches include: Collier and Hoeffler (2000, 2002), Kaldor (1999), De Soysa (2000), Klare (2001), Bannon and Collier (2003); Ross (2004, 2012), Humphreys (2005), David and Gagné (2006), Kaldor, Karl, and Yahia (2007), Welsch (2008), Lujala (2009), Blattman and Miguel (2010), Lei and Michaels (2011), Le Billon (2013).

However, the overbearing preoccupation of researches on those other aspects of resource conflict as mentioned above, results in the unfortunate lack of research efforts that focus on charting out means that would bring about feasible solutions to the problem. While there exist several other researches on conflict resolutions,[3] efforts have seldom been made to consider specifically solutions to 'resource conflict'; even though researchers acknowledge that resource conflict is a totally different kind of conflict due to its complexities (David & Gagné, 2006, p. 17; Gurr,

[1] A 2009 UNEP report found 40% of all internal conflicts…to have links to natural resources (United Nations, n.d.). For further evidence, see David and Gagné (2006, p. 6); Lund (2009, p. 287).
[2] Many countries have undergone development in reverse as a result of warfare, posited Williams (2011, p. 1); See also, Sala-i-Martin and Subramanian (2003, p. 4).
[3] For example Fisher (1983); Goldberg and Hobgood (1987); Mills (1991); Ramsbotham, Miall, and Woodhouse (2011); Stephenson Jr and Pops (1989).

1994, p. 365; Smith, 2004, p. 2). Thus, resource conflict undoubtedly requires a special conflict resolution mechanism which has significantly been ignored by previous scholars on the subject. This study therefore argues that a genuine solution to resource conflict can come from a specific design of the political institution of government—precisely, the institutionalization of federalism in the given country.

1.2 Problem Statement

Most natural resource endowed countries are arguably prone to conflicts that have often threatened their unity, or even totally destabilized them - such as in the former Union of Soviet Socialist Republics (USSR), Nigeria, Sudan, Congo, Angola, Libya, Iraq, Indonesia, Sierra Leone, and Colombia.[4] The reason cannot be unconnected to the fact that, some natural resources like oil and gas create viable means of financial empowerment as these products are well priced in the international market. Seeing what revenues can accrue from the sale of the resources, there seems to be divergent interests coming from various groups of citizens and government with regard to having access to the benefits from the resources. This results in struggles over the issues of ownership, management, control, and sharing of the proceeds from the resource wherever they are found.

As can be observed from Nigeria, in a resource-rich country there is a specific geographical space where a particular natural resource, like crude oil, is located. The inhabitants of such geographical location tend to perceive themselves as the supposed owners of the resources rather than the entire nation. Those residents consider the fact that oil exploration comes with environmental degradation and accompanying health hazards which they suffer. Thus, they often resist efforts by the licensed oil companies to adequately harness the resource, because the proceeds go to the general government for the development of the entire nation while few development projects are specifically designed for them. This move brews conflict, affects economic activities in the country, and also potentially contribute to civil war as the cases involving the Biafra in Nigeria, Katanga in Congo, and Cabinda in Angola, have all been alleged.[5]

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[4] See Le Billon (2010); Anderson (2012); Lei and Michaels (2011); Watts (2003); Ross (2004)
[5] For details, see Humphreys, 2005, p. 511; citing Ross, (2003)

This pattern of conflict is not peculiar to Nigeria and the few other countries mentioned above. A closer observation of almost every other resource rich country reveals a similar trend. Regardless of the potential for conflict being heightened by natural resource endowments, the search and hope for further discoveries of petroleum resources in many countries—including both resource rich and poor countries—continues unabated. Therefore, with the notion that conflict would possibly result if valuable resources are eventually found, the subject has attracted challenging academic explorations. Much of the debates have attempted to investigate empirically the presumed linkage between resource endowments and potential for conflict. Most have been entangled "around the 'greed versus grievance' dichotomy; juxtaposing 'loot-seeking' with 'justice-seeking' rebellions, and, more generally, the significance of economic versus socio-political drivers of civil war" (Ballentine & Nitzschke, 2003, p. 2; Bannon & Collier, 2003; Collier & Hoeffler, 2000; De Soysa, 2000; Le Billon, 2013; Ross, 2004).

The greed and grievance hypothesis postulates that countries with an abundant natural resource base are more prone to violent conflict due to the lure for access to the resource proceeds by regional groups, who are either aggrieved for being marginalized or simply being guided by greed.[6] It also states that insurgent groups are more likely to be motivated by control over resources than by actual political difference with government authorities, ethnic divisions or other factors typically viewed as root causes of civil war.[7] The twin elements of greed and grievance mentioned above find a perfect illustration in the case of the Ogoni people of Nigeria which in August, 1990, through the umbrella of the Movement for the Survival of the Ogoni People (MOSOP), issued a bill of rights to the Federal Military Government of Nigeria.[8] In the bill, they were allegedly demanding political freedom, especially the right to control and the use of the economic resources for Ogoni development among other demands, in order to protect the peoples' environment and ecology from further degradations (Ezetah, 1997, p. 817; Welch, 1995, p. 640).

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[6] See Collier (2006); Collier and Hoeffler (2000, 2002)
[7] See Ganesan and Vines (2004, pp. 301-324)
[8] Ezetah (1997, p. 817)

The Bill of Rights of the Ogoni People was given little or no attention by the Nigerian Military Government, which was not ready to relinquish its major source of revenue. Between 1992 and 1993, the group took their struggle to the international community; obtaining hearings before various sub-commissions of the United Nations (Ezetah, 1997, p. 818). It is important to understand, precisely, the basis of the group's grievances, which is quoted below:

> Shell have operated with such total disregard of the environment that the Ogoni people have come to the conclusion that the company is waging an ecological war on them.... The response of Shell has been to appeal to the rulers of Nigeria for whom oil means a lot of money in private pockets and in the public purse. Together, the two have mounted a campaign of intimidation and terrorism against the Ogoni people and its leaders (Welch, 1995, p. 641).

As a result, the group in November 1992 released an ultimatum for the Shell Petroleum to either pay them a total of US$10 billion for royalties and alleged environmental damages within 30 days, or cease operations and vacate.[9] Consequently, in January 1993, Shell was forced to close its production in the area following mass protests which allegedly resulted in violence against the staff and facilities of the company and on any other person that intervened (Manby, 1999, p. 9). In turn, the Nigerian Military Government, for which any threat to oil production is a threat to the entire existing political system, was provoked and in the usual repressive military reaction, apprehended and incarcerated the leader of the group—Ken Saro Wiwa—and eight others (Manby, 1999, p. 9). They were eventually executed by hanging on the 10th of November 1995, against charges of treason (Courson, 2006, p. 5; Ezetah, 1997, p. 811; Manby, 1999, p. 9; Welch, 1995, p. 635).

The case explained above indicates that revenue sharing or the control over the resources by the sub-region is possibly central to the attendant conflicts in the oil

[9] See (Shell BP Nigeria)

endowed countries; and this has a theoretical back-up in the greed and grievance theories as demonstrated earlier. However, the problem this theory does not address, as will be shown later, concerns how the sub-regions would exercise control when there is a central government interested in exercising, and empowered to take total control. Possibly, the sub-regional group needs to negotiate with the central government in order for regional control of resources to be reflected in the constitution, or they could break away in order to exercise full control over the resources and prevent others from cashing in on the proceeds. But, none of the options seems easily agreeable by the factions involved without resulting in violent conflict, or even war. Several researches suggest the possibility of a natural resource war spreading quickly beyond a particular national boundaries to somewhat affect the world at large if the situation is not addressed.[10] Therefore a solution seems urgently needed, but how would it emerge?

This study analyses how a solution to resource conflict can be achieved. It makes an important contribution to the scholarship by investigating and revealing how federal institution could help to address this kind of conflict, in order to save particular countries and the world at large the cost of a possible crisis.[11] Institutionalists opine that institutions shape behavior,[12] and in like a manner, students of federalism argue that the institution of federalism remains a veritable system for governing a country that presents deep diversities for peaceful and harmonious coexistence.[13] Such a country may contain within its boundaries significant territorially based groups who consider themselves to be distinct and different in ethnicity, in language, in religion, economic activities or just in history from the others within the country. The concentration on federalism in this study is premised on the notion that it permits each region to have self-government to secure their separate values while having shared government with others for common purposes (Ikeji, 2011, p. 97; Wheare, 1963, p. 1). Based on this premise, the

[10] See the following works: David and Gagné (2006, p. 17); Galtung (1982); Giordano, Giordano, and Wolf (2005, p. 47); Gleditsch (1998); Homer-Dixon (1998); Klare (2001); Westing (1986)
[11] Note that civil conflicts do not only produce human tragedies on a colossal scale, but it creates humanitarian crises that are of concern to the international community, as well as contributing to global and regional insecurity. See particularly Lund (2009, p. 308); Murshed and Tadjoeddin (2007, p. 2)
[12] For discussion on Institutionalism, see Chapter Two.
[13] See Chapters Three and Four for an elaborate discussion of federalism.

research explores comprehensively the concept of federalism, in a bid to establish its potential to mitigate conflict in countries, even where the primary differences are rooted in the location of natural resources within the population.

Regrettably, similar conflict over natural resources and its revenue receipts seems to persist even in federal countries,[14] just like in non-federal states. Instead of dissuading the researcher from furthering the argument, this rather serves as a source of motivation to bring the initial presumption to scrutiny, in order to identify the strengths and challenges of federalism in resolving resource revenue conflicts. It was therefore persuasive to plan a comparative case study of the problem in selected federal countries. As a preliminary guideline, the need was to locate another federal country which possessed comparable characteristics[15] to compare with Nigeria. All in all, the problem is indeed complex given the fact that oil endowments which have been touted to engender economic growth and development, have instead led to perennial conflicts in many countries, including Nigeria.

1.3 Research Objective

In broad terms, the research aims to assess the extent to which natural resources (especially, petroleum) potentially induce conflict in countries, with a view to determine how federalism helps to resolve it by using Nigeria and Canada as the case studies. The specific objectives of the study are as follows:

1. To understand the extent to which natural resource (especially petroleum) endowment brews conflict and the effective ways of managing it.

2. To examine, in detail, the concept of federalism in order to understand its suitability for addressing resource conflict.

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[14] Anderson (2012, p. 3) notes: in petroleum-rich federations, there is often tension over the resources among governments at two levels as well as among producing and non-producing regions.
[15] The characteristics included the following: a country in which news of resource conflict is rarely heard beyond the shores of that particular country; a country that has rich deposits and production of oil and gas as well as having deep diversities just as in Nigeria.

3. To find out how much the practice of federalism has contributed to curb conflict over resource revenues in the selected countries; and if and where unsuccessful, the reasons for the difficulties.

4. To expound ideas on ways by which federalism, especially in Nigeria, can be strengthened to forestall resource revenue conflicts based on the findings of the study.

1.4 Research Question

The central research question in this study is: "to what extent does the institution of federalism contribute to curb conflict over resource revenues to enhance peace and development?" However, in order to attain the objectives stated above, the research will equally focus on some other subsidiary questions listed below:

1. To what extent does natural resource endowment potentially influence conflicts in the selected countries and why is it so?

2. How important is the institutional structure (particularly federalism) perceived to address the conflict?

3. To what extent has institutionalizing federalism contributed to curb the conflict over resource revenues to enhance peace and development in each of the federations?

4. How consistent are the results (impact of federalism in each case); or why are they at variance if not consistent?

5. What are the lessons, in order to reduce the potential for violent conflicts over the resource revenues in Nigeria, Canada, and other countries?

The above questions are also used primarily for the interviews, with other probing questions added to cover the entire scope of the study. Given the above, the study has implications for not only Nigeria and Canada, but also, many other resource rich countries that are still battling problems of resource revenues disposition.

1.5 The Rationale for Choosing Nigeria and Canada

One of the primary challenges of a comparative study is the selection of cases to be compared, therefore, explanation of the rationale for the selected is appropriate. Comparative study involves the attempts to explain behaviour within groups of cases or countries that are essentially similar, as well as to contrast those that are different in any number of ways (Peters, 1998). However, a study would be worthless if the selected cases are vastly different that no commonality can be found; same as when the cases are comprehensively similar, such that no difference can be found (Lor, 2011). It is therefore advised that cases should have a majority of one, and a few of another, between shared and non-shared attributes to meet a worthwhile comparative study (Sartori, 1991). Generally, the selection of comparative cases usually follows the J. S. Mill's postulated 'system of logic' which is divided into two—the 'Most Similar System Design' (MSSD) and the 'Most Different System Design' (MDSD).[16] The specific choice for a study depends on whether the areas of similarities is greater than differences in the cases to be compared or the other way round. In case of the former, the aim of the comparison would be to determine the differences that could account for concomitant variation in the cases.

Importantly, this particular study aims to unearth differences in two federal countries which share many similar attributes and challenges, in order to explain why there is a different outcome regarding the nature of resource conflict in the two countries. Adopting Mill's system of logic, this study is typically a Most Similar System Design, which applies the 'Method of Difference' in the analysis; i.e., aiming to discover the differences in the cases.[17] Given the earlier suggestions on how to select comparable cases, Canada is seen as possessing more similar attributes with Nigeria than other oil producing federal countries. The following points further justify the choices:[18]

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[16] See Berg-Schlosser, De Meur, Rihoux, and Ragin (2009); Mill (1906); Peters (1998); Ragin (1987); Teune and Przeworski (1970).
[17] Most works in comparative federalism apply this method, for example, (Burgess & Gagnon, 1993; Riker, 1964; Watts, 1966; Watts, 2008; Wheare, 1963).
[18] For concrete facts supporting the listed assertions, see Chapters six and seven of this thesis.

1. Canada has a large base of crude oil endowments, reserve, and production capacities, similar to Nigeria.

2. The oil and gas deposits in Canada are mostly found in provinces other than the dominant ones in terms of population and political influence; this is similar to Nigeria where the chunk of crude oil is found in the Niger-delta – a region mostly inhabited by the minority groups.

3. The degree of diversity in Canada, as in Nigeria, is highly significant; such that bilingualism, multiculturalism, and even bijuralism is an accepted code of practice for all.

4. In both federal systems, the constitutions reinforce the federal principle of non-subordination of any level of government, i.e., the federal and state/provincial governments.

5. Canada continues to look for ways to strengthen their federal system, just as Nigeria continues in the search to make their federal system more workable.

6. Canada is not notorious in the global media as battling any sort of internal conflict; it is rather one of the acclaimed safest and peaceful places to live in the world, whereas Nigeria remains conflict plagued, as well viewed as unsafe or risky to live in (Global Peace Index, 2015, pp. 8-9).

7. Canada is one of the oldest federations in the world and still remains intact till date, whereas Nigeria is less than 60 years old as a federation and almost on the brink of collapse. The latter fought a 30 month civil war between 1967 and 1970. Thereafter, there have been other alleged secessionist struggles including that of the Ogoni nation, Ijaw nation, and the renewed Biafran struggle which remains strident to date.

The points raised above combine to make Canadian federalism an ideal fit to compare with Nigeria. This choice would help to understand what challenges they have had to face given the cultural, language, and economic diversity in the country, and how they have been able to handle such diversities and maintain the considerable peace within their country. Meanwhile, Nigeria has got similar kinds

of diversities and structures her government institutions on a federal model, but the opposite is the case: militancy in the region of the Niger-delta[19] and the onslaught of Boko Haram[20] in the North have combined to make Nigeria a dreaded place to live.

1.6 Methodology and Research Design

This section explains the general procedures for the conduct of the study. Methods and techniques that are used for the collection and analysis of data to create a coherent argument are discussed here. Precisely, decisions on the choices of research approach and the research design are justified. The two are core factors in determining the reliability of a study, because they inform what sort of data are collected and how the data are analyzed. It is widely held that without attending to the logical questions of research design, whatever materials and methods are applied will produce conclusions that are weak and unconvincing, which will also fail flatly to answer the research questions.

1.6.1 Research Approach

Considering the objectives and questions that the research seeks to address, a qualitative approach is most appropriate. It permits a holistic and detailed investigation in order to cover complex issues and to unearth more discoveries. As mentioned, the study primarily aims at assessing the impact of federal institutions in cushioning the conflict over resource revenues with a focus on Nigeria and Canada. Hence, since it is not attempting to single out a particular cause-effect factor for hypothesis testing, applying a quantitative approach would be a misfit.[21]

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[19] The Niger Delta region denotes the oil-producing states and comprises the following States of the Nigerian federation - Abia, Akwa-Ibom, Bayelsa, Cross River, Delta, Edo, Imo, Ondo and Rivers. Militancy, hostility and terrorism have become the order of the day across the region allegedly due to lack of commensurable development to the region that produces over 70% of the National income.

[20] Boko Harram is an Islamic jihadist and takfiri militant organization based in the northeast of Nigeria whose true mission remains speculative. From their activities, they could be seen to be attacking Christians and government targets, bombing churches, attacking schools and police stations and kidnapping Western tourists, although they have also assassinated members of the Islamic establishment.

[21] Berg-Schlosser et al. (2009, p. 8) advice thus: by using QCA, the researcher is urged not to specify a single causal model that best fits the data, as one usually does with statistical techniques, instead to determine the number and character of the different causal models that exist among comparable cases.

Providing further support for the choice of qualitative approach, Lijphart (1975, pp. 165-166) advises that the qualitative method should be chosen over the quantitative method when few cases are under consideration. Similarly, Vromen (2010, p. 249) posits that "when we seek to understand or explain the how and why of a political institution, event, issue, or process…we are necessarily asking questions that can be answered through using qualitative methods."

1.6.2 The Design

The cross-national focus of this research (i.e., Nigeria and Canada) makes it plausible to adopt a case study design which is the most viable means of conducting a study that seeks to understand a phenomenon from the point of view of participants, and its particular social and institutional or organizational context (Yin, 1994, p. 23). The case study design remains very popular and dominates researches in comparative political studies (Kravchuk, 2008, p. 170). By definition, Murray and Beglar (2009, p. 48) define the case study as "the intensive, in-depth study of a specific individual or specific context or situation…The real strength of the case study method is its potential to illuminate a 'case' in great depth and detail and to place that case in a 'real' context."

Recently, there have been attempts to distinguish case study design, based on the number of cases being examined. In this vein, one case is viewed as a single case study design. Two or a few more number of cases constitute comparative case studies, which requires in-depth analysis aimed primarily at 'analytic' rather than 'statistical' validity as a criterion.[22] On the other hand, a study that involves as many as up to twenty cases is classified as experimental case study and it is pursued through a quantitative approach which aims at statistical validity.[23] This means that the current study falls under the comparative case study design, as chosen.

1.6.3 Method of Data Collection

The data collection for comparative case study is extensive and draws from multiple sources such as direct or participant observations, interviews, archival records or

[22] See Yin, 1994, p.32.
[23] See Lijphart (1975, p. 165); Lim (2006, p. 33); Mahoney (2007); Ragin (1987); Yin (1994).

documents and secondary sources. Likewise, the qualitative research approach often allows flexibility in conducting data gathering, research analysis and interpretation of gathered information, because most times data for such study are equally qualitative. Similarly, a post structural approach to research recognizes that multiple and conflicting realities coexist, hence, a critical reading of texts is highly important in any contemporary social science research. This is so because the exercise will possibly reveal different patterns, meanings, ideologies, and interpretations.

Therefore in this study, two qualitative methods—semi-structured in-depth interviews and document analysis—are utilized. Firstly, the researcher explores comprehensive texts on federalism, revenue allocation, and intergovernmental relations across federations; reflecting on the institutional arrangements, constitutional provisions, and political processes in Canada and Nigeria. Secondly, the researcher conducts in-depth semi-structured interviews with selected stakeholders pooled from the following categories:

1. Scholars with expertise on the subject
2. Respondents that have held Government positions
3. Respondents that have held positions with oil companies
4. Leaders of related Civil Society and Non-Governmental Organization
5. Private Sector Leaders or Elder Statesmen from within the federation

1.6.4 Method of Data Analysis

Before describing the method of analysis, which in broad terms employs a qualitative comparative analytic tool, it is important to explain the ingredients or what the analysis focuses on. Basically, they include those issues relating to the institutional arrangements and constitutional provisions; political processes for the development, production, and disposition of resource revenues; and the problems that result within the federations. Thematic analysis is used, as it is very appropriate for analyzing qualitative data and interviews. This involves familiarization with the data, codifying the data set (interview responses) into themes in order to permit possible answering of the research questions of the study, and finally determining the findings from the responses.

Procedurally, unlike in the quantitative research type where data collection precedes data analysis, there is usually no distinct line that demarcates the data collection stage from that of data analysis in a qualitative research. Material collected through qualitative methods is invariably unstructured and unwieldy; thus, making it convenient for data analysis to proceed simultaneously with data collection (Ritchie & Spencer, 2002). However, the analysis aims at identifying differences in the two federal systems as they have been chosen based on vast shared similarities. Technically, this method of analysis is termed the 'Method of Difference' which is consistent with the 'Most Similar System Design' (MSSD) on which the case selection is based. In the opinion of Peters (1998, pp. 36-41), this is the usual method that researchers in comparative politics undertake. As similar cases are selected, the researcher searches to identify significant differences in the cases, which, according to comparative scholars, are most likely to account for the concomitant variation in the political outcome (Berg-Schlosser et al., 2009, p. 2; Landman, 2002, p. 1; Peters, 1998, pp. 36-41; Ragin, 1987, p. 47).

After the determination of cases for comparison, it is important, as Lor (2011) notes, to consider the phenomena or issues of interest in their own contexts, before the contextualized phenomena are subjected to systematic comparative analysis in order to identify the differences for which the comparativist attempts to provide explanations. Therefore, the step-by-step approach taken in comparative analysis proceeds as follows:[24]

1. First is the conceptualization of all the issues to be addressed, but not in a specific context. This requires the grounding of the concepts in appropriate theoretical foundations. The task is exemplified in the theoretical chapters of this work, spread across chapters one, two, three, four, and five; each of which deals with a specific concept or issue at the theoretical level.

2. Secondly, the issues are then analyzed in depth in their respective contexts (historical, political, economic and social). This is done for the cases in parallel, such that the variables that might account for their different outputs

[24] See the following: Bereday (1964, p. 22); Landman (2002, p. 6); Lor (2011, p. 11); Phillips (2006, pp. 304-319).

can be identified. In this research, this task is addressed in the empirical chapters of the dissertation; specifically, chapter six (for Nigeria) and chapter seven (for Canada).

3. Thirdly, a comparison is conducted based on unifying concepts or guiding ideas which are distilled from the large amount of data collected. They clearly represent the area of differences found from the previous chapters where the cases were studied separately in parallel. In this study, chapter eight is based on this provision.

4. Fourthly, an attempt is made to explain the differences against the background of their contexts; this helps immeasurably to make recommendations at the end. In this order, chapter nine clearly represents this phase, as it analyzes the differences in the findings.

5. The final phase is the conclusion where the researcher makes definitive statements in relation to the findings from the cases studied.

1.7 Significance of the Study: Establishing the gap

The significance of this topic lies in the fact that the issue it addresses—resource conflict—is a topical one nationally and internationally, which makes its contributions of global importance for advancing knowledge in the field. Internationally, there is a growing attention paid to the issues of civil conflicts, especially conflicts in Africa.[25] Most of the recorded civil conflicts are connected to natural resource struggles, which is actually what the present study looks at. However, while a majority of those studies at the global level are preoccupied with the question of 'causes, and impact of natural resources' on the civil conflicts, this research is primarily concerned with the question of "how federalism—as a bargained institutional structure—helps to mitigate the conflict."

Nationally, in Nigeria, the issue of federalism and natural resource revenue sharing is central to all socio-economic, socio-political, and ethno-religious problems that bedevil the country. At the time of writing this section, Nigeria is in the process of

[25] This is evident when one considers the various research institutes and funds supporting researches in conflict studies around the world.

constitutional amendment for which the National Assembly and the State Houses of Assembly are holding consultations with stakeholders and their people. Beyond the legislators' involvement, the federal government has convened a National Conference of selected individual stakeholders from various parts of the country to deliberate.[26] One of the contentious areas of focus for possible amendment is the question of fiscal relations among the federating units and the federal government; especially over natural resources—ownership and revenue sharing.[27] Therefore, political leaders and scholars alike are interested in the issue.

Solutions, however, remain elusive as most interested Nigerian researchers in the field approach the problem from the economic and development stand points, e.g. poverty, underdevelopment, and militancy in the Niger-Delta region.[28] The problem with this approach is that its findings are always contested by other scholars who try to argue that the poverty and underdevelopment in the Niger-delta region is either unconnected to resource extraction, or that other regions (especially the North) are even poorer and more backward than the Niger-delta region. In the end, this approach does not result in any solution, instead, it primarily highlights the factors responsible for the conflict to be centred on 'grievances' – which opponents dismiss as 'greed'.

In sharp contrast, this study approaches the problem from the structure of our federal system. Only a few researches have attempted to investigate Nigeria's resource conflict in connection to the practice of federalism. They conclude by just mentioning the need for 'true' federalism as the solution, without any quality research into the concept of federalism to justify their call (for example Adedeji, 2001, p. 1; Adesopo & Asaju, 2004, p. 286; Ebegbulem, 2011, p. 18; Ikeji, 2011, p. 95; Naanen, 1995, p. 46). This study not only engages the concept of federalism in a greater detail—including its historical development, evolution, and its theoretical assessment—it also investigates the problem of resource conflict and federalism

[26] This refers particularly to the 2014 National Confab in Nigeria.
[27] See http://www.premiumtimesng.com/national-conference/notes-contentious-issues-confronting-nigeria-national-conference-jaye-gaskiya/.
[28] See the following researches: Asuni (2009); Ebohon (2012); Ejobowah (2000); Ikelegbe (2001, 2005); Ikpang (2011); Innocent and Anyadike (2012); Obi (2009); Okumagba (2012); Osaghae and Suberu (2005); Ukiwo (2007); Watts (2004).

from a comparative perspective. All of these are supportive of the significance of this research. It is therefore hoped that the findings would serve as a reference material to Nigeria in particular, and to other countries embattling resource conflict.

1.8 Organization of the Study

Chapter two is on "Resource Conflict: Theoretical Explanations." This study is very rich in the depth with which it investigates the issues at hand. It begins with a discussion on resource conflict from a theoretical perspective. Then, the concept of federalism and its potential impact on conflict management is considered. Thereafter, a conduct of a more detailed study and analysis of federalism and resource conflict in the selected federal countries—Nigeria and Canada—follows. The final parts include the comparison, discussion of findings, conclusion, and recommendations. In all, the work is divided into ten chapters—details of the components of each chapter are provided below:

Chapter one is "The Background of the Study." It comprises the introduction, research objectives, research questions, rationale for selecting the countries under study, research methodology and design, the study significance and organization. The chapter provides a general background of what the study is all about, and also gives direction of how it is carried out, as well as what to expect in each of the chapters.

In this chapter, literature on natural resource and conflict correlation alongside theories explaining or resolving them, are reviewed. This includes the theory of relative deprivation, the greed and grievance dichotomy, game theories, conflict resolution techniques, and the institutional theory, which provide the adequate framework on which this study is anchored. Adequate effort is made to further explore the institutional theory as a mega theoretical approach, in order to single out the bargaining theory of institutionalism as the particular strand of institutionalism that explains the basis of the argument put forward in this research.

Chapter three is titled "Federalism: Historical Perspective." The chapter comprehensively explores the concept of federalism from an historical perspective. The hope is to generate a greater understanding of the history and evolution of federalism. The aim is to determine the relevance of federalism for conflict resolution, by observing from the history, how federalism emerged and its link with

tensions in societies between groups. The chapter is organized under the following sub-themes: concept of federalism, tracing the development of the federal idea, contributions of philosophers, etymology of federalism—tracing the root of federalism to the Latin 'foedus', observing the theo-political connotations of foedus, the impacts of the protestants' reformed movement, and the final transformation of foedus to federal(ism)—and the emergence of federalism as a core political ideology.

Chapter four is titled "Federalism: Theoretical Assessment." The chapter explores what defines federalism; the contemporary debates over its theorization; its distinctiveness from other forms of government; the approaches to understanding federalism; and the features that make federalism capable of attaining its goals. The aim is to determine its relevance and ways it can contribute to engender peace in a country bedevilled by resource revenue conflict.

Chapter five is on "Resource Allocation in Federal Political Institutions." The division of powers and resources which are the most crucial challenges of federalism is discussed under the broader concept of fiscal federalism which addresses the structure of fiscal constitution of a country. The chapter incorporates other sections including issues of expenditure assignments and taxation (revenue assignments), problem of vertical and horizontal fiscal gaps, intergovernmental transfers, and the contentious debate over natural resource revenues—which fuel the problem that this study confronts.

Chapter six looks at the topic "Nigeria: Federalism and Resource Revenue Conflict." It contains a comprehensive study of the research problem in the Nigerian context, starting from the history and evolution of federalism in Nigeria; the make-up of the federation and location of resources across the nation; constitutional provisions and institutional arrangements regarding the issue of revenue allocation and sharing within the federations; cases of conflict emanating from resource and revenue issues; formal measures that had been implemented to address the problems and the state of the federation at the moment.

Chapter seven examines the theme "Canada: Federalism and Resource Revenue Conflict." This chapter engages the topic from a similar perspective as the preceding chapter on Nigeria. This is deliberate; so that there will be similar

grounds to facilitate analysis of the problems in a comparative manner pursuant to the stated methodological provisions. Hence, what to expect in the chapter includes: the evolution of federalism in Canada; the make-up of the federation and location of resources across the nation; constitutional provisions and institutional arrangements regarding the issue of revenue allocation and sharing within the federations; cases of conflict emanating from resource and revenue issues; formal measures that had been implemented to address the problems and the state of the federation at the moment.

Chapter eight contains the "Primary Research Data: Process, Analysis, and Findings." The task is to present the entire primary research process, accounting for how the primary data were generated, and the conduct of the interviews in detail. A section justifying the basis for the selection of the interviewees is provided. Explanation of the processing of the data in response to the stated research questions is offered as well. Finally thematic analysis, which involves intensive familiarization with the data from interviews, is employed. This is to sort them into categories for easy understanding, interpretation and analysis in order to filter them and specify the findings.

Chapter nine is titled "Nigeria and Canada: A Comparison." Proceeding from the analysis in the Chapter eight, this chapter brings the findings from the primary data and the previous chapters on each individual country together in a comparative format. The discussion in this chapter first compares and then analyses the differences between the two countries, which affect the potentials of federalism in curbing resource revenue conflict. The chapter moves further to establish the interlinkages between the findings in the two countries. It finally presents ideas on how federalism would be re-positioned to resolve the problems in Nigeria to mitigate resource revenue conflicts.

Chapter ten gives the "Conclusion and Recommendations." It recaps the various chapters and includes the contributions of the study and the statement of limitations. Some specific recommendations are outlined, based on the findings and identified limitations, on which further research on the subject can be done.

CHAPTER TWO.
RESOURCE CONFLICT: THEORETICAL EXPLANATIONS

2.1 Introduction

This chapter reviews the literature related with the main problem of the study—resource conflict—as well as develops a suitable conceptual framework that will guide the thesis in order to successfully, and coherently, achieve the set goals. Specifically, literature on natural resources as enablers of civil conflicts alongside theories explaining the relationships are extrapolated. These include the theory of relative deprivation, the greed and grievance dichotomy, game theory, and conflict resolution techniques. Also considered is the institutional theory through which the framework of this study is located. Being a mega theoretical approach, the institutional theory is further explored in order to single out the importance of rational-choice/bargaining theory of institutionalism as the particular strand of institutionalism that guides the arguments in this research.

2.2 A Review of Resource Conflict

Conflict is a concept that usually emits out signals of fear and caution whenever it is mentioned. While there are different interpretations given for conflict, the key denominator refers to struggles, oppositions, tensions, disagreements, and incompatibilities, between people, or groups, over a certain issue, matter, or goals. A popular definition of conflict refers to it as a "struggle over values and claims to scarce status, power and resources" (Boulding, 1962, p. 1). Kriesberg (2007, p. 2) opines that a conflict arises "when two or more persons or groups manifest the belief that they have incompatible objectives." This could manifest in different instances such as parent-child relationships, competitive sport, contact between ethnic groups or a breakdown in diplomatic affairs between two states (Jacoby, 2008, p. 19). One point to observe is that each party perceives that their goals are being thwarted by the other party; hence, depending on the issue at stake, the situation could escalate to serious warfare (Jacoby, 2008, p. 19).

A distinction has been made between constructive and destructive forms of conflicts. Kriesberg (2007, p. 4) posits constructive conflict as involving "the

pursuit of political objectives by the parties through the formation of social movements and entering into the political arena to confront opponents." Destructive conflict, on the other hand, occurs when one or both parties see conflict in zero-sum terms, thereby, dehumanizing opponents to mobilize supporters, and also relying largely on the use of extreme violence to achieve ends (Kriesberg, 2007, p. 4). Conflict over natural resources can be seen as a typical example of zero-sum destructive conflict, because such resources are found on land within a certain geographic location. Possessing the land in question means possessing the resources found there, just as being dispossessed of the land results in the loss of any resources found. Thus, no party wishes to lose in the struggle. This situation has been termed resource conflict and has absorbed contemporary academic discourses around the world.

There is a growing body of literature, following the findings of the pioneering research of Collier and Hoeffler (2000), which suggests a direct relationship between natural resources and increased chances of civil conflict in a country. Collier and Hoeffler (2000, pp. 23-24) estimate that "a country that has no export earnings from natural resources faces a 0.5 percent chance of civil conflict, whereas a country with natural resources revenues-to-GDP share of 26 percent faces a probability of 23 percent." A study by Lujala (2009, p. 51) found that conflict in oil-producing Yemen generated 5,500 combat-related deaths in 1994, while the Afar conflict in resource-poor Ethiopia between 1989 and 1991 resulted in fewer than one hundred deaths in battle. In another study by Gould and Winters (2012, pp. 332-333), natural resource—crude oil—was found to be the catalyst for heightened conflict in the Chad Republic.[29] Other researchers investigating the link between natural resources and civil conflicts from various country-specific perspectives—including Democratic Republic of Congo, Liberia, Sierra Leone, Sudan, Angola, Iraq, Nigeria and Colombia—found grains of evidence in support of the natural resource – conflict hypothesis (for example, Angrist & Kugler, 2008;

[29] Particularly, they argued that about half a decade before oil revenue started accruing to the government was a period of relative calmness and peace in the country but the situation changed about the time of the windfall from oil in 2004. The situation saw the country's President and his inner circle benefit disproportionately from the revenues which sparked a renewal of conflict. Rebel groups sprang up and launched several attacks aiming to topple the government.

Bellows & Miguel, 2009; Blattman & Miguel, 2010; De Soysa, 2000; Dube & Vargas, 2013; Klare, 2001; Le Billon, 2013; Lei & Michaels, 2011).

However, other opinions exist which do not support this line of argument with research from Larsen (2006), for instance, using Norway to contest the validity of the findings. Evidently, there are no documented cases of heightened armed conflict or civil war in Norway—a country that has continually earned a top rating in the UN human development index assessment. The same situation applies to Canada and Mexico; although the latter is yet to attain the development index score similar to the duo of Canada and Norway. Caselli and Michaels (2009) also find no evidence of armed conflict in Brazil. Similarly, Arezki and Van der Ploeg (2007); Elbadawi and Sambanis (2002); Fearon and Laitin (2003); Hegre (2002), all provide empirical re-assessment of the natural resource – civil conflict correlation and have produced varied results that contradict its fundamental premise.

With the difficulty in establishing unequivocally the causality of conflict by natural resource exploitation, researchers have changed their focus to factors that would facilitate, or inhibit the resource – civil conflict correlation in any given country (Giordano et al., 2005, p. 47; Ross, 2004, p. 337; Welsch, 2008, p. 503). From these scholars, the enabling factors can be summarised as dependent on institutional capacities, effectiveness of the rule of law, security of property rights and the degree of clarity in the definition of resource sovereignty, level of reliance on the resource, the state of development of the entire population, and the nature of appearance of the resources—that is, the size and value of 'lootable' resource endowments. Most of these actually depend on how responsible a government is. This adds considerable support to the necessity for this study, which seeks to tackle the problem from the perspective of institutions.

Giordano et al. (2005, p. 47), provide a strong case for institutional focus by declaring in clear terms that any attempt to focus on economic analysis alone is insufficient, instead that attention should be channeled to "regimes, structures, and frameworks—that is, institutions—for dispute (or conflict) mitigation." They rightly submit that a primary challenge to the prevention of resource conflict is devising rules and institutions to allocate resource use and other rights between states, groups, or communities (Giordano et al., 2005, p. 59). There are several other

reasons to justify the focus on analysing institutions in order to mitigate resource conflict. First, institutions legitimately establish terms for the allocation, regulation, and use of resources.[30] Secondly, institutions have the propensity to develop and evolve in response to changing resource conditions, which further strengthens their ability to mitigate conflict (Giordano et al., 2005, p. 53). This can be evidenced through some institutional measures. For instance, the design of allocation regimes based on percentages of useable or harvestable stock can make the difference between a successful tool for resource conflict mitigation and failure (Giordano et al., 2005, p. 58).

However, one factor on 'appearance' and possibility for 'looting' of the resource in question,[31] means that economic considerations cannot be entirely ignored. This particular factor 'looting' raises another question about the motives of parties involved in resource conflict; a line of argument that attempts to exonerate government of responsibility, instead, transferring the blame for conflict onto citizens. This argument will be discussed in the theoretical framework section that follows.

2.3 Theoretical Framework

In the preceding section, the correlation between natural resources and conflict was established. However, little was said about the dynamics and detail of how natural resource and conflict interact, or how the conflict can be resolved. It must be noted that, explanations regarding the causes of conflict over natural resources are usually guided by political, social, and economic considerations. Most of the recurring themes in the media reports include issues of environmental degradation, poor economic conditions, marginalization, injustice and other forms of unfair treatment being cited by parties in the conflict as contributing factors to their taking up of

[30] A perfect example is the 1982 United Nations Convention on the Law of the Sea which establishes the rule concerning where the baseline for measuring the territorial seas of each country should be. Without such institutional provision in place resource conflict between nations, especially on offshore resources, would be rampant

[31] The argument is that if the resource is in an easily appropriable state it permits looting and encourages conflict Certain varieties of resources are more easily captured: they may be lootable such as alluvial diamonds (in Sierra Leone, Angola) available along river beds using artisanal techniques or illicit drugs such as coca in Colombia; obstructable like an oil pipe line. For further evidence, see Murshed and Tadjoeddin (2007, p. 11); Ross (2004, p. 337); Welsch (2008, p. 503)

armed conflict. Each of these realities can be categorically linked to an expression of grievance or greed, depending on the intuition of an observer, which explains why the greed and grievance theory stands predominant and popular with regard to resource conflict.

Beyond greed and grievance, a few other perspectives exist through which resource based conflict can be approached. The first requires, in the opinion of David and Gagné (2006, p. 6), "a more state-centric approach, concentrating on political factors and institutional weaknesses." Others may argue for game theory which concentrates on the application of tact and strategies by the parties in conflict. These two perspectives will be addressed in this chapter. However, theoretical discussion on resource based conflict would be incomplete without a prior consideration of the theory of relative deprivation, which this study values for providing a foundational explanatory tool on conflict over natural resource commodities. This construct will serve as the base on which the theoretical review will commence.

2.3.1 Theory of Relative Deprivation

Relative Deprivation is a construct first conceptualized by Stouffer in 1949 to articulate the impact of differential pay given to African-American soldiers, stationed at different locations during the World War II, on their involvement in a subsequent riot.[32] However, as Davis (1959, p. 280) notes, Stouffer's American soldier illustration and another follow-up work from Merton and Kitts in 1950, both failed in putting up a substantive proposition and definition of relative deprivation. Consequently, the popularity and theoretical refinement of the relative deprivation concept could be said to have been nurtured by Ted Gurr in his classic: Why Men Rebel (1970).[33]

The main contribution of Gurr (1970) to the theory of relative deprivation is summarized in his explanation of why there is a feeling of satisfaction and deprivation among people in different places, and how this feeling instigates envy, resentment, hatred, and engagement in violent conflict in order to change the status.

[32] See Stouffer (1949).
[33] See Walker and Smith (2002, p. 1).

In his words "the potential for collective violence varies strongly with the intensity and scope of relative deprivation among members of a group" (Gurr, 1970, pp. 24-25). In other words, frustration—which is the result of perceived discrepancy between value expectations and value capabilities—is the primary source of the human capacity for violence (Gurr, 1970, pp. 36-37). Gurr therefore concludes that "people act out their frustrations if they believe that they stand a chance of relieving some of their discontent through violence" (Gurr, 1970, p. 210).

Gurr's propositions can apply to groups as well as to individuals as both instances follow the same process. It starts with comparing one's situation with the other(s), progresses with an awareness of unfair treatment, and leads to grumbling, which finally provokes conflict in the form of offensive behavior. Relative deprivation theory typically asserts that "social and/or temporal comparison is an essential component in assessing whether one is deprived" (Walker & Smith, 2002, p. 6). As comparison is central to the theory of relative deprivation, the assumption of the presence of peculiar parameters that vary from one individual or group to another within the society is logical. This creates the basis for partitioning and identity formation, to foster comparison with other groups that possess different characteristics and conditions from one's own point of view. The root cause might be linked to the exclusion of some groups from power, the systematic favouring of others, or by regional economic disadvantages (Smith, 2004, p. 8). However, the possibility of subjectivity in comparisons is, indeed, a flaw that can open the theory to criticism.

Implications of the Relative Deprivation theory on this study

1. In a society, certain natural resources are located within a particular geographical location. The inhabitants may view themselves different from others who live far from the resource location. The case of the Ogoni people of Nigeria, which is narrated in Chapter one, illustrates this.

2. Sometimes the distance could mean differences around primary occupation. For example, some may depend more on aquaculture which offshore oil drilling affects, whereas the occupation of others might not have a direct bearing on the water resources.

3. This can give rise to preconceptions of what advantages the system should offer as the compensation for the occupational loss of water and impacts on the environment.

4. Having demarcated the society, comparisons are made on quality of life with others to determine if one's own group is relatively deprived of what others have got, or what is due them.

5. Once an unsatisfactory outcome is confirmed from comparing their expected and actual access to prosperity and power, the feeling of deprivation sets in which leads to grievance. For example, tracing the origin of the Niger-delta struggle for resource control, reveals an age-long outcry of political marginalization and suppression by the three majority ethnic groups in Nigeria (See Chapter six for details).

2.3.2 The Greed versus Grievance Theories

As stated earlier, debates on issues relating to the nexus between resources revenues and armed conflict is polarized around the greed and grievance theories. Popularized by the leading research of Collier and Hoeffler (2000), these theories provide opposite explanations of the motive behind engagement in conflict; notwithstanding the fact that grievance has been the most popular perception known for propelling engagement in conflict. As Jacoby (2008, p. 103) observes, "Aristotle, writing over 2,000 years ago, had noted that much social conflict was a result of grievances caused by the combined effects of the fundamentally unequal nature of Athenian society." However, Collier and Hoeffler set out to test this conventional belief—that involvement in conflict is occasioned by grievance.[34]

The venture to disprove grievance as a motivation for armed conflict appears to be linked to an ongoing disciplinary clash of superiority between political scientists and economists with regard to research findings around how and why natural resources endowment leads to conflict. The popular perception or conventional belief (grievance) referred to had held sways in discussions on causes of conflict,

[34] See Collier and Hoeffler (2002, p. 1), as it is clearly posited: hence, there was the need to test this popular perception by investigating 27 major armed conflicts around the world in 1999.

and was mostly an explanation from Political Scientists.[35] As Murshed and Tadjoeddin (2007, p. 3) observed, greed motivation is more attractive and popular to most Economists, who suspect each claim of grievance as greed-motivated. For clarity of argument, it would be worthwhile discussing the theories separately.

Grievance Theory

The preceding section on the theory of relative deprivation sets the pace for understanding how grievance emerges by identifying detrimental conditions and discrepancies within a population, after comparing one's condition with another's. Murshed and Tadjoeddin (2007, p. 19) are certainly correct in asserting that "natural resource rents can by themselves become a source of grievance, if local populations feel that they are not getting (or that they have been deprived of) a fair share of these, as in the Niger Delta region of Nigeria." Grievance can be aroused in a group from the feeling of inequality, uneven distribution of wealth, ethnic and religious repression, among other ills that impact on a group. However, the exploitation of natural resources, with the economic fortunes it brings to the government, and the environmental problems it imposes on the local people presents a strong mix that triggers grievance which spills over to violent conflict.

The grievance model postulates that the cause of initial conflict is a protest generated by grievances arising from different forms of political marginalization; which tend to place the aggrieved people as public-spirited heroes fighting against injustice. Therefore, focus should be on correcting injustices in order to redress resource conflict. In contrast to this view, Collier and Hoeffler (2002, p. 34) argue that "despite the attention given to grievance theory, focusing on ethnic and religious divisions, political repression and inequality as sources of conflict, we have found no effect of polarization." Instead, they found in the study that economic factor, i.e. greed, was statistically significant in relation to the conflict rather than the actual cases of grievances. In a similar vein, David and Gagné (2006, p. 9) noted: "appealing solely to these grievances is not always enough to prompt people

[35] See Gurr (1970); Spittaels and Hilgert (2008, p. 5).

to take to arms and risk their lives." Clearly, for Collier and his followers the greed model possesses a more robust explanatory power over the grievance model.

Implications of the grievance model on this study are as follows:

1. The local population of the natural resource bearing location perceive it as unjust and feel aggrieved when the resources are exploited for the benefit of the entire population of the country.

2. The situation is worsened when their people are not in control of the natural resources found within their locality.

3. This incites armed conflict against others who are viewed as outside groups.

The Greed Model

The greed model emphasizes economic motivation, especially the prospect of looting resources, as spurring armed conflict rather than claims of inequality and other political reasons proposed by the grievance model. Stated succinctly, "high-value resources is an important reason for which rebel groups emerge and civil wars break out, and to end the abuses one needs to target rebel group financing" (Ganesan & Vines, 2004, p. 1). This model is strongly supported by the arguments and evidence put forward by Collier and Hoeffler in their seminal work on "Greed and Grievance in Civil War" thus:

> Suppose that the rebel organization depends for its finance on the extortion of primary commodity exports, while the government raises finance both from heavy taxation of primary exports and from lighter taxation of other income. Differences in both the structure of income and its level now give rise to differential proneness to conflict (Collier & Hoeffler, 2002, p. 7).

The greed model, expressed in terms of Murshed and Tadjoeddin (2007, p. 2), views conflict as "elite competition over valuable natural resource rents, concealed with the fig leaf of collective grievance." The proponents of the greed model do not trust any claim of grievance as sufficient to justify engagement in armed conflict. Instead, they view it as a "misleading rhetoric that is only necessary to recruit

followers and to maintain organizational cohesion, as well as providing a robust instrument to rally support from outside powers or diasporas" (Spittaels & Hilgert, 2008, p. 6). Hence they use several terms that have negative connotations to associate with aggrieved leaders of protest which include rebels, profit-seekers, and conflict entrepreneurs, who use war to enrich themselves. To them, "waging a war is comparable to running a business" (Spittaels & Hilgert, 2008, p. 5). Collier illustrates this more elaborately:

> Imagine for a moment, that you were the leader of a rebel organization, needing to offer an explanation of your goals. What are the likely elements? Most surely, they will be a litany of grievances against the government, for its oppression, unfairness, and perhaps victimization of some part of the population which your organization claims to represent. That is…language of protest…driven to the extremity of violence by the extremity of the conditions which your people face. Almost certainly, the government will have responded to your insurgency with an incompetent counter-insurgency campaign…People prefer not to risk getting killed and governments try various economic incentives to overcome this problem. For example, in one recent African conflict the government decided to pay its soldiers a premium if they were in a combat zone. Shortly after this incentive was introduced, the war appeared to spread alarmingly. In previously safe areas rebel groups set off explosions near barracks. It transpired that government soldiers were probably planting these explosions themselves (Collier, 2006, pp. 1-2).

The above quotation explains how greed can really influence the intensity of conflict from the oppressed and the oppressor as too. There is no doubt the greed model is gaining popularity in explaining the cause of armed conflict, but that should be viewed with caution, considering the opinion of critics. As Williams (2011, pp. 72-73) states: "greed thesis is appealing to policymakers not least because it held out promise that conflicts might be managed from the outside by imposing sanctions regimes which cut off rebel resources and hence their ability to

wage war." Also, the greed proponents tend to de-politicize conflict by not confronting the issue of sovereignty which aggrieved people often seek to address.[36]

Similarly, Humphreys (2005, p. 511) bemoaned the efforts of the greed apologists to debunk objective grievances; arguing that the "distinction between greed and grievance appears to be moral, rather than a positive one." He submitted that conflict over natural resources could in fact be associated with grievance rather than greed (Humphreys, 2005, p. 511). Meanwhile, it is instructive to also consider the important question raised by David and Gagné (2006, p. 12) thus: "why would greedy rebel leaders prefer to risk their lives by remaining in combat after making millions of dollars through the extra-legal sale of natural resources, instead of enjoying the fruits of their violence in a tax haven?" They concluded: "maybe it is not just about greed, but, perhaps, more about survival."

Implications of the Greed model on the study are as follows:

1. Locals in geographical locations with oil resources do not suffer any genuine injustice that justifies taking up arms.

2. Their leaders or grassroots political oppression fighters subjectively articulate situations which represent marginalization and inequality in order to attract gullible others to their cause. This assumption finds support in the case of the Niger-delta militancy, where the leader of one of the groups has accumulated enough wealth that he has been able to establish schools, including a private university in a foreign country. Even though he insists he made his money from legitimate businesses, it is rumoured that he amassed the wealth from the struggles.[37]

3. The subtle motive of this action is influenced by economic factor of cashing into the resources in conflict time. This motive is achieved through several dubious and criminal activities that siphon the resources from the reach of the others.

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[36] See Williams (2011, p. 73).
[37] See Channels Television (2015); Ogunleye (2013).

4. This may be ground for the local groups to even think of seceding from the country as a better option for their future prosperity.

5. Both the supposed aggressor and the aggrieved aim at looting whatever that has economic value they come across in a period of conflict, and they wish the conflict continues as it allows such illicit activities.

On reflection, it can be seen that each of the theories contains elements of truth, even though proponents aim at promoting their chosen one as being the most salient over another. It could be useful however to view the two models as complementary to one another, given that Collier and Hoeffler concede thus: "in spite of the relatively low explanatory power of the grievance model, we cannot reject it in favour of the greed model."[38] Both theories offer explanations for why people engage in armed conflict, and also assess the causes, albeit, without proposing a robust means of ameliorating the situation. This is not to undermine their importance and impact. Of course, the cause of a problem must first be identified before solutions are sought. But for the purpose of this study explaining the causes of armed conflict, or identifying which one is superior to the other, is insufficient. Therefore, the gap remains for this study to explore how the conflict could be resolved which is the basis of this research.

Despite their limited scope, useful ideas can be drawn from the understanding of the theories which include the following:

1. There is an element of agreement in all the theories which suggests that different groups exist within societies – those that live closer to the location of natural resources, and others located farther from the resource location.

2. The theories also recognize the possibility of inequality among the groups which can create conditions for conflict when one party becomes aware of and enraged about the inequality.

[38] Collier and Hoeffler (2002, p. 1).

3. In contrast, the explicit disagreement is whether the conditions for conflict are sufficiently viable or merely a mask to achieve selfish interests borne by economic motivations and greed.

These explanations highlight the difficulty in deciding which theory provides a better explanation for resource conflict. On one hand, the proponents of the greed theory appear to dismiss the grievance cause in a bid to promoting economic rationality, especially because grievance is often being exploited by selfish sub-regional actors. But that can be equally misleading. The relationship between the two is further illustrated by Murshed and Tadjoeddin (2007, p. 34); thus: "grievance model…may be better at explaining why conflicts begin, but not necessarily why they persist." On the other hand, Smith (2004, p. 7) asserts that "violent conflict can easily develop if large number of people become convinced that taking up arms is not only justified but might perhaps be the only way to secure the necessities of life." However, as Smith noted, a number of people will not make such decisions spontaneously. They need to be mobilized politically into war through leaders who win their hearts, loyalty, and commitment. The process of this mobilization and manoeuvre among the groups can be well understood in reference to game theory which is discussed below.

2.3.3 Game Theory

Game theory is referred to as a theory of action that places emphasis on strategic choice, focusing more explicitly on the processes and the mechanisms through which outcomes are generated. The multi-award winning economist, John Nash, is credited for extending game theory beyond a zero-sum analysis—I-win-you-lose types of games—to more complex situations in which all of the players could gain—referred to as the "Nash Equilibrium" (Chang, 2015). As Munck (2001, p. 178) notes, game theory is driven by "three basic assumptions; first, by an understanding of the process of choice making based on the expected utility model of decision making. Second, game theory is seen as generating predictions by linking the analysis of choice making to the concept of equilibrium. Third, game

theory is seen as treating the 'rules of the game'[39] as exogenous factors that are taken as given and assumed to remain constant" (Munck, 2001, p. 178).

In other words, the theory assumes that well-defined actors who are aware they are in conflict, and know their strategic options have stable evaluations of possible outcomes (Friedman, 1983, p. 375). Game theory can be likened to the 'Multi-issue actor model'[40] of policy making and negotiation where multiple participants (i.e. actors) take part who have diverging interests (i.e. positions) of varying degrees of importance (i.e. salience) in relation to a set of key issues and try to influence the outcome towards their personal preferences using the means at their disposal. The actors can attempt to influence the outcome of a particular issue either directly, by using their power to influence the issue itself (i.e. clout); or indirectly, by using their influence on other actors in order to affect their behaviour.

In relation to resource conflict analysis, a game theoretic model has been employed by Addison, Le Billon, and Murshed (2002, p. 366) to explain the non-cooperative and conflictive interaction between groups in the competition for resources, where the object is to capture the valuable natural resources. Other related researchers who have applied the game theory on resource conflict include Hirshleifer (1995); Skaperdas (1992); and (Tullock, 1980). In all cases, certain limitations inhibit the successful application of game theory; especially, its basis around mathematical calculation. Evidence is presented that in conflict, full information is not guaranteed, and actors are not fully aware of the opposition's main strategies in order to counter them adequately (Friedman, 1983, p. 375; Murshed & Tadjoeddin, 2007, p. 8). Hence, because "game theory's core theoretical principles are explicitly abstracted from context which denies its importance, this means that a critical task in real situation cannot be addressed with the tools of game theory" (Munck, 2001, p. 181).

Game theory can be applied only to situations where peaceful behaviour is the strategy. However, resource conflicts often go beyond the bounds of sanity to

[39] This phrase is used to encompass the set of players in a game, the strategies or choices they confront, the way in which these choices are sequenced, the preferences of actors, and the information actors possess when they make their choices.
[40] For a detail discussion of this model, see Allas and Georgiades (2001).

include any strategy a party feels confident would contribute to defeating their opponents. Therefore, in such a situation, the application of game theory leaves the parties in perpetual acrimony. Little wonder Murshed and Tadjoeddin (2007, p. 8) conclude that "there is no head-way with this model, such theorising is broadly blind to institution." Importantly, wars can also reflect the absence or break-down of institutions that facilitate negotiation and peaceful exchange. Thus, game theory focusses on explaining the process of conflict but adds little to the resolution of conflict.

2.3.4 Conflict Resolution Theories

While the literature and theories explored above all seek to explain why there is armed conflict and how it manifests, it is now timely to consider the question of how a solution could emerge. As Pondy (1967, p. 312) points out, "a reasonable measure of the potential conflict among a set of interest groups, is the discrepancy between aggregated demands of the competing parties and the available resources." Therefore, attempts at conflict resolution should aim at increasing the pool of available resources or to decrease the demands of the parties to the conflict (Pondy, 1967, pp. 312-313). Unfortunately, available resources are often limited and parties are not willing to whittle down their demands, which makes conflict resolution a difficult task. Several tools of conflict resolution are available in the literature; most of which involve some sorts of negotiations, dialogues, coalition, arbitration, mediation, legislation and rule-making among others.[41]

In Particular, Lund (2009, p. 290) offers a broad categorization of conflict resolution approaches into 'direct intervention' and 'structural intervention'. The former addresses more immediate behaviours affecting conflict and peace, employing measures like inter-group dialogue and reconciliation among others. The latter—structural intervention—comprises actions or policies that address deeper societal conditions that generate conflicts between interests and the institutional, procedural, and policy deficits, or capacities, that determine whether competing interests are channelled and adjusted peacefully. Most of the tools of conflict

[41] For elaborate discussions, see Lan (1997, p. 29); Stephenson Jr and Pops (1989, p. 464).

resolution mentioned earlier fit into Lund's broad categories. In this instance, direct intervention can represent techniques that depend on some sort of *ad hoc* third party involvement, for example, assisted negotiation, controlled dialogue, conciliation, arbitration, and mediation. Structural intervention, by comparison, represents techniques that move beyond a particular conflict issue to focus on areas that pre-empt recurrence of certain conflicts. For example, unassisted negotiation, uncontrolled dialogue, integrative bargaining, legislation, and rule-making, and institutional restructuring among others. Interestingly, and of relevance to this study, measures such as federalism and decentralization are specifically listed as forms of structural intervention (Lund, 2009, p. 292).

A number of limitations are associated with direct intervention methods which undermines their utility for resolving conflict over natural resources. Firstly, in the opinion of Lan (1997, p. 31), these methods are about bargaining and negotiation, and not about fairness or social justice; hence such methods tend to favor those who are in better bargaining positions, such as those who have money, power, or the capacity to endure a long process of a dispute without retreat. Secondly, the constitutionality of techniques like third party intervention is often questionable (Lan, 1997, p. 31). Thirdly, the outcome of the assisted negotiation process is usually not binding upon the parties in conflict and thus, enforcement may be problematic (Ebimaro & Anifowose, 2008, p. 43). Finally, losers may resist a decision when major interests are at stake by blocking its implementation through appeals to executive administrators, administrative tribunals, and courts (Stephenson Jr & Pops, 1989, p. 466). These limitations suggest that focussing on direct intervention approaches would be ineffective when the stakes in the conflict are high.

With regard to resource conflict, the stakes are usually high as the conflict continues to get even more complex. This is because, resource conflict involves different groups and myriads of interests which places the conflict in the range of being an ethno-political problem. In the words of Gurr (1994, p. 365), "ethno-political conflicts are fought not just about resources or power, but about protecting group status, culture, identity, and belief, which are non-negotiable." Smith (2004, p. 2) identifies the paired concepts of justice and mobilisation as the clues to focus on in

order to deal with the "socio-economic background, as well as the foreground of such conflicts." Structural intervention would however help to achieve the creative compromise that would incorporate fairness and social justice. The structural approach is rooted in the institutional set-up which makes its provisions legitimate and binding among all parties.

Lending credence to this argument, Stephenson Jr and Pops (1989, p. 472) extol the relative significance and impact of structural variables on the choice of conflict resolution techniques. They argue that conflict in the public sector is by necessity resolved within a framework of policy making (Stephenson Jr & Pops, 1989, p. 464); and, as such, it has to come through a legitimate government institution. In the opinion of Giordano et al. (2005, p. 61), institutions can provide a significant means for conflict mitigation; thus, should be encouraged in many areas where they are currently lacking or weak. A similar argument supporting the structural approaches is from Williams (2011, p. 74) who avers that "it is the political systems…that are crucial factors in elevating the risk of resource conflicts." In another instance, the findings of Englebert and Ron (2004, pp. 75-76) suggest that "if a country has a stable political system…no matter how tempting natural resources might be…they are unlikely to stimulate civil war on their own unless the political context is already unstable." This means greater emphasis should be given, as Williams rightly proposed, to examining the apparatuses of resource governance, and also institutional measures that would help to avoid a system break-down (Williams, 2011, p. 74).

2.3.5 Institutional Theory

Evidently, the challenge of the preceding sub-sections has been on explaining the conflictual behaviours from groups within a country over natural resources and revenues, whereas this study argues that solution can emerge from a deliberate structural intervention through the institutions. Indeed, a study that focuses on the impacts of institutions in shaping behaviours—as this study on federalism does—falls under the purview of institutionalism. As the appropriate theoretical framework suitable for this study, it is important to engage in the debate surrounding institutional theory in order to establish the possibility of this research achieving its purpose.

Institutional theory is popular among many social scientists, especially from the disciplines of Political Science and Economics, which means that there are plethora of works that either mention institutional theory, or are committed to exploring the theory. Unfortunately, as scholars try to theorize on institutionalism, the more difficult it becomes.[42] It appears they have retreated to focusing on narrower aspects of what a holistic institutional theory could possibly incorporate. Therefore, a mere mention of "institutional theory" is often insufficient; the expectation is for a further narrowing down of the discussion. Nonetheless, the take-off point for all institutionalist inclined scholars is the notion that 'institutions' built up in a wider or higher level, affect and shape the behaviours of the individuals or groups at the lower level. Basically, institutional arguments rely not on aggregations of individual action, or on patterned interaction games between individuals, but on "institutions that structure action" (Clemens & Cook, 1999, p. 442).

While the above notion establishes the broad foundation on which institutional theory is built, further challenges that emerge include the question about "how specifically institutions shape behaviours or actions" among others. Attempts to answer this question have led to the emergence of different strands of institutional theoretical approaches. Some are popular, concrete and acknowledged by many proponents, while others are hybrids and relatively not-so popular. Aside of the two sets, there is a third one that appears to be a combination of the popular and the hybrids, often renamed across several accounts. The popular ones are the like of sociological institutionalism, rational choice institutionalism, and historical institutionalism, constructivist institutionalism, ideational and discursive institutionalism (Hall & Taylor, 1996; Hay, 2011; March & Olsen, 1983; Peters, 2000; Schmidt, 2008; Steinmo, 2008). The group of the relatively unknown hybrid institutional versions include American neo-institutionalism, institutional evolutionary economics, new-economic sociology, new-institutionalism in political science, and the cognitive-institutional approach (Denzau & North, 1994; Nielsen, 2001). The renamed ones include the rational choice represented to an extent as rational action neo-institutionalism (DiMaggio, 1998) and as realist institutionalism (Meyer, 2008). Similarly, the political institutionalism which Amenta and Ramsey

[42] Peters (2000, p. 2) clearly illustrates this difficulty.

(2010, p. 16) wrote about relates to the mediated-conflict neo institutionalism of DiMaggio (1998, p. 697).

At this point, it is important to consider some of the institutional approaches that are relevant to this study. Starting with sociological institutionalism, the argument is that some long-standing cultural norms, which are endogenous, make up the forces that frame the very way in which people see their world, as well as how they behave (Steinmo, 2008, pp. 162-163). From this perspective, human beings are fundamentally social beings, who act habitually, being guided by norms that have become institutionalized. While this argument seems logical, it does not clearly show how institutionalized the social norms are in order to establish standards, considering that norms could depend on each individual's subjective interpretation and inculcation. Outside formal rules and procedures, sociological institutionalism broadly considers symbols, moral models, and cognitive schemes as institutions. Moreover, it fails to account for the possibility of deviant behaviour from some members of the society and how this can be dealt with. As a result, this approach does not permit an empirical application such as would be useful for this study.

The underlying logic of rational choice institutionalism is that human beings are rational individuals who calculate the costs and benefits in the choices they face. Hence, there must be some fundamental institutional principles before such actors operate in the system (Meyer, 2008, p. 790; Peters, 2000, p. 3; Steinmo, 2008, p. 163). The rational choice institutionalists view institutions as the formalized rules, conventions, rights and incentives backed by the enforcement of the state. People change their behaviour to enhance individual gains in response to the strategic assortment of opportunities and constraints presented by the institutions (Knight, 1992, p. 2; Peters, 2000, p. 3). In the rational choice view, institutions possess greater legitimacy through being codified by an established government, which eliminates the problem of individual misinterpretation. Hence, the approach creates a formidable basis for analysis, especially through formal rules like constitutional provisions; and is, thus, consistent with empirical studies. However, the major criticism is that it does not explain the endogenous factors that contribute to the development of institutions.

Historical institutionalism, unlike the two versions discussed above, does not have a specific explanation of how institutions shape behaviour. As Steinmo puts it "A historical institutionalist does not believe that humans are simple norm-abiding rule followers or that they are simply self-interested strategic actors who use rules to maximize their interests" (Steinmo, 2008, p. 163). Endogenous factors are the focus of historical institutionalism; for example, why a certain policy choice emerged; why it is sustained; how it evolved; and the possibility of change. In similar fashion to the rational choice, historical institutionalism tends to regard each chosen policy as the logical and the most rational choice at its time of initiation (Peters, Pierre, & King, 2005, p. 1277). Also, like the sociological approach, it argues that a policy, once chosen, is defended because it reflects the preferences that are endogenous (Knight, 1992, p. 16). Change is seen as a discrete process, characterized by extended time periods of considerable stability referred to as 'path-dependency' interrupted by turbulent, 'formative moments' (Peters et al., 2005, p. 1276). The focus of this version does not fit with the aim of this study, as it does not offer specific explanation of how institutions change.

To further narrow down the approaches in institutional theory in order to anchor this study, it would be useful to consider the theory from the perspective of Knight (1992) who subscribed to, and builds on, the rational choice. He begins by asking a critical question: "in a world of scarce resources, how does a community (or an individual) prevent others from interfering in the enjoyment of the benefits of one person's property (or even a property one desires to possess)?" (Knight, 1992, p. 5). He opined that, in order to resolve this problem, individuals came to realize that some rules of 'just' division will be an improvement over anarchic transgressions of property claims"(Knight, 1992, p. 6). This establishes the goal and role of institution as, primarily being the design of property rights in order to manage conflicts, as well as to build peace and stability among individuals and communities. Given this, the rational choice approach seems to provide a better lens to understanding institutions than the other approaches.

A unique point that adds to the already attractive profile of the rational choice institutional approach to this study is its emphasis on the importance of political conflict. The rational choice approach views the emergence of institution to be

influenced by political conflict. It also views conflict as the foundation for initiating change in a framework of institutionalism, which is not covered by the other traditional types of institutional theory. In the opinion of Knight, development of institutions is a by-product of conflict over distributional gains.[43] There are various ways to structure institutions in order to produce collective benefits, although the major distinguishing feature of the institutional forms revolves around their distributional consequences, which can contribute to peace, conflict, or even stability in any given society (Knight, 1992, p. 26). Here again, the value of rational choice theory becomes visible as it views institutions to be established by rational actors who calculate the cost and benefits of each option before settling for the best structure that yields higher dividends—collectively and individually—than when not submitting to the constraints and incentives of the institutions (Steinmo, 2008, p. 162).

In spite of the above strengths, the rational choice approach does not overcome the challenge facing all of the rival institutional theoretical explanations. According to critics, this problem relates to a failure to explain social and political change within the institutions themselves. Instead, they resort to claims about exogenous and unpredictable shocks or the actions of various agents (Amenta & Ramsey, 2010, p. 15; Knight, 1992, p. 18; Peters, 2000, p. 7; Weiner, 2007, p. 9). For example, in the rational choice version, an institution can remain intact but changing the incentives being offered can alter its nature and its impact on the individuals with which it interacts (Peters, 2000, p. 7). Therefore, if the incentives can be changed by exogenous variables, Di Maggio and Powell might be justified in positing that institutions affect behaviours through 'coercive' processes (1983, p. 150). This raises an important question over the credibility of the general notion that institutions always function for the collective benefit of the community. It might be argued that institutions are products of the efforts of 'some' to constrain the actions of others with whom they interact (Knight, 1992, p. 19). This statement has currency for the arguments put forward in this thesis.

[43] See Knight (1992, p. 19, 123).

To illustrate, modern democratic political systems rest their legitimacy, on doctrines of free individual choice (Meyer, 2008, p. 794). As Meyer rightly argues: "if the individuals and their choices are constructions of the powers of the system itself, (without their contribution) the legitimacy of democracy tends to disappear (Meyer, 2008, p. 794). The question arises as to how individuals can express their "rational choices"? The answer can be found in Meyer's statement that highlights the importance of sociological factors to be considered in addition to the rational choice in any analysis of conflict resolution.

> Thus, when a group of modern people gather to assemble or change an organization they do not do so from scratch. Everywhere, there are models put in place by law, ideology, culture, and a variety of organizational constraints and opportunities. People are likely to install these in the organization they are building… (Meyer, 2008, pp. 792-793).

In light of the above, Knight therefore proposes a "Bargaining Theory of Institutional Emergence and Change" and suggests that this approach captures the inherent conflict in the development and maintenance of institutions.[44] 'Bargaining' is an all-important factor to explain the emergence of change through the rational choice approach. Hence, the bargaining theory of institutionalism developed by Knight, being an upgraded version of the rational choice institutionalism, provides the best explanation as well as a coherent framework that reinforces the argument of this study.

2.4 Conceptual Framework

Experts of qualitative research methods speak volumes about the importance of a conceptual framework in a research. Accordingly, a conceptual framework is where the researcher displays ownership of the research. This is done by constructing a scaffold that shows a coherent direction of the research, the concepts and variables that will be considered, and their interconnectedness, in order to successfully fulfil the goals set for the research. In the widely cited work of Miles and Huberman

[44] See Knight (1992, pp. 20, 125-127).

(1994, p. 33), conceptual framework refers to a "visual or written product that explain either graphically or in narrative form, the main areas to be studied…otherwise defined as the current version of the researcher's map of the territory being investigated."

Therefore, in order to successfully address the research problem and provide a robust contribution towards a solution, the conceptual framework of this study will analyse the concepts of resource conflict, federalism, political institutions based on structural forms of government, and resource allocation presented in this order. However, due to the choice of a comparative case study design to permit the assessment of how federalism has impacted on the nature of resource conflict in Nigeria and Canada, there will be exploration of the concepts at a general theoretical level, and also in the context of the two countries at the empirical level. It is important to note that these concepts have been designed bearing in mind the research questions that the study confronts, as well the general objective of the study already stated in Chapter one. Each of the chapters of this work will have a direct link to a particular concept or aspect of the framework. In line with this, the analysis of data will focus on the same concepts and contexts in order to maintain coherence.

The rationale for structuring the framework of this research in this manner is based on a preliminary understanding of the problem of resource conflict as a complex type of struggle that involves a number of people with different interests, and cutting across social classes. As a consequence, any meaningful solution would have to come through an established institution because it sets expectations and shapes behaviours, and its provisions are binding. Federalism serves as the most appropriate institutional form because of its notion of two levels of government, which have specific areas of independent jurisdiction and other areas of shared jurisdictions.

This study examines this assumption by doing the following: exploring the potential conflict that is linked to natural resources; critically analysing the concepts of federalism and resource allocation to understand what ways the federal institution in particular and other institutional forms, really influence the allocation of resources and the potential conflicts; and applying this knowledge particularly in two countries to assess the real impact of federalism in order to arrive at a

meaningful conclusion based on research findings. Both secondary and primary data sources will be used in this task; the latter being relied on mostly for the empirical aspect that focuses on the situations in Nigeria and Canada.

2.5 Concluding Remarks

The debate over the connection between natural resources and civil conflict has been discussed in this chapter. There is evidence of a major divide between those who see natural resource and civil conflict connection from the perspective of economic incentives, and the others who see it as a result of political marginalization. The arguments put up by defendants of each perspective have been analyzed in the chapter and this involved the consideration of several theoretical explanations, including the theories of relative deprivation, greed, and grievance among others. While the theories helped to explain the causes and process (especially, the game theory) of resource conflict, they did little to explain how resource conflict can be resolved which is the core of this study. In sum, institutional theory was found to possess the most appropriate explanatory powers for resolving a resource-based conflict.

In order to properly establish the appropriateness of institutional theory in relation to resource conflict resolution, the chapter further explored the institutional theory as a mega theoretical approach. Within its parameters various strands of institutionalism, somewhat relevant to this study, especially, the rational choice and sociological institutionalism, emerged. However, it is the "bargaining theory of institutionalism," developed by Knight (1992), that has been found to provide the most coherent explanatory tool that reinforces the arguments of this study. The model fits with the basic argument here that federal institution contributes to mitigating resource conflict; especially, if strategically designed by rational actors. The bargaining aspect in the model provides an avenue for the weak and powerless groups to negotiate their own interests and rights, without subjugation, in the process of designing the institution. As the federal system is generally viewed as a

"bargained type of political institution,"[45] this makes the theoretical framework highly appropriate for use in the present study.

Finally, this chapter also presented the conceptual framework that guides the study in order to achieve its set goals. As outlined in the research map, the next chapter discusses federalism, particularly, from the historical perspective.

[45] See Friedrich (1968, pp. 39, 52); Keating (1999, p. 10); Lehmbruch (1976).

CHAPTER THREE.
FEDERALISM: HISTORICAL PERSPECTIVE

3.1 Introduction

The last chapter provided a justification for institutional intervention as a potent vehicle through which a solution to resource conflict can be sought. The bargaining theory of institutionalism was identified as providing the theoretical explanations to back up the argument in this study, as the concept permits integrative bargaining by parties in conflict to design a desirable institutional structure. It basically implies that integrative bargaining has to take place in a specific and pre-defined institutional context, to be effective in addressing a targeted problem. This is typical of federalism which, as the independent variable of the study, is believed to contribute effectively to mitigate resource conflicts.

The purpose of this chapter is to comprehensively examine the concept of federalism from an historical perspective. The intention is to generate an understanding of federalism—its history and basic tenets. The goal is to establish the relevance of federalism for conflict resolution, by observing from the history, how federalism came about, as well as how it had been applied in societies where conflict was widespread between groups. The chapter is organized under the following sub-themes: concept of federalism; tracing the development of the federal idea, contributions of philosophers; etymology of federalism, tracing the root of federalism to the Latin 'foedus', observing the theo-political connotations of foedus, the impacts of the protestants' reformed movement, and the final transformation of foedus to federal(ism); and the emergence of federalism as a core political ideology.

3.2 Concept of Federalism

Federalism as a system of government has been widely touted as an effective basis for framing governance in polities that are plagued by protracted conflicts. It can be equated to a conflict resolution mechanism. Friedrich (1968, pp. 52, 39) offers a confirmation; thus: "federalism by providing channels for intergroup communication…and offering a stage for intergroup compromise, seems to be one

of the political instrumentalities for negotiating the problem of a divided loyalty, by affording both integrative and differentiating forces some room to operate in." According to Elazar (1994, p. abstract), "the problem of fragmentation, ethnic conflict and heightened nationalism across the globe would continue to subvert the promise of peace, until one form or the other of the federal idea is embraced." Hueglin (1990, p. 1) argues more succinctly that federalism is one of the most "important principles of political organization, without which, conflicts…will not be resolved." The argument is advanced by Ostrom (1991, p. 248) who opines that "federalism is not just a form of government; it is a method for solving problems, a way of life."

This seems to suggest that federalism should be advocated for every society as a method of political organization since it can be argued that no society exists without conflict. Contrary to this indication, neither federalist scholars nor conflict resolution experts boast such generalization. Rather, there is an awareness that conflict is a manifestation of differences and the need to pay "attention to the very nature of the system that have produced incompatibilities among social units" (Ho-Won, 2008, p. 1). Hence, to suggest a federal solution, the focus should be first and foremost on the nature and magnitude of diversity or the differences that nurture the conflict in the society (Livingston, 1956, pp. 1-9).

On this note, a closer observation reveals writers as somewhat cautious in their choice of words when eulogizing federalism. Notice Livingston's observation: "every society or nation, is integrated with its own peculiar historical, cultural, economic, political, and other elements…are composed in varying degrees which compels them to demand for self-expression. Once these diversities are grouped territorially, then the society is seen as federal" (Livingston, 1956, p. 2). Resulting from this understanding, Karmis and Norman (2005, p. 4) view federalism as an attractive alternative to secession in multi-national states (2005:4). Lehmbruch (1976) perceived federal relationships to be one of complex bargaining processes in which conflicts are resolved not by imposition, but through consensus building and accommodation.[46] More emphatically, Keating (1999, p. 10) opines that

[46] This work is cited in Chandler and Zöllner (1989, p. 19).

federalism is a means of managing diversity, coming from the distinctiveness of territorial units in their politics, culture, social and economic basis.

Meanwhile, the promises and effectiveness of federalism are yet to be fully evident in societies that are already formally federal. Results vary between successes and failures, as is suggested by looking at Canada and Nigeria, especially, with respect to resource conflict. Thus, federal operations throughout the world have attracted continuous and deep rooted debates that cover a wide area of subject matters. This has been to find a common ground for understanding and framing a federal system, as well as to establish its justification. The divide occurs between those that believe in its usefulness and others that are yet to be convinced of the difference it makes to the society. This led to the emergence of such terms as "working federalism, and faltering federalism" (Stewart, 1984, p. 13). Both parties' confidence in their positions is reinforced by whatever their understanding and interpretation of federalism is, which determines what particular figurative term they lean on to define it.[47]

Needless to say, the use of figurative language especially metaphors, as Stewart observed, to describe federalism has been the basis of frequent criticisms; even though, to an extent, it seemed important and unavoidable. The first criticism had been lashed out by Martin Landau over a decade before Stewart's observation. He asserted that "the endless parade of hyphenations and addition of adjectives…are simply senseless" (Landau, 1973, p. 174). The second criticism came from Wright (1978, p. 19) who termed the situation as "the invent-your-own federalism game." He condemned it as blunting and limiting the term's meaning and its analytic utility. But how therefore can we discern the true meaning of federalism giving these positions? Can we possibly find this by way of harmonizing the various descriptors in extant literature? It is instructive to cast our search net to the origin of federalism to be properly equipped, in order to make a useful contribution to the debate as it relates to the problem of this study.

[47] Stewart (1984) identified hundreds of different ways by which federalism had been described through the use of figurative terms.

Some opinions hold that the practice of federalism is as old as civilization, existing throughout the ages from about 1000 B.C.E in ancient Israel and Greece, to the medieval period in the Holy Roman Empire. For others, the United States' engagement in the late eighteenth century,[48] marks the concrete invention of federalism.[49] It is important to point out that both groups hold their positions with some reservations, rather than being firm as to the true origin of federalism. For instance, even though the first group argues that federalism existed prior to the American 'alleged' invention, they do however observe a great difference, that might be called a departure from earlier models, based on the form that the American founding fathers introduced (Davis, 1978, p. 119; Elazar, 1994, p. 123; Lépine, 2012, p. 29; Riker, 1964, p. 10; Riley, 1973, p. 51). As a result, Elazar and many others in that group would refer to the American style as the 'modern' federalism.

The second group on the other hand, concedes that something similar to the American style had existed in the pre-American societies (Friedrich, 1968, p. 18; Hueglin, 1979, p. 40; Wheare, 1963, p. 1; Wright, 1961). The observation of Friedrich in this regard represents, to a large extent, the perception of most writers in this group. He opines that "the American concept may be called the discovery of the federal state because that was the term which the Germans and others attached to it when they first contrasted it to the earlier confederation of states they knew" (Friedrich, 1968, p. 18). Therefore, the conclusion is that federalism is a unique idea and form of government ingeniously developed out of the necessity for joint survival by the founding fathers of America.

The arguments leave one to ponder why efforts have been so focused on the dichotomy between modern and pre-modern federalism, leaving the interested observers in limbo regarding what 'federalism' precisely is; maybe, the curious would have to sort that out. However, the advice of Davis is instructive: "the question of novelty, originality, discovery, and invention in the history of ideas and

[48] See, for instance, Davis (1978, p. 18); Elazar (1991, p. xii); Lépine (2012, p. 30); Riker (1964, p. 8); Riley (1973, p. 52).
[49] See Føllesdal (2014); Friedrich (1968, p. 11); Hueglin (1990, p. 4); Wheare (1963, p. 1); Wright (1961).

political systems, federalism included, is an epistemological minefield that we enter at our own peril" (Davis, 1978, p. 118). Yet he advised a must-visit to history if one wishes to come to terms with the concept of federalism.[50] Nevertheless, he went further to forewarn that after the historical survey, the likeliest deduction in that light is *Ex Nihilo Nihil Fit*.[51]

To guide our search to detect a kind of federalism in the past in order to decode its true meaning, requires an understanding of the mode of organization of governments in that period. Keeping in mind that federalism is not just a form of government, but a method deliberately designed to solve problems of political organization, as posited by Ostrom (1991, p. 248). Hence, it seems productive to focus on philosophers and their specifically advanced ideologies which shaped the pre-American society's forms of government. The intention here is to correlate such ideologies and the ensued government systems, and relate to our understanding of federalism in the contemporary period. This historical acquaintance is the task of the next section.

3.3 Tracing the Development of the 'Federal' Idea

The preceding section alluded to the pre-American society, and even American society at its onset, as having the kinds of conflict that required the development of ideas about how to organize government in order to solve the conflicts. Whether the ideas developed were actually those of federalism remains under investigation here. However, what is clear is that the need to design a government institution is linked to the need to address conflict in societies. Aristotle (350 B.C.E), as early as the ancient philosophical period, had been acclaimed to posit thus:

> Man is by nature a political animal… for one by nature unsocial is also 'a lover of war'. For as man is the best of the animals when perfected, so is he the worst of all when sundered from law and justice. For unrighteousness is most pernicious when possessed of weapons, and man is born possessing weapons for the use of wisdom and virtue, which it is possible to employ entirely for the

[50] See Davis (1978, pp. 1-2).
[51] This means nothing can emerge from nothing, according Davis (1978, p. 119).

> opposite ends. Hence when devoid of virtue man is the most unholy and savage of animals, and the worst in regard to sexual indulgence and gluttony. Justice on the other hand is an element of the state; for judicial procedure, which means the decision of what is just, is the regulation of the political partnership (Aristotle 350 B.C.E: Pol. 1. 1253a).

Therefore, Federalism might pass for an attempt to devise regulation for the political partnership in a society. It could have possibly been a subject confronted by earlier philosophers who were faced with the challenge of instituting the state and defining the political realm in order to solve the problem of the society. As Føllesdal (2014, p. section 2) posits more succinctly, "several early contributors explored what we may now regard as various species of federal political orders, partly with an eye to resolving inter-state conflicts." However, neither Plato nor Aristotle, nor the many political writers following in their footsteps in classical antiquity, developed a concept of federalism, observed Friedrich (1968, p. 12). While there are a few instances where scholars have traced the origin of federalism to the ancient Israel and Greek city-states,[52] the societies in question had no particular philosopher(s) specifically proposing the ideas at the time. It was a concerted effort and analyses of some modern scholars and historians, whom Davis has termed "Doctors of civil knowledge and federal inspectors," that tended to equate those systems to federalism (Davis, 1978, pp. 18-38).

Albeit, almost all students of federalism concede that the last part of the Middle Ages, provided the basis through which a system similar to, if not, federalism was perceived and later nurtured. According to Elazar, "a more authentic movement in direction of federalism grew out of the development of medieval commercial towns in central Europe, which formed leagues for mutual defense and assistance within a loose framework of the Holy Roman Empire" (Elazar, 1987, p. 123). The distinct feature of the medieval era was the feudal notion of a hierarchical corporate state, where though there is but one sovereign to whom territorial princes owe material and ritual fealty, and though the princes do not stand as equals with the emperor in

[52] See Davis (1978, p. 18); Elazar (1987, p. 5).

dignity or power, nevertheless some of the attributes of mastery are invested in them by feudal right and usage (Davis, 1978, p. 42). Hence, it would be prudent to consider some philosophers from that era who, in the researcher's view, provided the ground work for federalism to emerge.

3.4 Contributions of Philosophers

For the idea of federalism, the following philosophers are identified: Niccolo Machiavelli (1469-1527); Jean Bodin (1530-1596); Johannes Althusius (1557-1638), Thomas Hobbes (1588-1679); Ludolph Hugo (1630-1704); John Locke (1632-1704); Charles-Louis de Secondat, Baron de la Brede et de Montesquieu (1689-1755); and the American founding fathers (US Constitution framers, 1787-9). This is not a comprehensive list but one that provides sufficient evidence to justify the impact of the selected philosophers to the emergence of federalism; especially the search for conflict mitigation as their propelling motivations, similar to the focus of this thesis.

3.4.1 Niccolo Machiavelli (1469-1527)

Understanding Machiavelli's philosophy prepares us for a better comprehension of why and how political organization came to be formalized, and its links to federalism as a structural institutional form. As has been observed by Elazar (1987, p. 110), the development of federalism stemmed from the emergence of the modern state encompassing the necessity of organizing and maintaining large territories and populations under modern conditions in the world of power politics. This in turn generated problems of the internal distribution of power within those newly enlarged polities. As shall be seen shortly, any discussion on the emergence of the modern nation-state would largely be incomplete without a consideration of Machiavelli's impact.

Machiavelli was born in Florence and grew up in a tumultuous era marked by constant uprising across kingdoms in the Holy Roman Empire, including his Italian city-states. Princes were up against emperors who depended heavily on their support for the maintenance of the empire because they were wealthy and controlled large armies. The spate of murder of leaders was unbearable as battles raged for the control of territories. The "question of survival became the decisive force in both

the conduct of princely rulers, social groups and individual men,"[53] bringing to the fore the reality of power. This spurred the writing of his classic—"The Prince" (1513-1516) which preceded his later work—Discourses on the first decade of Titus Livy (1512-1522).[54] Based on historical analysis and observational method, Machiavelli presents an impassioned picture of man's ploy to clench power. As Francis Bacon wrote of Machiavelli, "he set forth openly and sincerely what men are wont to do and not what men ought to do."[55]

In the view of Jay (1967, p. 26), the work is about leadership yet Machiavelli titled his book "The Prince" and did not chose something like "The Art of Government," because he saw success and failure for states as stemming directly from the qualities of the leader. Machiavelli argued that irrespective of whatever the political institutions are, the fundamental situation of repression always remains the same (Hueglin, 1979, p. 14). His widely cited dictum is instructive, thus: You must know there are two ways of contesting, the one by the law, the other by force; the first method is proper to men, the second to beasts; but because the first is frequently not sufficient, it is necessary to have recourse to the second. In order to succeed, the prince must learn how to fight both with laws and with force—he must become half man and beast.[56]

It is important to stress the flaws in Machiavelli's philosophy which may have contributed to the aversion that the leaders of his time held against him. His philosophy, though realistic, seemed very blunt. It was an eye-opener that might have instigated both leaders and even followers to fight for their own survival instead of loyally submitting to other leaders. This would have been the classic example of the Hobbesian state of nature where every man was every man's wolf.

[53] Hueglin (1979, p. 20).
[54] See Calhoon (1969, p. 207); Hueglin (1979, p. 20).
[55] See Calhoon (1969, p. 206).
[56] See Chapter XVII of The Prince - (Machiavelli).

Implication of Machiavelli's work for Federalism

Machiavelli's contribution to the development and emergence of federalism, though implicit, is informative. His writings on the problems in the society he lived set the ground for further analysis of the problem by the rest of the philosophers discussed here, on how to rescue the situation. This was the beginning of a continued search that would eventually lead to the spread of modern nation-states and, also, the emergence of federalism as a corrective system of government for such situations.

A principal undoing to his contribution could be related to the fact that his writings stressed illegitimate tactics as applicable in conflict situations which allegedly incited disloyalty. This, however, had nothing to do with him as his presentation was being influenced by the reality he observed including the manipulative, exploitive, aggressive and devious moves by leaders and followers, which produced anarchy instead of legitimate government.

3.4.2 Jean Bodin (1530-1596)

As implied above, there was a widespread conflict across the medieval societies and the search continued for a peaceful resolution. Following Machiavelli's exposition of the art of government and politics, which was more like a diagnosis than a cure to the problem, Jean Bodin took the stage with direction to the latter. He equated the contention over territories between the emperor and the princes to the controversy over who was the 'ultimate master' and who was the 'fount of mastery' (Davis, 1978, p. 39). Bodin was born in France and it was widely held that the French monarchy had long claimed its temporal independence of the empire, often supported by the Papacy;[57] a situation that placed them in constant confrontation with the alleged universal authority of the emperor. Bodin rightly saw this contest as the struggle for sovereignty, because tension arose due to disagreements between leaders on claims of ownership over territories. In his view, attempts to devise

[57] Riley (1976, p. 11).

means of settling conflict must start by locating and legitimizing sovereignty for the acceptance of all.

Bodin, in his 1576 treatise 'Les Six Livres de la Republique' was the first to fully explore the concept of sovereignty which he would go on to define thus: *la souveraineté est puissance absolue & perpetuelle d'une republique* (Beaulac, 2003, p. 11/28; Hueglin, 2003, p. 278). That could literally be translated to mean "sovereignty is the absolute power that perpetuates in the commonwealth." Davis opines that the principal concern of Bodin's work was to expose the "danger that the royal form of government of France faced being destroyed by the machination of the emperor"; hence, the need to compose the principles of a well ordered sovereign commonwealth (Davis, 1978, p. 43). His idea is that instability is a chronic condition of civil society and all states are transitory. Therefore, the best that one can do to preserve order and diminish the insecurity of political change is to ensure first, that the authority of the state is centralized, absolute and indivisible; secondly, that sovereignty resides in a monarch, answerable only to God and natural law.

The value of Bodin's conception is well captured by Riley who observed that Bodin's concept of sovereignty is twin-purposed; comprising of 'internal sovereignty' within a single state, and 'externally independence' of that state's sovereignty, which denies any universal authority of the Roman Emperor (Riley, 1976, p. 14). Therefore, we see the principal point of sovereign majesty, and absolute power, to consist principally in giving laws unto the subjects in general, without their consent.[58] Thus, in his book, Bodin called for the establishment of reified centralized states where all powers were lodged in a divinely-ordained king at the top of the power pyramid, or in a sovereign center within a defined territory.

[58] See Beaulac (2003, p. 15 of 28); In addition, the ruler would be legibus solutus — 'a king or sovereign prince, is released from the law, not bound by his own laws.

Implication of Bodin's work for Federalism

In relation to the discussion on the emergence of federalism, the following is pertinent:

1. Bodin expounded the division of the society between rulers and subjects; which would further lead to territorialisation as the basis of federalism.[59] Therefore, he believed that the recognition of the ruler as sovereign by all would secure legitimate loyalty to him in order to forestall the conflict within the society. This might have contributed to the notion in federalism that the recognition of territories by all would accord them legitimacy over local affairs to forestall conflict.

2. His concept of sovereignty, thus, destroyed the system of private rights: theocracy, paternal powers, and feudal prerogatives based on land control, acting as public laws that had characterized the medieval politics.[60] This gave birth to the modern nation-state system which accorded many territories absolutist sovereign authorities; free from the dominant authority of the Roman Empire.

At this juncture, it is justifiable to argue that Bodin's renunciation of the imperial supremacy was the beginning of territorial split of the empire that would lead to the emergence of federalism as will be shown shortly.

3.4.3 Johannes Althusius (1557-1638)

The rise of the modern nation-state following Bodin's conceptualization of sovereignty, spurred further search for a remedy to the problems of national unification of newly delimitated territories; a solution that would find expression in federalism. Althusius' work can be viewed as a direct response to the theory of sovereignty that accentuated centralized modern states. Like Bodin, Althusius saw sovereignty, as vital, to be absolute and indivisible; but on the contrary, he argued

[59] See, for instance, Beaulac (2003, pp. 11-12 of 28) "for the one was the prince, the other the subject; the one the lord, the other the servant; the one the proprietary and seised of the sovereignty, the other neither proprietary nor possessed thereof, neither holding anything thereof, but as a feoffer or keeper in trust."
[60] Riley (1976, p. 12).

that it can be alienated only by the people where the ultimate sovereignty resides (Davis, 1978, p. 47). His view is that, the ownership of sovereignty belongs to "none other than the entire people consociated from several smaller consociations in one symbiotic body."[61]

The reason for the different positions between Althusius and Bodin on sovereignty is illuminated by Davis who noted that "the political needs and circumstances in France and England were to strengthen absolute monarchs in order to withstand the threats of encroachment by the emperor; whereas in the German Empire where Althusius lived it wasn't about absolutism of each territory, but with an Emperor and empires" (Davis, 1978, p. 53). Therefore, Althusius tended to re-instate the idea of sovereignty in the name of the people, legitimizing the Emperor as the pinnacle of popular sovereignty, and reconstituting the Holy Roman Empire along modern federal lines rather than have it replaced by the new nation states' system (Davis, 1978, p. 54; Elazar, 1991, p. 141). As such, several authors have credited Johannes Althusius as the progenitor of the idea that gave rise to federalism.[62] Althusius is believed to have been strongly influenced by the "Calvinist movement"[63] in the development of his classic book *Politica Methodice Digesta* (Elazar, 1991, p. 139).

Right at the beginning of the Politica, Althusius states that every human association is constituted by a "pactum expressum vel tacitum,"—meaning explicit agreement or implied—which could be equated with the social contract (Hueglin, 1979, p. 18). The word 'symbiosis' is Althusius most original contribution to political terminology, to borrow from Hueglin (1979, p. 22). Althusius found 'symbiosis' as definitive of the mutual contract he was to arrange between his city of Emden and its territorial sovereign.[64] Secondly, he held that those who lived together and whom he called symbiotes are united by a pact, express or implied, to share things in pursuit of common interest or utility (Friedrich, 1968, p. 12). In addition, he built

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[61] See the original assertion "nullum alium, quam populum universum, in corpus unum symbioticum ex pluribus minoribus consociationibus consociatum"; Althusius, 1614: Praefatio; translated by Friedrich, 1932: Praefatio 1603 and cited in Huelglin 2003:279.
[62] For example; (Davis, 1978, p. 51; Elazar, 1991, p. 109; Føllesdal, 2014; Friedrich, 1968, p. 12; Hueglin, 2003, p. 276; Karmis & Norman, 2005, p. 25; Lépine, 2012, p. 34).
[63] Calvinist Movement refers to the teachings developed by John Calvin during the Protestants' Reformation era in the mid-16th Century.
[64] For full account, see Hueglin (1979, pp. 18-22).

his federal union upon a supporting hierarchy of lesser unions on successive levels of community from the family to the state, in the opinion of Friedrich (1968, p. 12).

For him, the village is a federal union of families as was the guild; the town—a union of guilds; the province—a union of towns; the kingdom or state—a union of provinces; then the empire—a union of kingdoms, respectively.[65] In a sense, this was a concept that transformed the feudal hierarchy of successive levels of lords and vassals into a modern constitutional government. The key to this concept of government is that on all levels of analysis, the union's direct membership is composed of the different unions at the preceding level, so when we arrive at the top of the pyramid, the members of the empire are not individuals but kingdoms (Friedrich, 1968, p. 13). Likewise, at the level of the kingdom, members become the provinces and towns and not the individuals directly. This has raised criticism about the lack of individual autonomy in the Althusian concept of federal union.

Implication of Althusius' work for Federalism

Althusius' contributions to federalism are very obvious; consider the following points:

1. His emphasis on *Pactum* (covenant) as the only basis for legitimate political organization is the cornerstone of the federal idea. Observe his view that political association may be created by the agreement of kingdoms, province, cities, towns, villages, and families to enter into a bond (foedus) with each other for common purposes, in order to make the new union/state larger and stronger, while retaining the autonomous assenting units (Davis, 1978, p. 48).

2. Secondly, Althusius' insistence on consociation and on symbioses between units has turned out to be a basic axiom of federalism in the contemporary world as would be seen in the subsequent sections.

3. Thirdly, his argument that sovereignty can be alienated from the ultimate holder by the people in a sense limits the sovereign, which is another

[65] Friedrich (1968, p. 12).

foundation of federalism. It can be related to the principle of change of government and/or change of constitution in federal discourse

Two major observations could relegate Althusius from being credited as the progenitor of 'federalism' as is understood in the contemporary era. Firstly, his theory of the state as essentially monistic with an overarching power of the emperor at the top of the pyramid looks more like a decentralized unitary system than a federal state today. Secondly, and in the contrary, his formulation of the state as an all-inclusive association of associations which have contracted to live together (consociation symbiotica universalis), without a provision for individuals' direct rights in the association, presents the state more like a confederation than a federal arrangement. The former (decentralized unitary) tend to grant the emperor an overarching superiority and the latter (confederation) places the princes as co-equals with the emperor in their own spheres. This contradiction reinforces rather than resolves the tension between the emperor, princes, and dukes; each who was his own 'emperor' in own territory. In the face of the growing tensions, further development of the modern centralized state seemed to triumph which relegated Althusius' work to oblivion until the end of the nineteenth century when German scholar von Gierke tried to showcase his relevance to modern federalist studies.[66]

3.4.4 Thomas Hobbes (1588-1679)

Thomas Hobbes' life spanned from 1588–1679, a time that saw series of territorial conflicts across Europe: the disintegration-led English civil war; chaos in the Roman Empire between Spain, French, and the Dutch; all of which begged for ideas to resolve and engender peace. At his prime, he witnessed the thirty years' war that marked the final weakening of the imperial universal authority and clearly showed the unabated quest for territorial centralization. The political disintegration of territories that characterized the period might have arguably been reinforced by Althusius' interpretation of sovereignty, as residing on the 'consociatio' rather than on an absolute sovereign ruler; which brought both internal problems between kings

[66] For details, see particularly Hueglin, 1979, p. 18; Friedrich, 1968, pp. 12-13.

and subjects, as well as external problems between kings and the Emperor. In the words of Davis (1978, p. 54) "Althusius, by giving something to everyone—Emperor–Kings–Princes—nurtured the virus of atomization and anarchy."

Therefore Hobbes sought, in his book 'Leviathan' (1651), to discover rational principles for the construction of a civil polity that would not be subject to destruction from within (Lloyd & Sreedhar, 2014). Like Althusius, Hobbes rigorously argues that civil peace and social unity are best achieved by the establishment of a commonwealth through social contract. Contrary to Althusius' popular sovereignty, Hobbes's ideal commonwealth is ruled by a "sovereign power which absorbed by contract all natural rights save self-defense, thereby becoming an ultimate law-giver in the strictest sense" (Riley, 1976, p. 14). The experience of the civil war might have caused him to stretch the doctrine of sovereignty to this limit, to borrow from Riley. Hobbes opined that virtually any governments are systematically prone to dissolution into civil war, unless people submit themselves to an absolute political authority, whose sovereignty is to be inalienable (Lloyd & Sreedhar, 2014).

Continued stability would require that they also refrain from the sorts of actions that might undermine such a regime; like disputing or rebelling against the sovereign power (Lloyd & Sreedhar, 2014). This view captures Davis' earlier observation that "the political needs and circumstances in France and England—Hobbes home society—were to subdue internal factions and strengthen absolute monarchs in order to withstand the threats of encroachment by the emperor" (Davis, 1978, p. 54). Consequently, Hobbes called his sovereign ruler the 'Leviathan', whose character reflects a mortal god. To justify his choices for a commonwealth with a leviathan ruler, he ingenuously developed the 'state of nature' which could be viewed as a crude theory of human nature when without any form of state authority or government. He argued that the nature of all men is selfish, greedy and egoistic, and this applies to all men because they are equal in rights and ability which exposes them to competition in quest for glory.[67]

[67] See Part 1 of The Leviathan – Hobbes (1651).

The competitive situation implies that everybody being his own sovereign would have unlimited natural freedoms, which would certainly create a clash of interests that would lead to a war of all against all. This makes the life of man nasty, secluded, ruthless, and open to the danger of violent death; thus, the need for a government, which would be socially contracted. Observe this direct quote from Hobbes' Leviathan (1651) for comprehension:

> By means of covenant and in such manner as if every man should say to every man: I authorize and give up my right of governing myself to this man (Leviathan), or to this assembly of men (Leviathan), on this condition; that thou give up, thy right to him, and authorise all his actions in like manner...For by this authority, given him by every particular man in the Commonwealth, he hath the use of so much power and strength, by terror thereof, he is enabled to form the wills of them all, to the end he may use the strength and means of them all as he shall think expedient for their peace and common defence (chapter XVII:151).

Hobbes however, takes note the fact that the power given to the sovereign is purely political, and a matter of covenant, which recognizes the inalienable natural rights of all men and further aims at ensuring the safety, equality, and happiness of all (Mace, 1979). As a result, when these rights are not secured, whether the new sovereign is in form of a rule by majority, few, or one person, there is the right to rebel and replace the sovereign. Therefore, sovereignty is only unlimited within the spheres of the continual assurance of these rights for all.

Implication of Hobbes' work for Federalism

Beyond some implicit links that can be deduced after a thorough analysis, Hobbes work does not appear to directly contribute to federalism; especially, when one considers the overarching character of his 'sovereign' ruler which absorbed by contract all natural rights of the subjects. This is, unfortunately, a contrast to the federal idea. However, the under-listed points showcase his contributions:

1. His theorization, and detailed explanation of the origin of commonwealth as the basis of political organization, is in tandem with the covenant root of federalism as will be seen in subsequent sections.

2. Depending on interpretation, the idea behind his all-powerful sovereign can be equated to the legitimacy of a monarch, republican representatives, or to the supremacy of the constitution in federalism discourse.

3. Of paramount importance is his emphasis on rebellion to bring change when the sovereign begins a reign of terror instead of safeguarding the safety and happiness of men. This is similar to the call for a change of government, or change of constitutional provisions, which is an acceptable practice in federations.

Regrettably, because Hobbes obviously did not favor democracy as the correct form of government,[68] his contributions to federalism would largely remain blurred, as democracy is complementary to successful federalism.

3.4.5 Ludolph Hugo (1630-1704)

Few know of Ludolph Hugo, a German statesman, judging by the minimal amount of references to him in the existing literature. He appears largely undermined by most analysts when in reality, he should be applauded for taking the idea of federalism to a level such that none had done before him. As Riley rightly argues, "although Johannes Althusius is better-known as a theorist of federalism than Hugo, the latter came closer to a modern understanding of a 'federal-state' than did Althusius" (Riley, 1976, p. 11). More concretely, Elazar saw Hugo, in his masterwork *De Statu Regionum Germanie* (1661), to have presented a theory of federalism while discussing the status of the region (Elazar, 1998, p. 23). Following Althusius' covenantal traditions, Hugo believes the consociations, as organic bodies, should be working on a self-governing basis. To justify his belief, he noted in the introduction of his book that, the Empire was governed by a double rule: "for the empire is ruled by some common government and the individual regions of which it consists have certain princes of their own, or magistrates, courts and

[68] See Chapter XVIII of the Leviathan for evidence.

advisory bodies, subjoined to the higher one" (Davis, 1978, p. 63; Riley, 1976, p. 21).

The operation of double government was inevitable, because of the diversity of the polities in the empire with large masses of territory; requiring a division of government between the large empire and the subordinate regions. Hugo observed in the regional states, a model of the empire itself: the rule of the local princes in the cities was akin to that of the Emperor in the empire. In the terms of Davis, just as the municipality of one city is composed of homes, so a fairly large empire is composed of subordinate regions (Davis, 1978, p. 63). Riley perceived Hugo to mean that, both the Empire and the regions were to have essentially the same political status and institutions,[69] whereas Davis thought the higher government (empire and emperor) was superior to the regions (princes).[70]

The glaring problem with Hugo's formulation centred on how the princes would remain loyal and subordinate to the emperor when in some things they were laws unto themselves. This led Hugo to the consideration of the proper 'constitution' of the regional states and their relation to the larger state (empire). In the end**,** Hugo identifies three forms of relationships that would be possible; which arguably represent the careful distinctions that exist today, between confederal leagues, decentralized unitary government, and federal government, as Riley (1976, p. 22) observed.

The first one he identified was a relationship of kingdoms through the creation of treaties in which the relationship never metamorphosed into a civil union, as Hugo argued: "individual regions had not emerged into one state; they remained independent and free" (Davis, 1978, p. 64; Riley, 1976, p. 22). To him, union contracted by treaties does not become master of states but the states themselves are the master of the treaty; thus, this form is equated to a confederation, and Hugo saw the Achaean League as the perfect example.[71]

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[69] Riley (1976, p. 21).
[70] Davis (1978, p. 63).
[71] Riley (1976, p. 22); See Achaean League's discussion in subsequent sections.

The second form was exemplified by the Holy Roman Empire, and occurs when the magistrates in charge of cities clearly depend on the emperor, king or higher government (Davis, 1978, p. 65). He observed this was the old status of the empire where the magistrates in the regions were nothing but the servants of the emperor, who ruled them with what was obviously a master's authority (Riley, 1976, p. 23). In this instance, the regional administration cannot be viewed in terms of a state, hence, can at best be considered as decentralized unitary states.

The third form, he called the double government and saw the Germanic empire as the perfect example. It occurs when the civil power is somehow divided between the highest and the lower government so that the higher one manages those matters pertaining to the common welfare of all, and the lower one manages those things pertaining to the welfare of the individual regions (Davis, 1978, p. 65). This particular form apparently lies in between the earlier two forms—confederal leagues and decentralized unitary states. Hugo distinguishes it firstly from a union by the quasi-sovereignty (analogous majestatis) of the Princes within their own territory; and secondly from a confederation like Swiss, by the subjection of the Princes to the emperor (Davis, 1978, p. 65). Notwithstanding the possible subjection of the princes, Hugo insists that their power was still wide enough to be analogous of the highest power of the emperor, which means the regions were no less a state as was the empire.

Implication of Hugo's work for Federalism

Hugo's contribution to federalism is clear. So far there has been no contribution from any philosopher that describes federalism as Hugo's.

1. He was able to constitute the regions as states without reducing the empire as a mere alliance that had no state form; which is the defining character of any contemporary federal government.

2. His distinctions, no doubt, reflect current understandings, as well as the state of debates over the federal related concepts such as: confederation, decentralized unitary states, and federation.

3. Undeniably, his conception to an extent, resembles the foundation of what the American founding fathers designed over a century time later.

However, as Riley pointed out, it is not to be expected that, in 1661, Hugo would have fully formulated this conception, or that he would use the exact word 'federal', a term which was bound up with leagues and alliances. Hence, his 'double government', is equivalent to a contemporary federation. Appropriate credit can be awarded for his contributions after understanding further developments of federalism in relation to the American concept.

3.4.6 John Locke (1632 -1704)

John Locke, as an English philosopher, had his thoughts shaped toward the consolidation of the nation-state more than the territorial dispersal of power. Little wonder, he followed the tradition of Hobbes in furthering the concept of the state of nature as the basis for the commonwealth. Unlike Hobbes, Locke in his book—The Two Treatises of Government (1689), described the state of nature as a state of relative peace where man was free to conduct his life the way he thinks without the interference of any other person.[72] Locke believed that even though it was a state without the political structure of government, the law of nature bound individuals morally, so that they would not harm each other in the course of their living together and in the pursuit for property acquisitions.

While Locke saw the need for people to come together and form a state, he, however, was against the leviathan kind of sovereign ruler which Hobbes proposed. The reason is that the absolute sovereign was able to encroach on individual's natural rights which Locke believed were inalienable. These rights according to Locke consisted of the right to life, right to liberty, and right to property, which all contributed to making man enter into a secure social contract. Locke argued that the purpose of government is to protect these rights and when it fails to do so, it loses legitimacy and can be overthrown. Writing his two treatises immediately after the Glorious Revolution, Locke's book could have been seen as a direct attack on the absolutist British monarch, which he sought a replacement in a constitutional republican monarchical system. Observe this quote from Locke:

[72] See chapter II of Locke (1689).

> That men are not naturally free. ...that the power of the monarch is above every power: *caput inter nubilia*, so high above all earthly and human things. Men are not born free, and therefore could never have the liberty to choose either governors, or forms of government." Princes have their power absolute, and by divine right; for slaves could never have a right to compact or consent.[73]

The above assertion 'that men are not born free' does not obtain in a modern state system built on egalitarianism; the pronouncement remains conflict prone and questionable. People are not willing to recognize a demigod-kind of rulers over them for any primordial reason surrounding their birth and ancestry, which conferred on them, mark of 'royalty' and subsequently makes them recipients of mundane prerogatives. Locke's later remark in chapter VII clearly shows a reappraisal and a denunciation of his earlier assertion; thus:

> Man being born, as has been proved, with a title to perfect freedom, and an uncontrolled enjoyment of all the rights and privileges of the law of nature, equally with any other man, or number of men in the world, hath by nature a power, not only to preserve his property, that is, his life, liberty and estate, against the injuries and attempts of other men; but to judge of, and punish the breaches of that law in others, as he is persuaded the offence deserves, even with death itself, in crimes where the heinousness of the fact, in his opinion, requires it.[74]

Locke observed the importance of having all men consent to who ruled them, which is in consonance with the Althusius' popular sovereignty; but extended down to the level of individuals. Note his clear remark in the preface of his book: "to establish the throne of our great restorer, our present king William; to make good his title in else consent of the people."[75] However, to guard against the vices of the absolute monarch and keep government in check, Locke proposed the separation of power

[73] See section 1 of chapter II of Locke (1689).
[74] See section VII of Locke (1689).
[75] See Preface of Locke (1689).

in respect to the law that governs; i.e., judges to adjudicate laws and the executive power necessary to enforce the laws.[76]

Implication of Locke's work for Federalism

At first glance, Locke's contribution to federalism does not appear evident because of his statist views. However, a closer observation reveals that Locke brings something peculiar, albeit indirectly, to the federalism discourse.

1. While others had focused on territories, including the most relevant conception by Hugo, leaving the role of individuals in governance for conjecture, Locke emphasised the individual as the origin and end of the social contract.

2. His views unarguably influenced the thoughts of the American founding fathers as he was generously cited in various papers, towards the drafting of the US constitution.[77] As Hueglin (2003, p. 286) pointed out, the Federalists' 'judicious' territorialization of the popular will was already steeped in Lockean individual liberalism. Also, the postbellum American republic diction "the United States is" instead of "the United States are," exposes federalism as increasingly aiming to safeguard individual rights over social communities' which is the bottom line of Locke's philosophy.

3. Finally, Locke's most obvious contributions can be found in his proposition of the republican monarchical system and separation of powers, through which he justified constitutional changes.

3.4.7 Baron De Montesquieu, Charles-Louis De Secondat (1689–1755)

Montesquieu, in his master work—the Spirit of Laws (1748), aims to explain social institutions and the importance of safeguarding of human laws (Bok, 2008). He discusses the relation between the laws and the defensive force of states, which led him to consider the question of the federal constitution (Nelson, 1975, p. 9). Consequently, he presented a systematic analysis of the three basic forms of

[76] See Chapter XII of Locke (1689).
[77] Most especially, reference to natural rights and protection of properties, was the guiding notion in every of the federalist papers.

governments—republics, monarchies, and despotisms—and the subjective principle that sets them in motion (Wright, 2007, p. 153). Republican government, as Montesquieu writes in Book II, is that in which the people as a body, or only part of the people, have sovereign power; accordingly, there are two sub-types of republic, 'democracy' and 'aristocracy'.[78]

While monarchy seemed to be largely referenced and favored by Bodin and Hobbes, to Montesquieu, monarchy is constantly in a state of tension, which always degenerates into despotism or republicanism (Wright, 2007, p. 149). Despite the shortcoming, however, Montesquieu went further to unmask the situation where monarchy would be preferred as well as the pros and cons of the other forms of regimes in relation to population and territory of the society. According to him, republics usually have to be small, in order to maintain themselves, but unfortunately, this exposes them to the threats of being overrun by external power (Karmis & Norman, 2005, p. 55). Growing larger, they might have the power to defend and protect their interests against external threats if ruled only through a monarchic regime; unfortunately they would stand the risk of being ruined by internal imperfection.[79] On the other hand, the extremely large states could only be maintained through despotism (Lépine, 2012, p. 30).

Meanwhile, like the monarchy which he had issues with, he saw despotism in particular as a standing danger for any government not already despotic, and argued that it could best be prevented by a system in which different bodies exercised legislative, executive, and judicial power, and in which all those bodies were bound by the rule of law (Bok, 2008). Applying this solution would require a hybrid of limited monarchy and/by a restraining republican institution; and that was exactly what Montesquieu proposed. This remark attributed to him is confirmatory, thus: "it is therefore very probable that mankind would have been obliged to live constantly under the government of a single person, had they not contrived a kind of constitution that has all the internal advantages of a republic together with the external force of a monarchial government, in form of a confederate republic"

[78] See Montesquieu, the Spirit of the law, Book X.
[79] See Ostrom (1991, p. 43).

(Karmis & Norman, 2005, p. 55). The federative or confederate republic, as an assemblage of smaller republics constituting a new one, would still combine the advantages of small and large political units, without the disadvantages of either (Føllesdal, 2014; Friedrich, 1968, pp. 13-14; Hueglin, 2003, p. 284).

It is instructive to clarify that Montesquieu was not intending a middle arrangement between a small and large government in a society; neither was he hoping for a single government that would have moderate size along a small and large spectrum. Instead, he was simply rooting for a dual government in a single society, in which case, one part of the government would be small to coordinate local governance and the other part would be large to fasten security.

Implication of Montesquieu's work for Federalism

From the foregoing, sorting out Montesquieu's contributions to the development of federalism is clear.

1. His arguments propose federal arrangements based on territory and population, rather than the complicated issue of sovereignty that had beset earlier philosophers' ideas of federalism. Montesquieu's conceptualization of the '(con)-federative republic' is ground-breaking as he is the first to use such a closely-related term to federalism.

2. A further step to develop the theory of separation of powers, to serve as checks against power abuses by representatives and member units, has become one of the fundamental principles of federations.

3. Particularly, his exposition of the dangers of maintaining either a monarchial or republican form of government over a large territory undoubtedly stimulated the belief in federalism; this is evident, in view of the numerous references to him by the American founding fathers as will be shown in the next section.

3.4.8 The Federalist and the US Constitution Framers (1787-9)

The discussions surrounding the 1787 U.S. Constitutional Convention of 1787 by the federalists and their opponents marked a turning point in federal thought, as has

been acknowledged by a large number of federalism students.[80] The discussions brought together most of the ideas and issues that had been raised, or left unanswered by earlier writers, analyzed and built on them for better federal governance. It is logical, therefore, to argue that the United States provided the ground to observe and verify all that had been written so far, from Machiavelli to Montesquieu, about societies in their search for joint survival—a solution that finally found expression in federalism.

To start with, thirteen colonies in America were seen to be fighting British colonial rule which led to the declaration of independence at the onset. The situation is analogous to what faced the Roman Empire in the Middle Age to an extent, especially from the fifteenth to the seventeenth centuries. The colonial regime can be likened to the imperial monarch in the empire whose universal authority had been challenged by territorial commonwealths in the thirteen colonies. In this case, monarchy is perfectly seen to be in a state of tensions, and was going to degenerate into republicanism as Montesquieu had earlier observed. The thirteen states as small republics were happy to come together, jointly fight the colonial power and establish a new republic of their own in a manner similar to the social contract. How this new order would be preserved to safeguard the rights of the small republics/states, the emerging larger one, and the individuals in them became the central focus of the convention of the representatives of the states, who met between 25th of May – 17th of September, 1787 to debate and modify the Articles of Confederation.[81]

Consequently, a certain group emerged that would later be christened 'the federalists', among who were Alexander Hamilton (1755–1804), James Madison (1751–1836), and John Jay (1745–1829). On the flagship of Hamilton, they argued vigorously for interlocking federal arrangements (Federalist 10, 45, 51, 62) where

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[80] For example (Davis, 1978, p. 119; Elazar, 1994, p. 123; Føllesdal, 2014; Friedrich, 1968, p. 11; Hueglin, 1990, p. 4; 2003; Lépine, 2012, p. 29; Riker, 1964, p. 10; Riley, 1973, p. 51).

[81] Note that the Articles of Confederation was seen to have created an absurd government that could not enforce its resolutions as binding rules on the states and the individual people; hence, the Philadelphia Convention of 1787 was tasked to constitute a *limited* national government that extended its jurisdiction to the states and all individuals in its domain. This was sensitized through Hamilton's principle that individuals are the basic units in the constitution of order in human societies. See Ostrom (1991, p. 45).

sovereignty would be shared between member units, which would act as a check on each other. It seems the federalists were proposing for a somewhat lopsided shared sovereignty that would be tilted in favour of the centre against the federating states. Note as Hamilton wrote in Federalist No. 9, "a firm union would ensure utmost peace and liberty of the States, as a barrier against domestic faction and insurrections (Wright, 1961, p. 124). He went further to argue thus:

> It is impossible to read the history of the petty republics of Greece and Italy without feeling sensations of horror and disgust at the distractions with which they were continually agitated, and at the rapid succession of revolutions by which they were kept in a state of perpetual vibration between the extremes of tyranny and anarchy (The Federalist No. 9).

On the contrary, some other conventioneers outside this camp, who might be termed 'anti-federalists', were fearful of a possible centre-usurpation of power that might result, if the small republics and the emerging large republic were fused together. Both camps generously drew from the writings of Montesquieu to furnish their arguments (Føllesdal, 2014). However, because the federalists seemed more prepared and eager to convince the public to vote in support of their view, they ingeniously explored and analyzed almost every issue that might affect their chosen form of government—a form that had not existed elsewhere based on how they construct theirs (Wright, 1961, p. 41). Thus, even though they were not content with the republican virtue nor believe in its constancy,[82] their understanding of the efficacy of various principles made them confident that the excellences of republican government may be retained and its imperfections lessened or avoided (Wright, 1961, p. 125).

The principles included, the regular distribution of power into distinct departments; the introduction of legislative balances and checks; the institution of courts composed of judges holding their offices during good behavior; the representation of the people in the legislature by deputies of their own election; the enlargement of

[82] For evidence to this assertion, see Aranson (1990, p. 18) and also Federalist No. 10.

the orbit within which such systems are to revolve, either in respect to the dimensions of a single State or to the consolidation of several smaller States into one great Confederacy (Federalist No. 9). These innovations were inscribed in the constitution and were binding on state governments, central government and the individual citizenry—i.e., the constitution of the United States of America.

Implication of the US Constitution Framers for Federalism

Needless to say, the ensuing constitution of the United States of America has in itself become the touchstone for federalism studies the world over. As Lépine (2012, p. 39) posits, "the most important achievement of federalism in the modern era has certainly been the innovative constitutional model developed by the American constitution of 1789." A central feature of it is that, federations were seen as uniting not only member units as in confederations, but also the citizenry directly (Føllesdal, 2014). Subsequent efforts by scholars to understand the various aspects of the American Constitution, and relate same to later regimes built on similar logic elsewhere, has produced varied results. This has consequently led to the definitional problematique of federalism that has lingered for long.

3.5 Etymology of Federalism

From the extant literature on federalism, what federalism specifically represents remains highly contested as several opposing descriptors are rather used to describe it: unity and diversity, shared and self-rule, centralization and decentralization, interdependence and independence, and general and autonomy. Nevertheless, one area of consensus is the fact that the term 'federalism' or 'federal' stems from the Latin word, *foedus*; which means 'treaty', 'compact' or 'contract' of alliance between political entities (Adegehe, 2009; Akindele & Olaopa, 2003; Burgess, 2006; Davis, 1978; Elaigwu, 2008; Elazar & Kincaid, 2000; Gamper, 2005; Kincaid, 2005; Lépine, 2012). The word was used in the "Ancient Roman Republic and Empire to refer mostly to treaties with populations in other parts of the Italian peninsula at the times of the republic; and also referring to 'barbarians' not romanised, living at the Marches at the time of the empire, in order to protect the 'limes' of the ever-growing political body" (Lépine, 2012, pp. 31-32).

Elazar veers even deeper into the etymology beyond the latin 'foedus' by tracing the root to the Hebrew term 'b'rit', which means covenant (Elazar, 1987, p. 5). He opines that federal arrangement is one of partnership, established and regulated by covenant, whose internal relationships reflect the special kind of sharing that must prevail among the partners, based on mutual recognition of the integrity of each partner and the attempt to foster a special unity among them. In spite of the general notion that federalism originates from the Latin foedus, there is a dearth of materials that details on when and how the term 'federalism' emerged. This section attempts to investigate it. The rationale is to establish that the circumstances that led to its popularity were related to conflict resolution, or the search for peaceful co-existence. This further justifies the appropriateness of this study to propose federalism as a viable construct to provide solutions over resource conflict today.

3.5.1 'Foedus' in Earlier Societies

As mentioned, most writers in an attempt to trace the origin of federalism usually focus on the Ancient Greek City-States with reference to the Achaean League.[83] However, observation from Davis shows that, terms such as 'sympoliteia' and 'symmachies' were used then and not foedus, even though the political organization of the time has later been equated with 'foedus' (Davis, 1978, p. 14). He argues that foedus was specifically a medieval arrival—coming to prominence during the fragmentation of the Roman Empire and the weakening of the ecclesiastical power of the papacy (Davis, 1978, pp. 38-40). Elazar, on his own part, noted that the evolution of foedus to federal was the efforts of the Bible-centred 'federal' theologians of seventeenth-century across central Europe (Elazar, 1987, p. 115). Understanding what 'foedus' implied, why it became so important that the theologians had to rely on it as a basis for their pursuit, and how their vision influenced federalism in the political discourse, would certainly require a further discussion on foedus and the federal theology.

[83] For example Davis (1978, p. 18); Elazar (1991, p. xii); Friedrich (1968, p. 18); Lepine (2012, p. 29); Riker (1964, p. 8). The most comprehensive and critical of this history is found in Davis (1978).

3.5.2 Political connotation of 'Foedus'

The lexicographic association of *foedus* with *covenant*, and of its cognate *fides* with faith and trust, in the opinion of Davis, provide us with a crucial clue towards understanding what an association based on foedus implies (Davis, 1978, p. 3). The idea of covenant betokens not merely a solemn pledge between two or more people to keep faith with each other, to honour agreement; it involves cooperation, reciprocity, mutuality, and it implies recognition of entities because there can be no covenant within a single entity or between an entity and a non-entity.[84] By committing themselves to each other through promises, pledges, contracts, vows, and treaties, and by calling upon the most potent forces or value symbols in their society to give moral sanction to their undertaking, they regularize or institutionalize their relations with another and thereby seek to bring stability to their lives.

The concept of treaty is very important for foedus/covenantal relationships, as the means by which tribes and communities regulate their conduct with one another. These may take the form of co-operative alliances (to share with or defend each other—the focus of federalism); or acts of restraints (agreement for ceasefire) (Davis, 1978, p. 6). While the scope, dignity, content and modes of formalizing treaties of alliance vary in place and time, Davis was particular about the Roman version. He noted, "if Rome conquered a world by the force of arms, it was by the treaty of alliance, *foedus*, or the plurality of treaties (*foedera*), and the aid of those sworn into an alliance (*con-federati*) that Rome conducted its diplomacy of security and aggrandizement" (Davis, 1978, p. 7). Using the Roman case, Davis identified three types of treaties that operated at different times:

1. The first type formed after war whereby the conquered is subjugated and terms imposed upon them by the conqueror.[85]

[84] (Davis, 1978, p. 3).
[85] This looks like a contemporary decentralized unitary state, as seen in chapter four.

2. The second type is also formed after war but exists where both parties seem equally matched and conclude with peace and friendship on terms of equality.[86]

3. The last type exists between two entities who had never been at war against each other, but just decided to come together and pledge mutual friendship in a treaty of alliance[87] (Davis, 1978, pp. 8-9).

Davis observed that Renaissance scholars and classical writers generally cite "two forms of Roman treaty of alliance as *foedus aequum* and *foedus iniquum*; the former which sets both parties (Rome and her allies) on equal footing, and the latter which gives Rome a hegemonic role, in foedera superior, i.e. a patron-client relationship" (Davis, 1978, p. 9). However, he noted that the idea of treaties is fully assimilated in the Hellenic world, before and after the submission of Greece to Rome, especially in the Achaean Leagues which had organizations such as symmachies, sympolities, based on cooperative treaties.[88] Certain elements are highlighted to show the resemblance between the Achaean League type and the US federalism by some historians.[89] The elements include: "common citizenship, division of competence, a central legislature, and full time executive power to command *poleis* (principally if not exclusively) in matters of war and peace, autonomous of poleis in all matters but war and peace, equal representation of each poleis in central assembly, and the permanence of the treaty which created the league" (Davis, 1978, p. 27).

The historians continued to trace the emergence of Leagues and coalitions in the Roman Empire from the 3^{c} BC onward, including the Etruscan, the Eturian and the Samnian Leagues in the early years of the secular empire; and the Lombard League, the first Helvetic League - Swiss confoederatio (1291), the Netherlands League, and the Hanseatic Leagues among others. Most of the Leagues often were of non-contiguous territories and barely aimed beyond the immediate purpose of restoring

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[86] This one is similar to the contemporary confederation where any party can pull out from the alliance.

[87] This reflects the current notion of federalism; with no party subjugating the other, but everything being mutually coded together.

[88] For full detail, see Davis (1978, pp. 12-14).

[89] They include Freeman, Busolt, Larsen and Ehrenberg who all credit the Achaean League as the premier federalism, see Davis (1978, pp. 25-38).

and defending the one true faith of Christendom (Davis, 1978, pp. 36-39). In the end, their argument is that these later Leagues were similar to the Achaean League and, therefore, should be linked to federalism.

Meanwhile, a critical analysis of the elements mentioned above, as relating to the leagues, reveals a plethora of ambiguities which makes it misleading to accept the equation of them with federalism. As Davis observed, the representatives mentioned in the Achaean League were not popularly elected neither did the 'central' institutions function on a daily-basis with continuous administration as in the federal institutions of today.[90] Another glaring distinction is the introduction of the term 'constitution' in the American conceptualization, which differs from the notion of a treaty; the former being more encapsulating and detailed, whereas the latter is vague and targeting an announced interest. Regardless, the discussion so far has presented us with the political foundation of foedus, in order to anticipate what the later federal organisation should look like for the purpose of this study.

3.5.3 Theological application of 'Foedus'

As an overview, the sway of the Roman imperium, the spiritual and political hegemony of the Roman papacy, the decay of the respublica Christiana, and the debut of the sovereign nation-state were all characteristics of the twilight of the medieval era. These resulted from the "ceaseless contests of emperor…and holy men for domination, dynasty and spiritual virtues in the ultra-mundane rationalization of their scribes" (Davis, 1978, p. 36). It was heightened between the sixteenth and seventeenth century which witnessed the writings of Machiavelli, Bodin, Althusius, and Hobbes, among others already discussed in the previous sections, in search of means to rescue the situation. As philosophers focussed on the tensions between the emperor and the territorial princes, religious leaders on the other hand focussed on the tensions in the respublica Christiana – between the universal papacy and the leaders of congregations. Thus, each was directly or indirectly influencing the other as can be seen in the following discussion.

[90] Davis (1978, p. 28).

3.5.4 Protestant's Reformation Movement

Any discussion regarding the Protestants' call for the Reformation of the then universal Roman Catholic Church doctrine, always begins with the name Martin Luther (1483 - 1546). He was a German Friar, born in Eisleben Saxony, educated at Erfurt by Bielites, and was poised chiefly to depoliticize religious thought. The aim of Martin Luther's attempt to reform Catholicism was not to deny the responsibilities of Christians in politics but to free the gospel, the 'good news' about Jesus Christ, from the proprietorship of either the church or the state (Brink, 2015). His popularity came when he vehemently questioned the sale of indulgence by the Roman Catholic Papacy which purported to free people of God's punishment from sin. Luther believed such doctrine was false because money cannot buy salvation. He detailed his positions in his Ninety-Five theses (1517)—the bottom line, which proposed for a reformation in the church; in which absence, he refuses to recognize the supremacy of the pope.

Unfortunately, the complementarities of the Roman Emperor and the Pope meant that the Pope was going to augment own power with the imperial powers to exterminate Martin Luther and any other who would subscribe to the reformed faith. Consequently, the Roman Emperor, Charles V on the request of Pope Leo X, demanded Luther to retract his writings and recognize the supremacy of the Pope at the Diet of worms. Luther's response read: "Unless I am convinced by the testimony of the Scriptures or by clear reason… I am bound by the Scriptures I have quoted" (Luther, [1521] 1958, p. 112, cited in Brink, 2015). The basis of Christian faith was the possession of neither church nor state. His refusal resulted in his 1521 excommunication by the Pope and condemnation as an outlaw by the Emperor.

In spite of his excommunication, Luther continued his personal study on how the Christian's relationship with God should be, and his conclusion was that "a man's sense of righteousness cannot be mediated or assumed as a responsibility by any priest or politician" (Brink, 2015). It was at this juncture that the idea of foedus/covenant was invoked to buttress his points. All through his later works, Luther continually used related terms such as *testamentum, pactum, promissio* and *foedus* when speaking of relationships, either for alliance between nations, religious association, or God's covenant with man (Woolsey, 2012 [1988]). Central to his

messages was the idea that, God's covenant is "a mutual promise and agreement, between God and man" (Ursinus, 1954 [1616], p. 97). Thus, the unitary command organization and power structure of the Roman Catholic, and its domination of the religious and political spheres, were all against God's covenantal vision with men and, in Luther's assessment, negatively affected theology.

Simultaneously, his trial times coincided with the period when questions were beginning to arise over who was the supreme leader of the empire between the Pope and the Holy Roman Emperor; and later, over the relationship with, and subordination of, the territorial Princes by the Emperor.[91] Davis questions thus: "if it was the Pope that was seen as the Vicar of Christ on earth, what was his domain of authority? Did he stand above the Emperor and the monarchs in all things spiritual and temporal, or just on one side (the spiritual)? What is the implication regarding the imperial masters as well as the people?"[92]

Because Luther saw the chief source of spiritual oppression in Roman ecclesiasticism, he indirectly sought to build up the powers of the princes against the emperor and the papacy. In this battle he began to evolve a "theory of the two realms—political (*regnum*) and religious (*sacerdotium*); the former to be characterized by an official, secular, rational ethic of the state, and the latter to be guided by the authentic Christian ethic of the Sermon on the Mount" (Brink, 2015). Needless to say, Luther's thoughts inspired a wave of debate for reformation which stimulated the formation of a number of Christian congregations whose leaders also sought to reform the catholic doctrines. Moreover, the teachings of Luther, and the emerging Christian leaders, especially John Calvin, influenced the rest of the Philosophers who contributed to the development of federal thought.[93]

Most importantly, Luther's message was an eye opener to most territorial princes who seized the opportunity to detach from the hegemonic domination of the Holy

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[91] Note, that Machiavelli's 'Prince' was still making waves which exposes the disposition of leaders—spiritual and temporal—to repress others.

[92] See Davis (1978, p. 39); observe that, this was what Machiavelli had diagnosed which Bodin had been convinced was questions that could be answered by his concept of sovereignty.

[93] Note that apart from Machiavelli who was born and wrote before Luther, the rest, from Bodin to Montesquieu, wrote after the federal theology/Calvinism had been established; Althusius in particular was said to be educated in a Calvinist University.

Roman Emperor and the Pope, by lending their supports to different Christian groups at their territories. In this vein, Huldrych Zwingli (1484 -1531) spearheaded the Protestant Reformation in Switzerland and was seen to have gained the support of the Magistrate of Zurich in the 1520's (Beattie, 2006, p. 78). Under Zwingli, Switzerland became known as the "radical hotbed of the Protestant ideology at the onset, but unfortunately, he died in a religious battle at Kappel in 1531" while Heinrich Bullinger (1504 - 1575) took over the leadership of the church in Zurich (Beattie, 2006, p. 79).

Like Luther, John Calvin (1509 - 1564), a French protestant that faced expulsion from the Roman Papacy, fled from France to Geneva during religious tension against Protestants in France. He was soon asked to help reform the church in Geneva by William Farel and quickly turned Geneva into Protestants' Rome (Beattie, 2006, p. 79). Calvin was so charismatic that within a decade a university was founded along Lake Geneva's Northern shore, dedicated to propagate the Protestant Reformation ideology. The focus of the ideology centered on 'covenant-teachings' which later became tagged as 'Calvinism'. This no doubt contributed to the spread of Protestantism beyond Switzerland, France, and Germany, to other places like England and Scotland, as students took home the Protestant faith to establish.[94]

3.5.5 Transformation of 'Foedus' to 'Federal' (The Federal Theology)

Going deeper into all the activities during the Protestant Reformation movement, or cataloging the impacts of all the theologians that were associated with the movement would undoubtedly widen this research beyond its scope. The most important thing to note is that the spread of Protestantism across Europe, especially in the mid sixteenth century, was adequately matched and fought by the powerful Holy Roman Empire and the Papacy. In many places, dissenters were dealt with swiftly and brutally in order to bring them back to the Catholic Church. Interestingly, it was at the height of the oppression that the term 'federal' emerged. A couple of accounts confirm this. For instance, Beattie observed that "some Alpine

[94] It is believed that the English Puritans, a class which most of the American founding fathers are classified into, have their theological beliefs rooted in Calvinism.

valleys proved ideal hideaways for dissenters eager to hide from the long arm of the Catholic Law" (Beattie, 2006, p. 79). Giordano added that during the same period of oppression, the use of the term 'covenant' as a unifying principle in theology increased in popularity among the oppressed, who from that moment onwards decided to refer to themselves as "federally bound people" (Giordano, 2012, p. 10). This implied "being bound by a covenant" with God, overruling any form of religious subordination and oppression by the Pope.

This liberation movement soon became known as the 'federal theology' signifying a system of truth that is built upon the doctrine of the Covenants—'federal' being derived from the Latin 'foedus' (Woolsey, 2012 [1988], p. 101). According to Heather, groups bound by 'foedus' refers to 'foedera' and they are in 'foederatti' (Heather, 2006, p. 245). It can be argued that as 'covenant' appears to have a supernatural connotation, there was the need to coin another term to reflect the wider application of covenant in the political sphere where its philosophy was extending to. Hence, the easiest word to build from the Latin 'foedera' became 'federal'; while its cognate 'foederatti' became 'federation'.

3.6 Emergence of Federal (ism) as a Political ideology

The protestant's reformers were generally opposed to monarchy and absolutism; their veneration for the scripture provided them with a source of authority independent, not only of the Pope but, of the king (Howe, 1988, p. 1058). Their agenda was attractive to many who were politically disaffected, including nobles. This helped their teachings to speedily influence the socioeconomic, political, and cultural life of the society. But, the actual conversion of the teachings of the federal theology into federalism as a form of government can be credited to the Puritans of the colonial America (some of who were formerly English Puritans). They did not believe in the ecclesiastical tradition of sacerdotalism; instead they believed in the priesthood of all believers. This would go a long way to influence their perception of society as made up of men created equally, and who should be accorded equal opportunities.

Accordingly, it is well acknowledged that the framers of the US Constitution were mostly Puritans who were influenced by Calvinist political thought.[95] In the opinion of Howe, principles such as the written constitution and representative government, have their roots in the Puritan practice of ordering all relationship through covenant which they believed was consistent with the Bible (Howe, 1988, p. 1061). With the opposition of Puritans to absolutism, it is not surprising that the founding fathers of America aimed at establishing a 'mixed government' that would restrict the place for domination by the rulers. Instead individualism was accentuated; every individual was subject to the law and none was above the law. Logically, they institutionalized the teachings of the federal theology, which justifies the ascription of 'federal government' (federalism) to the new institution they designed.

3.7 Concluding Remarks

The development of the idea of federalism, as well as the evolution of its originating terms, are issues that have not been properly investigated, despite the fact that their understanding helps one to grasp a clearer meaning of what constitutes federalism. Particularly, this chapter has comprehensively examined the concept of federalism from the historical perspective. It has surveyed the contributions of several philosophers who provided the philosophical foundations for the emergence of federalism. The synthesis of the literature reveals that the idea of federalism betokens a society where tensions exists, as people, leaders, and distinct groups, struggle for influence over resources, space, and power. However, the understanding of 'covenant' as the basis of all relationship between God and man, or even man and other men shaped and influenced the thoughts of most of, if not all, the philosophers towards the development of the federal idea.

The high points of this chapter include the discussion on the etymology of federalism which traced how the Latin root word 'foedus', which was the basis of covenantal relationships in the Ancient Greek City-States and Holy Roman Empire, transformed into the English word 'federal'. In addition to the detailed accounts of each stage of the development, the chapter concretely established how 'foedus' and 'federal', both of which had more sacred and theological roots in 'covenant',

[95] See, particularly, Ostrom (1991, p. 9); also, Elazar (1998); Howe (1988).

metamorphosed into a pure political ideology as a form of government institution. It was found that the search for the construction of a new society based upon civil liberty by the American founding fathers, was a major force which engineered that transformation. Similarly, the federal theology, which influenced most of the American founding fathers, had been principled on the pursuits for freedom and dethronement of hierarchy, and absolutism. In sum, there are links with the emerging idea of federalism and conflict mitigation which is in consonance with the argument of this thesis. The next chapter explores the theoretical propositions in relation to contemporary federalism.

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CHAPTER FOUR.
FEDERALISM: THEORETICAL ASSESSMENT

4.1 Introduction

In the preceding chapter, history of federalism was fully explored up to the moment when the originating Latin 'foedus' metamorphosed into the English 'federal(ism)'. Having secured its proper name, this chapter focusses on theoretical questions around federalism. Precisely, the distinction between structural forms of government is addressed, in order to analyse federal relationships. From this, attempts are made to distinguish federalism and the federal corollary; and to examine possible frameworks for analyzing studies of federalism, like this present one. Therefore, the contemporary debates over the theorization of federalism and the features that make it capable of attaining the expected goals are weaved throughout the chapter. The aim is to determine the relevance of federalism and the ways it can contribute to engender peace in a country ravaged by resource revenue conflict.

4.2 The Task of Defining Federalism

Most students of federalism have encountered and also acknowledge difficulties in defining the term.[96] According to Burgess (2006, p. 1), part of the problem is that, "federalism is a microcosm of the general problem involved with studying political science itself, i.e., dealing simultaneously with fundamental moral questions as well as with amoral matter-of-fact issues." He claims: "the former, like social diversity and individual and collective identities, pose highly charged emotional questions for many people, while the latter involves the routine pursuit of economic profit and security and reflect for the most part, calculated and dispassionate self-interest (Burgess, 2006, p. 1). The ambiguous use of the term by the earlier exponents—the American Federalists—also adds to the problem. At one time, they seemed to link federalism to centralization and at other times, they seemed to refer to strong

[96] For example, see Burgess (2006, p. 1); Landau (1973, p. 174); Ostrom (1991, p. 8); Rougemont (1970); Ward and Ward (2013, p. 2); Wheare (1963, p. 1); Wright (1978, p. 19).

constituent units. This ambiguity impacts on how emerging federations design their federal arrangements.

Despite the contradictions, K.C Wheare made the first bold attempt to formulate a clear and distinct conception of federalism that would apply to the emerging federal governments as well as remain in consonance with the system designed by the American founding fathers. In his influential work–Federal Government (1963 [1946]), he made an initial observation that "most of those who used it [federalism/federal government] agree in this, that they have in mind an association of states, which has been formed for certain common purposes, but in which the member states retain a large measure of their original independence (Wheare, 1963, p. 1).

Acknowledging the ambiguity in the application of this general perception to several forms of political associations, Wheare set out to uncover a distinguishing characteristic in that system established by the US Constitution of 1789. He observed that in other associations of states, that had existed including the US under the provisions of the Articles of Confederation, the organization was such that the general government was dependent upon the regional governments or vice versa.[97] But he found in the US Constitution, "an association of states, so organized that powers are divided between a general government which in certain matters—for example, the making of treaties and coining of money—is independent of the governments of the associated states, and, on the other hand, state governments which in certain matters are, in turn, independent of the general government."[98] This involves, as a necessary consequence, that general and regional governments both operate directly upon the people; each citizen is subject to two governments.

Wheare logically argued that the principle which distinguishes the US system so significantly can be described as the 'federal principle' to act as the distinguishing mark of federalism. This, he defined as "the method of dividing powers so that the general and regional governments are each within a sphere co-ordinate and independent of one another" (Wheare, 1963, p. 10). It is important to note that, even

[97] See Wheare (1963, p. 7).
[98] Wheare (1963, p. 2).

though Wheare's formulation was largely influenced by his analysis of the American Constitution, he opined that its validity was going to be generic. Because, according to him, "the modern idea of what federalism is has been determined by the United States of America" (Wheare, 1963, p. 1).

One glaring observation from Wheare's conception is his typical division of government into two separate entities independent of each other. This is akin to, each government formulating their policies separately and executing them without interference, influence, or contributions, from the other level of government. This has prompted criticisms of his definition as being unduly legalistic and idealistic. Some scholars' claim it is impossible to have such governments categorically operating independently without any form of overlap and interdependence.[99] Whether it is possible to avoid the division of powers, between central and constituent governments, as the basis for defining federalism can be observed in the critics own formulations.

For example, Livingston (1956) argues that, it was an over-emphasis to stress the formal-legal division of the government as the basis of Wheare's definition. This argument is summarized:

> The essential nature of federalism is to be sought for, not in the shadings of legal and constitutional terminology, but in the forces—economic, social, political, cultural—that have made the outward forms of federalism necessary…The essence of federalism lies not in the institutional structure but in the society itself…a society may possess institutions that are federal in appearance but it may operate them as though they were something else...Federalism, like most institutional forms, is a solution of, or an attempt to solve, a certain kind of political organization…they arise in response to certain stimuli; hence, Federal system is a device consciously adopted as a means of solving the problems represented by these stimuli-the forces that

[99] Consider the following: Birch (1967, pp. 63-65); Elazar (1962, p. 1); Friedrich (1968, p. 7); Grodzins (1967, p. 260); Livingston (1956, pp. 2-5).

> can be called 'the federal quality of the society' which comprises 'diversities grouped territorially' within a society (Livingston, 1956, pp. 1-3).

Livingston in defining his concept of 'federal society', as Michael Stein rightly mentioned, "does not make clear precisely what kinds of diversities he thinks are crucial"; and at what degrees to mark out 'federal' from 'non-federal' countries (Stein, 1968, p. 727). Broadly, he focused on differences in cultures, economies, languages, races, religions, and history; which when consolidated geographically or territorially, then the result may be a society that is federal. However, some of these diversities are evident in several societies which do not have federal political organization, likewise in some federal countries, these diversities are seldom noticed.

Aaron Wildavsky's retort to Livingston's erroneous generalization was to provide a clear evidence using Australia and the United States of America to illustrate. He observed that "while both countries have federal structures—separate state and national governments—only in the US are the underlying economic, ethnic, religious and other diversities centered in distinct geographic areas corresponding roughly to state and sectional boundaries" (Wildavsky, 1967, p. 178). As such, he proposed 'social or sociological federalism' as representative of Livingston's formulation, as well as to distinguish it from the 'structural federalism' that characterizes both countries.[100] This distinction is important because federalism remains useful beyond the 'social' or 'sociological' perspective that Livingston tended to stress while under-emphasizing Wheare's 'structural' perspective. Size alone is enough to influence the choice of federalism if we reflect on the warnings of Montesquieu that, size needs to be kept in check at all times. This warrants a consideration of different structural forms of government in relation to social diversity.

[100] Wildavsky (1967, p. 178).

4.3 Political Institutions (Structural Forms of Government)

The discussion so far has focussed on federalism which is a form of political organization. However, there are other political institutions that exist outside federal governance that are supposedly based on a covenantal relationship between political entities, just like federal relationship. They include union, and confederation, both of which, in addition to federation, form the basis of the discussion in this section.

From the literature, it can be seen that criticisms over Wheare and Livingston's formulations of federalism, are based on whether it is a 'designed institutional structure' or the 'degree of social diversity in a society' that defines federalism. Martin Diamond in his work "what the framers meant by federalism" raises alerts for scholars to beware in order to present a balanced argument along their choices. According to him, "the founding fathers have bequeathed us a fundamental legal document in the constitution and we must know precisely what their constitution meant and the political thought of which it is the legal expression" (Diamond, 1963, p. 24). In his opinion, objective bases to understanding the framers are perceptible through a number of events and documents which includes; the Declaration of Independence; the Article of Confederation; the proceedings of the federal convention; the Constitution; the Federalist and the anti-federalist essays.[101]

4.3.1 Confederation or Federation?

If one follows Diamond's suggestions, to examine the mentioned documents and proceedings, contradiction in the manner which the founding fathers used the term 'federal' is evident. As have been noted by several scholars, the authors of 'the federalist' applied the term 'federal' (foederal) to both the government under the Articles of Confederation and the one proposed in the new Constitution (Forsyth, 1981, p. 107; Friedrich, 1968, pp. 18-20; Ostrom, 1991, p. 70; Wheare, 1963, pp. 10-11). The terms 'confederation' and 'federal' were used essentially as synonyms and for different referents; any difference in meaning to be ascribed to the new concept depended upon context.[102] However, what was obvious is that the two

[101] Diamond (1963, p. 24).
[102] See, particularly, Ostrom (1991, p. 70); Wheare (1963, p. 10).

terms were used interchangeably as opposite to a national or unitary government, which was seen as one extreme of political organization, where only one single political entity exists and, thus, power is concentrated in one general government.

Confederation, as can be deduced from the earlier systems that were properly named so, including the Swiss confoederatio (1291) and the US Articles of Confederation, basically means there are two or more associated entities which bind themselves in 'foedus' or treaty to 'federalize' by forming a common government for certain purposes. It can be called a treaty government. As such, the defining characteristic of a confederacy is that the associated states retain all the sovereign power, with the central body entirely dependent legally upon their will (Diamond, 1963, p. 26). However, a close scrutiny of the new system established in the US constitution reveals a marked departure from that characteristic. In reference to this new system, Alexis de Tocqueville posited: "Evidently this is no longer a 'federal'[103] government, but an incomplete national government, which is neither exactly national nor exactly 'federal', but the new word which ought to express this novel thing does not yet exist" (Cited in Bradley, 1945, p. 159). Diamond tries to clarify this by justifying the reservation of 'federal'/federation exclusively to represent this novel system, while 'confederation' should be left to represent treaty associations (Diamond, 1963, p. 26).

4.3.2 Union—National Government

As can be observed, the framers were battling between two extremes of political organization which were confederation and national. The former was being proposed and defended by the so-called anti-federalist while the latter, to some extent, might be seen as the implicit intention of the federalist before the convention forced them to amend some of their positions. The federalist decisive statement stresses the dilemma that was faced: "the proposed constitution, therefore, is, in strictness, neither a national nor a federal (i.e. confederacy, if the distinction had been employed) constitution, but a composition of both" (Diamond, 1963, p. 26). In the contemporary, the term 'federal' is ascribed to the system the framers

[103] Observe that federal at this stage was still used as synonym of confederacy, i.e – a treaty government.

regarded as possessing both federal (hitherto, confederal) and national features. This leaves 'confederation' to stand entirely as the opposite of 'national' (unitary state) while the new 'federal' becomes the middle system which modifies the two by combining their best characteristics.

As the opposite of a confederation, a union or national government is a political organization where the society is treated as one single political entity; thus, power is concentrated in one level of government. Instrumentalities are not created to recognize the differences between distinct groups or to address their yearnings in the polity. It can be illustrated as a system where groups come to bind themselves in 'foedus' by establishing a general government that is empowered to possess every power hitherto held by each group.[104] Therefore, the defining characteristic of a union is that the constituent units are entirely dependent on the will of the general government which retains all the sovereign power. These distinctions are diagrammatically represented in the following figures.

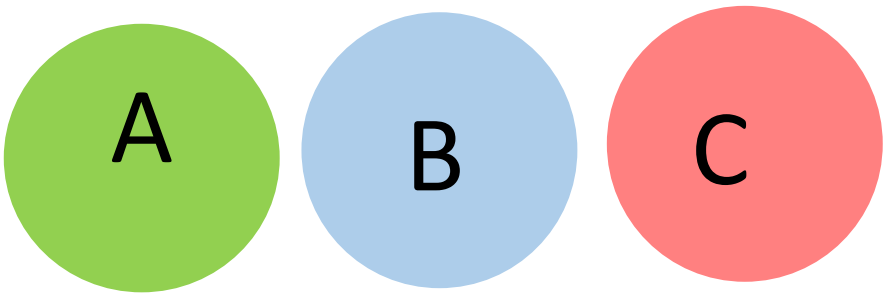

Figure 1. Separate Political Entities

Figure 1 presents three separate circles to represent 'three political entities'. This will be used throughout our analysis in this section to demonstrate how the schematics of the Venn diagram can be employed to illustrate federalism and federal relationships.

[104] Hobbe's social contract and the rule of the Leviathan sovereign typically illustrates a union.

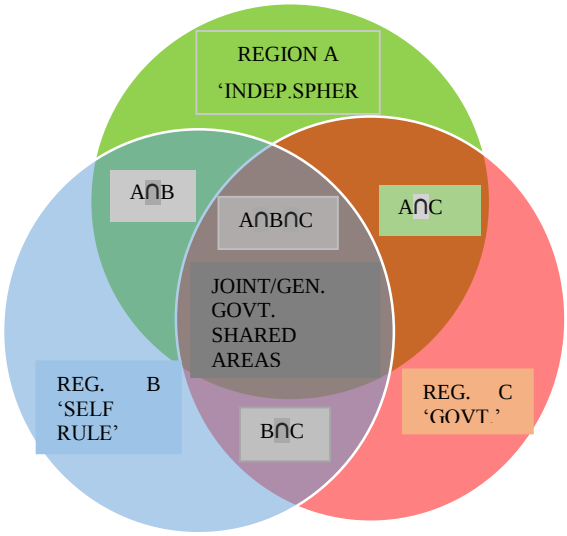

Figure 2. Federation – Showing Balanced Joint & Independent Spheres

The overlap in Figure 2 shows the coming together of political entities—a process that leads to the forming of a 'joint government'. Having unionized, these political entities are therefore termed as regions to signify being parts of one larger association—the emerging institutional structure. The structure shows different spheres of influence which can be categorized into three types as follows:

i. Independent separate sphere for each single region—marked as "Region A," "Region B" and "Region C." In this space, each region has the final say with regard to legislations on matters of local importance within the region.

ii. Bilateral spheres for each "two-regions"—indicated at "A∩B," "A∩C," and "B∩C"—areas where two regions intersect. Within this space, the two corresponding regions could form a bilateral agreement over issues of particular concern to the two regions; for example, inter-state transportation.

iii. Joint sphere for all the regions—indicated at "A∩B∩C"—the area where the three regions intersect, showing the general government's exclusive sphere. In this very space, the general government is formed and run by representatives from all the regions with the mandate to legislate on matters of common interest to all regions, such as defence and currency among others.

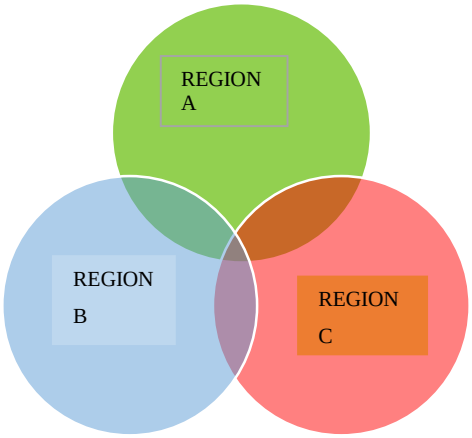

Figure 3. Confederation - Eroded General Govt. Sphere

Observe that in Figure 3 above, the area of common intersection of the three circles, where the general government's sphere can be depicted, is shrunk. This portrays the general government as being dissolved through the course of interactions between the three political entities/communities. This implies that there is a strong regional separatist inclinations in the union, because the same diagram shows the regional governments' independent spheres as expanded. Thus, while there appears to be equality of the regions, judging by the size of their independent spheres, the general government has unfortunately been undermined as against the purpose of coming together to federalize. This is a true reflection of a confederation as was argued earlier.

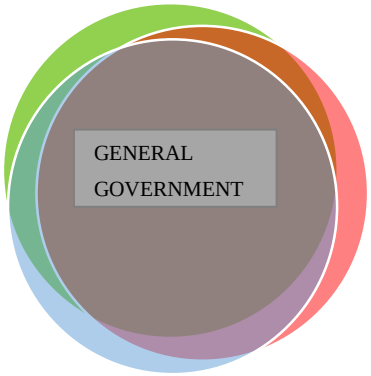

Figure 4. Decentralized Unitary State - Eroded Regions

In figure 4, the three circles representing the regions appear to be sub-merged through the process of their interactions with the general government. It is hard to identify any significant sphere for the independent jurisdiction of each of the regions. The structure resembles one circle, depicting one general government that had subsumed constituent regions. This shows a process of interaction that distorts the basis of federalism for centralization which is a cardinal feature of unitary system. However, because of the minimal shades, albeit seen through a closer examination, some traces of regional organization is possible. Therefore, the structure depicts a "decentralized unitary system."

4.4 Further analysis of the three Forms of Government

Diamond's exposition, when he observed that the emergence of the United States Constitution was as a result of the need to change the principles in the Articles of Confederation which allowed for subordination of the central government by the sovereign constituent states,[105] reinforces Wheare's concept; thus: "it justifies us in describing the new principle, which distinguishes the constitution so markedly and so significantly, as the 'federal' principle" (Wheare, 1963, p. 10). Wheare seemed very correct in the sense that the embattled constitution supposedly had 'confederation principles', and the new one, having been presented as not being a 'national' constitution, and, also, not being the same as the replaced 'confederation' constitution, could only logically be described as a 'federal' constitution. This was how Wheare concluded that the federal principle should be the yardstick to distinguish a federal system; meaning that neither level of government would entirely depend upon the will of the other as in a confederation or national union.

Most other attempts to define federalism continue to draw heavily from Wheare's federal structure. For instance, Hueglin and Fenna opine that, in a federal system, sovereignty is shared and powers divided between two or more levels of government each of which enjoys a direct relationship with the people (Hueglin & Fenna, 2006, pp. 32-33). Grodzins notes that federalism is a device for dividing decisions and functions of government between two levels; even though he argues that instead of being independent in their spheres, the levels are rather

[105] See Diamond (1963, pp. 29-32).

interdependent (Grodzins, 1967, p. 256). His argument is premised on the American example, which he found difficult, if not impossible, to tell with precision under which level of government does a certain function or program neatly belongs to, regarding the formulation, goal, implementation and process.

William Riker reinforces Wheare's formulation by stressing that "a constitution is federal if (l) two levels of government rule the same land and people, (2) each level has at least one area of action in which it is autonomous, and (3) there is some guarantee (even though merely a statement in a constitution) of the autonomy of each government in its own sphere" (Riker, 1964, p. 11). He proceeded to present his well cited contribution to the study of federalism; thus: the allure for military security is paramount for the formation of federation through the 'federal bargain' between prospective national leaders and officials of constituent governments (Riker, 1964, p. 12). This argument runs through the length of his book as he attempts to justify, from the analysis of many federations, that expansion conditions and military threats were present for the choice of federalism; and also accounted for its survival. Whereas, his work makes a classic contribution to understanding the emergence or formation of a federation, his definition of federalism has less impact as argued below.

Admitting federalism for societies even where each level has just a single area of autonomous action, in which subordination was the rule,[106] forced Riker to widen the scope of what federalism covers to include virtually all institutions. He classifies federalism based on number of areas of autonomous action for each level, and where the overarching power is located. His argument is that, when the general government has wider areas of action and can unilaterally overrule the constituent governments, 'centralized federalism' is in practice.[107] Likewise, where the constituent governments have wider areas of autonomous action leaving the general government with fewer, the system is 'peripheralized federalism' (Riker, 1964, p. 7). The problem with his definition is that he either sidesteps, or fails to give, a definitive description of 'federalism' proper; without a prefix. Meanwhile, what he

[106] See Riker (1964, pp. 5-7).
[107] Riker (1964, p. 7).

identified as centralized and peripheralized federalism are not so different from our earlier distinguished 'national-union government' and 'confederation'. Had he refrained from prefixed-definition, he might have found federalism to specifically relate to the middle range where subordination of each level of government is guarded against and unacceptable.

In another instance, Michael Stein alleged that Wheare's formal legal division neglected several important problem areas that are vital to the working of any federal government, which, in turn, inhibits a successful division of government where each will be coordinate and independent of the other (Stein, 1968, p. 724). He notes in particular, factors including the party system, the role of pressure groups and political movements, and the effect of political attitudes on the system. While this argument makes him incline more to Livingston's position on the importance of social forces and their impacts on federalism, it was not robust enough to claim that Wheare ignored those factors. Evidently, Wheare was not unaware of those problems; he addressed them, even though he opined that they were secondary issues which without, federal government can be effectively established and operated.[108]

A fresh perspective that attempted to incorporate Wheare's and Livingston's definitions emerges from Elazar and Watts. They both recognize the social factors and diversities that strain federalism; as well, they note the importance of formal structures to regulate the forces from the diverse territorial groups. Individually, each set out to propose a common intersection between social forces and formal institutions. Elazar is well known for championing the 'covenant' basis of federalism.[109] Therefore he asserts that, "a federal arrangement, in essence, is one of partnership, established and regulated by a covenant, whose internal relationships reflects the special kind of sharing that must prevail among partners, based on a mutual recognition of the integrity of each partner and the attempt to a special unity among them" (Elazar, 1987, p. 5). He summarizes by presenting his

[108] See Wheare (1963, pp. 20, 82-85).
[109] For example, see Elazar (1980, pp. 6-9; 1987, p. 5).

simplest possible definition for federalism, as "self-rule plus shared rule" (Elazar, 1987, p. 12).

At first glance, one cannot fail to notice how loosely Elazar's 'simplest' definition truly is. To start with, he asserts that there is more than one way to apply the federal principle to bring about a genus of federal political organization, which species include confederation, federation, federacy, associated state arrangements, unions, leagues, and consociational polities (Elazar, 1987, pp. 6-7). A similar problem to Riker's definition arises, although in this case, Elazar has built a longer list of alternative versions of federalism as against Riker's 'centralized' and 'peripheralized' prefixes to federalism. Apparently, they both equate virtually any kind of political organization with federalism, which contributes to justify some critics' disdain for federalism. Indeed, such loose definitions which apply variedly only make federalism appear meaningless.

Ronald Watts for his part, believes that "it is in the interplay and the interaction of the social foundations, the written constitutions, and the actual practices and activities of government, where an understanding of federalism is to be found" (Watts, 1966, p. 15). He supports Wheare's legal institutional structure of federalism. He further strengthens Livingston's sociological federalism by introducing the notion of 'balance' or 'equilibrium' regarding the social forces of diversity and the desire for union, which is absent from Livingston's analysis. After his examination of several new federations, he found that, what was distinctive about the social situations which produced federalism was not merely, the duality of demands for union and regional autonomy, but "the relative balance or equilibrium in each case between the conflicting forces for unity and diversity" (Watts, 1966, p. 93).

This finding led Watts to criticize Livingston, for suggesting that federalism applies in a whole 'spectrum' of federal societies, stretching from the nearly wholly integrated to the nearly completely diversified. Watts' insistence on the notion of balance and equilibrium meant he would rather re-classify the broad genus of federal political systems, in order to aid an examination of the distinction between federation and other institutional forms. He began by asserting that federal political systems comprise any political system in which, by contrast to the single central

source of political and legal authority, like in unitary system, there are two (or more) levels of government thus combining elements of shared-rule and regional self-rule (Watts, 2008, p. 8).

Based on this, he distinguishes a 'federation' as a particular species in which neither the central government nor the constituent units of government are constitutionally subordinate to the other; i.e., each has sovereign powers derived from the constitution rather than from another level of government. Further, each is empowered to deal directly with its citizens in the exercise of its legislative, executive and taxing powers, and each is directly elected by its citizens.[110] In a similar vein, he saw federalism as basically a normative term, used to refer to the advocacy of multi-tiered government combining elements of shared-rule and regional self-rule (Watts, 2008, p. 8). While his description of federation, as distinguished by the notion of 'balance', adds to the conceptual clarification, his explanation of federalism is not as concrete; because it can apply to both confederation and federation. This makes it vital to reconsider some normative and ideological questions over the terms.

4.5 Normative and Ideological Distinctions

The distinction of federalism from federation and confederation is a problem that Preston King (1982) had confronted. He rightly noticed a lack of consistency in scholars' use of the term 'federalism' in relation to federation and confederation. King's approach in drawing the distinction into normative and ideological dimensions is a major contribution. In his opinion, every phenomenon always implies some explicit and implicit connotative stipulation regarding what it intends (King, 1982, p. 27); which forms its normative basis. Consequently, he argues that federation (also confederation) is taken to represent a political institution, and federalism to be seen as an ideology or political philosophy.[111] The former responds to normative issues by focusing on a standard design for each institutional form, while the latter responds to the ideology that shapes the ongoing interactions that aim at serving some specific goals within each institution. He concludes that

[110] See Watts (2008, p. 8).
[111] See, King (1982, pp. 44, 77-78).

"federalism constitutes a variable response to opposed demands for centralization and decentralization of power on a specifically territorial basis" (King, 1982, p. 21).

Clearly, there is a strong connection between King's terminological distinction and Carl Friedrich's formulation of federalism. Observe Friedrich's assertions; thus:

> Federalism should not be seen only as a static pattern or design, characterized by a particular and precisely fixed division of powers between governmental levels. Federalism is also, and perhaps primarily, the process of federalizing a political community, that is to say, the process by which a number of separate political communities enter into arrangements for working out solutions, adopting joint policies, and making joint decisions on joint problems, and conversely, also, process by which a unitary political community becomes differentiated into a federally organized whole (Friedrich, 1968, p. 7).

Consequently, Friedrich sees federalism as a process, and also, as dynamic, rather than normative or static. Friedrich consolidated his position by recalling that, the founding fathers were aware that federalism was not a static pattern but a process, which was why they made provisions for constitutional amendments, through a process where the states and the national government participate fully, to ensure protection against invasion of another's sphere by the other or usurpation (Friedrich, 1968, p. 18). There are host of other scholars who follow this tradition in line with Friedrich's formulation of federalism as a process. They argue that federalism is ideological in the sense that it can take the form of an overtly prescriptive guide to action; which holds that the ideal organization of human affairs is best reflected in the collaboration of diversity through unity (Burgess & Gagnon, 1993; Smith, 1995, p. 4).

Adhering strictly to the ideological and normative distinctions implies federalism has to be used only when referring to the 'process' and not when referring to a particular 'structure', designed to represent some normative prescriptions. Unfortunately, such separation has not only proven difficult, but impossible as both are mutually reinforcing. For instance, Anthony Birch argues that viewing

federalism as a process of federalizing creates the difficulty in deciding whether certain political systems are to be regarded as federal at any particular time at all (Birch, 1967, p. 60). Davis argues more succinctly that the 'process' leaves unanswered the question of the 'pattern' of these associations, as the process leaves opened the form a federal organisation should have (Davis, 1978, p. 177). The bottom line of the argument is that the ideology that feeds the process of federalism must unavoidably create a specific pattern or design which must be consistent with the process in order to achieve its goals.

Consequently, Forsyth suggests that "restricting use of the term federalism to refer to an ideology is illogical and impractical. Just as terms such as 'feudalism' and 'capitalism' are describing not just political ideals, but concrete political and economic structures, so federalism may be used in a broader sense" (Forsyth 1994, p. 14 cited in Grant, 2005 p. 272). From the foregoing, federalism is obviously inseparable as an ideology, or process towards a certain goal, and as a structure for which the process is required to establish or maintain. However, the challenge is to determine out of the three institutional structures under study—union, federation, and confederation—which of them should federalism be applied to in consideration of the purpose each institution aims to fulfil. This drags the discussion to confront, firstly, the core meaning of federalism, and, secondly, to unravel the distinct federal institutional forms.

4.6 Meaning of Federalism

So far, we have seen the difficulty in identifying a generally acceptable definition of federalism. Our problem is further complicated by the necessity to make a distinction that would separate federalism from the 'supposed' federal institutional forms, or institutions built on *foedus*—covenanting of entities. Thus, our task here is to analyze both the explicit and implicit connotative stipulations in all the definitions and arguments, in order to deduct the basic meaning of federalism and that of the kindred terms. Note that, almost every scholar writing on federalism alludes to the territorial division of government between a centre and regions. The difference in opinion can be deduced as regarding the degree of the division and what occasions the divisions (e.g., Wheare and Riker's positions). Another aspect seeks to inquire what influences a government to be set up as federal—whether it

is just a mere calculated government choice (proponent - Wheare), or providence, where some social forces in the society inherently create separate identities (proponent - Livingston).

However, a synthesis of Elazar and Watts views would most likely point us to the right direction as to what federalism implies or its' meaning.[112] The result tries to accommodate the various areas of controversies surrounding a uniform definition of federalism, and also attempts, to detach federalism from its genitive forms. Watts acknowledged strengthening Elazar's definition of federalism when he wrote: The basic essence of federalism, as Elazar has noted, is the notion of two or more orders of government combining elements of 'shared rule' for some purposes and regional 'self-rule' for others (Watts, 2007, p. 3). He however added that it is based on the objective of combining unity and diversity; i.e., of accommodating, preserving and promoting distinct identities within a larger political union.

This basic idea, according to Watts, has been expressed through a variety of federal institutional forms in which, by contrast to the single source of constitutional authority in unitary systems, there are two (or more) levels of government, combining elements of shared-rule through common institutions with regional self-rule for the governments of the constituent units (Watts, 2007, p. 3). Watts' exposition at this stage, rather than making it clear as to what federalism is, has instead explained that a 'federal' form does not include a unitary form. Yet, confusingly, even the federal form talked about can vary between constitutionally decentralised unions, federation, to confederacies.[113] Watts further distinguishes 'federation' to represent a distinct species in which neither the central nor the constituent units of government are constitutionally subordinate to the other. That is to say, each has sovereign powers derived from the constitution rather than from another level of government, each is empowered to deal directly with the citizens in the exercise of its legislative, executive and taxing powers, and each is directly elected by its citizens.[114] Notice the concentration on federation, even as federalism

[112] Most contemporary students of federalism follow the views expressed by these two scholars to fine-tune theirs.
[113] Watts (2008, p. 8).
[114] Watts (2008, p. 9). See also, Watts (1999, pp. 6-14; 2007, p. 3).

has not been confronted; thus: the structural characteristics generally common to federations as a specific form of political system are the following:

1. Two (or more) orders of government each acting directly on their citizens (rather than indirectly through the other order);

2. Formal constitutional distribution of legislative and executive authority;

3. Allocation of revenue resources between the orders of government ensuring some areas of genuine autonomy for each order;

4. Provision for the designated representation of distinct regional views within the federal policy-making institutions, usually provided by a federal second chamber composed of representatives of the regional electorates, legislatures or governments;

5. A supreme written constitution, not unilaterally amendable by one order of government, and therefore requiring the consent not only of the federal legislature but also of a significant proportion of the constituent units through assent by their legislatures or by referendum majorities;

6. An umpire (in the form of courts, or as in Switzerland provision for referendums) to rule on interpretation or valid application of the constitution;

7. Processes and institutions to facilitate inter-governmental collaboration in those areas where governmental responsibilities are shared or inevitably overlap (Watts, 2008, p. 9).

The essential distinction between a federation and other federal institutional forms is the relative mutuality between the central institution and the constituent units which, by constitutionally being bound together, none is overarching to subordinate the other or able to pull out of the union without the consent of other constituent units, i.e. the emphasis on equality and balance between the central and unit governments, or shared sovereignty. The majority of contemporary federalism scholars relate this same understanding to federalism, as involving shared

sovereignty, and equality and non-subordination between the levels of government; all of which are typical of a federation.[115]

Regardless of whether the focus is on 'federalism' or 'federation', one major difficulty encountered with such 'balance' and 'equality' based distinctions as posited above, is the incongruity between constitutional provisions and actual governance; i.e., rule versus political practices in the various federal institutional forms. As Watts (2007, p. 4) pointed out, there are political systems which are predominantly federations in their constitution and operation, but which include some federal government powers to override governments of constituent units—an arrangement more typical of a unitary system—and vice versa. Watts offers an explanation of the existence of the disparity when he posited that "political leaders and nation-builders are less bound by considerations of theoretical purity than by the pragmatic search for workable political arrangement" (Watts, 2008, p. 8); even if it flouts the constitution. This is one of the very reasons why the meaning of federalism must be stressed; yet it remains unresolved.

4.7 Distinguishing the 'Federal' kindred terms

A re-consideration of the definitional polemics shows that federalism has rarely been defined concisely without describing its essence. Meanwhile, when a description is employed, what is presented is the picture of a federation as Watts' work has enlightened. It is logical, therefore, to see federalism as the operational attempts to safeguard the balance and equilibrium between the centre and the regions as aimed at in a federation. This justifies the interchanging use of federalism and federation. In this regard, federation is the structure and federalism is the system of operation that safeguards the federal principle. Other federal institutional forms might reflect certain glimpses of the federal principle, like each level of government having some areas of independent spheres, but certainly, not aimed at ensuring equilibrium between the levels. Hence, any practice or process of governance that does not strictly adhere to the essential principle of federalism (pursuit of balance)

[115] For example, see Bataveljic (2012, p. 28); Dosenrode (2010); Law (2013, p. 106); Lépine (2012, p. 62). See also, Downs (2011); Laursen (2011); Marquand (2006); Piris (2006); Bogdanor 2003, p. 49); Nicolaidis and Howse (2001); Heywood (2000, p. 240); Burgess (2000).

as stated above, in a federation or within any other type of federal institutional form, should be regarded as *dis-federalism*[116] instead.

With this understanding, it is instructive to affirm that among all the federal institutional forms, federalism, in its truest sense, is a prerequisite only in a federation, where there is a need to achieve a balance between unity and diversity; not in any other one. The inter-relationships are given; firstly, federalism, when viewed as a process of federalizing, aims at setting up a federation; and in practice, federalism also reinforces a federation after it is set up. Secondly, while federation sets the rules for federalism, it is the federal operation that safeguards the structure of the federation. This means that federalism should be precluded in any other institutional form, otherwise, a consistent practice of federalism would change any institutional form to a federation.[117] This is fully illustrated in table 1 below.

Table 1. Inter-relationships between federalism & institutional forms

FEDERAL INSTITUTIONAL SET-UP	PROCESS OF GOVERNANCE	RESULTANT PATTERN/FORM
FEDERATION	Federalism	FEDERATION
CONFEDERATION	Federalism	FEDERATION
DECENTRALIZED UNION	Federalism	FEDERATION
FEDERATION	Dis-federalism	D.UNION OR CONFEDERATION*
CONFEDERATION	Dis-federalism	CONFEDERATION
DECENTRALIZED UNION	Dis-federalism	DECENTRALIZED UNION

* D.Union represents decentralized union. A federation would result into decentralized union if the central institution becomes overarching (i.e. when balance is tilted in favour of the centre) or it could become a confederation if the

[116] The prefix 'dis-', has been introduced by the author because it stands for 'opposite' or a misapplication of something, which perfectly fits the argument advanced here.
[117] This is well supported by Dosenrode (2010, p. 11) who confirms that federalism is a process leading or attempting to lead to a state of federation.

constituent units become too powerful to undermine the centre (i.e. when balance is tilted in favour of the constituent units).[118]

Alternatively, this information can be illustrated with basic circles to show the process that describes federalism, and, as well distinguish federalism from federation; while demonstrating the relationship between federalism and the various federal institutional forms.

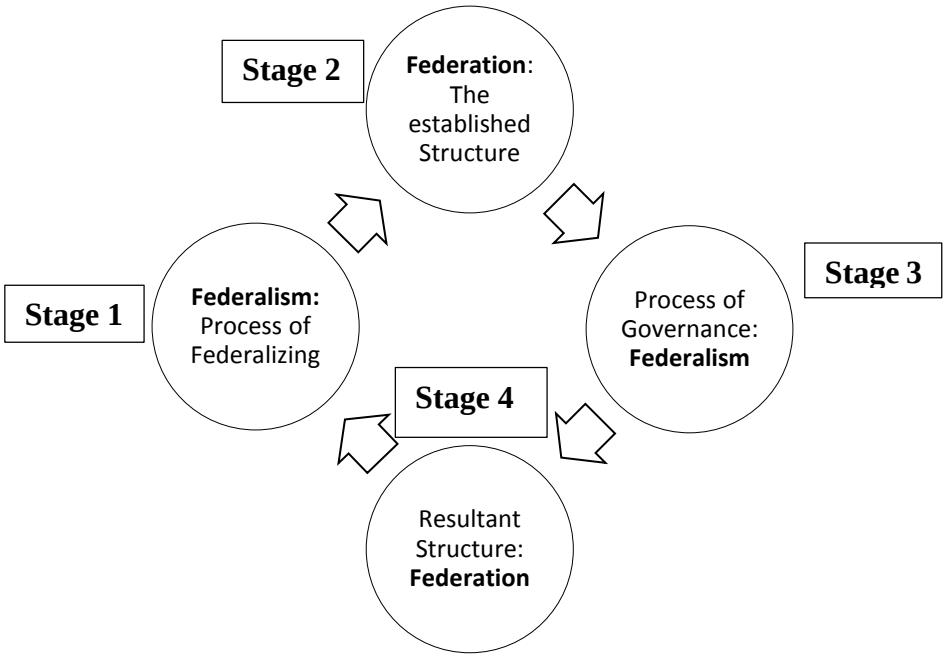

Figure 5. Federalism process - without distortion

However, if after setting up a federation through the federalizing process (see stages 1 & 2), and the operation or process of governance (see stage 3) undermines adherence to the federal principle, then, the resultant structure cannot reflect a federation anymore, as stage 4 in figure 6 below shows. Depending on which level of government that becomes more powerful, the resultant structure can change to confederation or decentralized unitary. Should there be further need to correct the structure to federation, the constituent units have to federalize again in order to restructure, and the process continues. This is illustrated in figure 6.

[118] This is well supported by King (1982, pp. 21-39) where he asserts that federalism is a response to opposed demands for centralization and/or decentralization of power.

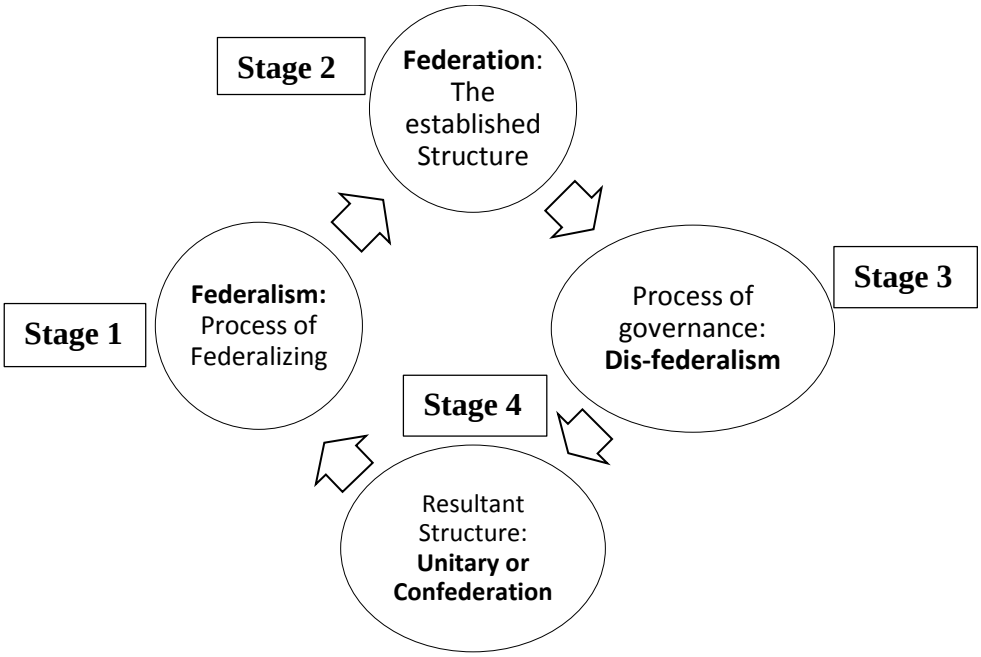

Figure 6. Federalism process - when distorted

To conclude in unequivocal terms, regarding the distinction of the federal kindred terms, the following points suffice:

1. ***Federal Institutional Form*** should primarily refer to an institutional form where there is the presence of territorial division of government between central government and constituent units, and where the former is given powers to legislate on certain matters affecting the general polity and the latter, matters affecting a specific unit. This is possible in federation, confederation, and decentralized union among other institutional forms.

2. ***Federation*** is a conscious legal institutional arrangement which comprises a territorial division of government into two levels—the central and constituent governments—which firstly, is purposed to reinforce the quest for union and desire for diversity; secondly, where each government is independent in its own sphere as established in the constitution and also cooperates in the general sphere; thirdly, where none is superior or subordinate to the other; and finally, where no government can overrun or pull out of the partnership, unless mutually agreed.

3. ***Federalism*** is the practice, the operation or the process of governance that reinforces and safeguards the quest for union, and the desire for independence of the federating units as aimed in a federation. Thus, federalism defends the ultimate goal of a federation as prescribed in the constitution, which usually seeks to balance or achieve equilibrium between unity and diversity, and where ideals are not sacrificed or overridden by one or the other.

4. ***Federal System or Federal Government*** refers to a political system that is, first and foremost, structured as a federation, and then relies on federalism as the means for its governance.

As outlined, the definition of a federal system or federal government, offered here might seem an oddity when placed alongside the classifications of renowned federalism scholars like Elazar and Watts, who use federal political system to represent all federal institutional forms, e.g., confederation, federation, decentralized unitary, and leagues. The first problem with such a broad classification is that, it leads to confusion because a country should not be classified, for instance, as a federal political system, while at the same time operating a unitary constitution. Secondly, most of those federal institutional forms do not portray any significant systemic expression of the federal principle; instead, subordination of each level is overwhelmingly evident. Thirdly, a system should include basic structure, the entire linkages of activities, operations and interactions within the political system to qualify as a system. Hence, a federal political system should be restricted to a federation, which remains reliant on federalism as the means of governance, while other federal institutional forms, should be referred to simply as kinds of federal forms, and not a 'federal system'.

4.8 Federalism: Theories, models, or approaches?

Analyzing federalism is a daunting task. One confronts many problems especially around the loose and inter-changing use of terms like theories, models, and approaches in the existing literature. Burgess (2006, p. 4) stated that "federalism is a difficult subject from which to derive theoretical implications as it remains theoretically untidy." Therefore, while some refers to Wheare's proposition or

definition of federalism as classical theory of federalism,[119] others have interchangeably used both 'model and approach' to represent the same formulation of Wheare at various times.[120] No wonder, Hueglin opines that federalism remains a contested concept and argued that "what is wanting…is a theoretical and analytical framework for federalism" (Hueglin, 1990, p. 3; 2003, p. 275).

4.8.1 Problem of theorizing federalism

The debate has undoubtedly lingered as to whether there is anything like federalism theory or not. Most 'theories of federalism' scholarship ends up discussing categories of opinion about federalism. A typical illustration is seen in Ariyo's work on theories of federalism, where he went on to observe that "federalism is usually categorised based on functions which could be political or economic" (Ariyo, 2003, p. 1). Along the line he added that, two major modes of federalism can be identified as 'dual' and 'cooperative' federalism.[121] Soren Dosenrode (2010, p. 11) sees federalism theory as a regional integration theory, used to explain the organization and functioning of federations. He presents liberal and realist groups as the two main schools of federalist theory that explain the emergence and functioning of federations; citing the works of Wheare and Riker as the theories of federalism representing the schools of thought.[122]

Karmis and Norman (2005) edited a book 'Theories of Federalism' yet the focus was on normative arguments around the advantages of federal arrangements over unitary ones. This leaves out the crucial issues affecting the theorization of federation and federalism, and in particular, does not explain its formation and operation in order to aid comparisons. Adegehe (2009, pp. 29-31) opines that theoretical approaches to federalism reflect debates regarding the nature of federalism and its functions. The former, he links with Wheare's division of powers formulation and views this as the empirical approach; the latter, he links with Riker's rationale for federal bargaining and sees as the normative approach.

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[119] For example, Gamper (2005, p. 1304); see also Satyanarayana (2011, p. 212).
[120] For instance, Adegehe (2009, p. 30) calls it legal & constitutional approach; Hueglin (2003, p. 275) calls it classical model; Davis (1978, p. 163) refers to it as institutional approach; while Lepine (2012, p. 42) refers to this as analytic approach.
[121] See Ariyo (2003, p. 2).
[122] See Dosenrode (2010, pp. 11-21).

The dilemma of settling for either theories of federalism or approaches is further demonstrated in the work of Rath (1978, pp. 574-583) who identifies three categories of theories for federalism: (a) the classical theory of federalism, (b) the origin theory of federalism (c) the functional theory of federalism. But note that he cites Wheare's definition as the classical theory while using it interchangeably with what he termed a 'legal institutional approach'. For the origin theory of federalism, he focused on Livingston, Wheare, and Rikers' definitions, while using other terms, such as, sociological, multi-factor, and political approaches respectively, to represent his discussions. In explaining the functional theory, he focused on the operation of federations across countries and used terms such as dual federalism and cooperative federalism in his analysis.

Hueglin (2003), on his part, thinks none of the propositions of federalism should be accorded the status of a theory; he instead uses the term 'model' to represent the formulation. In his opinion, "constitutional rigidity is giving way to the greater flexibility of negotiated agreements…theorists and practitioners of federalism are reluctant to endorse such changes to the classical model" (Hueglin, 2003, p. 275) Riker's formulation about the impact of military security on federal bargaining is also viewed as a theory (even though Riker concedes the goal was unaccomplished), and has been challenged by some others who opine that it cannot be substantiated.[123] They rather see reasons that lead to formation of a federation from the viewpoint of liberty, citizenship and democracy,[124] which relates to Dosenrode's liberal theoretical explanation of federalism (Dosenrode, 2010, p. 12).

Given the above, a theory of federalism should aim at uncovering both the normative and empirical questions regarding functions, characteristics, presumed essence, aims, means of formation, structure and operation. None of the propositions to date has expounded and taken care of all the issues with a degree of theoretical accuracy. Certain factors, however, can be identified as responsible for the failure of all attempts to theorize federalism. The factors include the broad application of the concept to several varieties of political arrangements (as

[123] See Davis (1978, pp. 122-124).
[124] Elazar (1979, p. 18); Stepan (2001); Weinstock (2001).

discussed in the previous sections), and its relation to both a structure and a process. According to Vile (1977, p. 1) this was because "much of the theoretical effort of the past…has been devoted to the discussion of the definition of federalism in such a way as to leave little or no basis upon which to build any sustained theoretical structure."

All these point to the fact that an appropriate theory of federalism remains a mirage. In fact, Davis argued vehemently against the possibility of a theory of federalism or even settling for a single model of federalism. The reason is that "no system comes to the federating act from precisely the same needs, the same motives, for the same reasons, or in the same circumstances" which are the factors that shape the constitution and character of federations (Davis, 1978, pp. 122-124). He concluded that the legacy of the past and the experience of the present have not been, and probably will never be, brought into harmony.[125] Therefore, it is viable and logical to consider the contributing factors from the ways federations are formed - historical, sociological, political, and economic angles.

Meanwhile, the formation of federation or its structure is not the only problematic faced in the journey to theorize federalism. The operation, which relates to specification of jurisdictions and the interactions between the general and constituent governments are all problem areas. Riker (1964, pp. 49-51) refers to it as the administrative theory of federalism and argues that, such would define how federalism is maintained and survives. In the face of this lacuna, focussing on different approaches to the study of federalism seems more practical and feasible rather than the elusive pursuit for identifying a theory of federalism.

4.8.2 Approaches to the study of federalism

Similar to the problem of theorizing federalism explored above, several scholars have developed different approaches to the study of federalism over the past five decades. Tarlton (1965) identified formal, legal, political and sociological approaches. Birch (1967) suggested institutional, sociological, process, and bargain perspectives. Davis (1978) captures four approaches to the study of federalism

[125] See Davis (1978, p. 156).

referring to different basis federalism/federation had been defined by some founding scholars such as Wheare, Livingston, Carl Friedrich and Daniel Elazar. Respectively, he terms the approaches as, 'Federalism as a matter of degree' approach, 'Federalism as a quality of society', 'Federalism as a process', and, 'Federalism as sharing' or the 'new' American federalism (Davis, 1978, p. 158). Stewart (1984) presents many other approaches to the study of federalism which include the constitutional, functional, legal, theological, biblical, academic, comparative, and ideological approach among others.

For several other scholars, approaches to the study of federalism refers to the means through which federations emerge. It should be noted that the focus referred to here is the actual process of forming a federation, and not the intentions as explored earlier by the liberal and realist schools of thought. The general perception is that there are two standard ways federations emerge; one which involves the aggregation of small autonomous political units through a constitutional pact, and another involving a devolution of power in a large single political unit to sub-units (Duchacek, 1970; Friedrich, 1968; Watts, 2008; Weinstock, 2001). Landau (1973, p. 177) distinguishes the two processes as evolutionary and mechanical models. Other names have equally been used sparingly to represent them, including organic and mechanical federalism; and federal integration and federal restructuring respectively (Rokkan & Urwin, 1982, p. 11; Weinstock, 2001, pp. 75-83).

Alfred Stepan identified the need to further differentiate between different federations formed through the devolutionary process. Consequently, he proposes an additional third variant as 'putting together federations' to square with 'coming together' and 'holding together' federations, as he calls the earlier two processes (Stepan, 1999, p. 23). According to Stepan, 'holding together federation' (also called devolution and mechanical process) refers to those multi-ethnic federations established through a process of democratic bargaining.[126] He argues that other mechanical federations could be established through a heavily coercive effort by a non-democratic centralizing power to put together a multinational state, as exemplified in the former Soviet Union; hence, the term 'putting together

[126] See Stepan (1999, p. 22).

federation' (Stepan, 1999, pp. 22-23). Similarly, (Watts, 2008, p. 65) believes that a third variant was necessary, but his argument is that the variant would result from the combination of the two, i.e. aggregation and devolutionary process, as was evident in the formation of the Canadian federation. Meanwhile, outside the means of formation, there are other problem areas, including the operation, maintenance and survival of federations.

4.8.3 Models of federalism - Operations

The operation of federations or practice of federalism has been seen to vary across countries since the establishment of a federal government by the American founding fathers. The variance has been occasioned by several factors which are not alien to the issues this research explores. In the end, those issues have combined to give each federation a specific brand at particular points in time, which scholars have labelled as 'models'. Most commonly referenced as the starting point is the 'dual federalism' and 'cooperative federalism' dichotomy – often referred to as theories, models or approaches. The former finds a forceful exposition in Wheare's classic formulation (also called the classical model), which stresses the division of government into two or more independent levels that have complete institutional set up to operate on own constitutional jurisdictions. The latter is credited to Corwin (1937) as the originator, and is championed by the likes of Morton Grodzins and Daniel Elazar. It is informed by the notion that in practice, overlap does exist and powers are shared with high degrees of interpenetration and cooperation rather than tight division of spheres between the levels of government.

Following from this foundational division of opinions about the actual operation of federations, Bowie and Friedrich (1954, pp. 78-81) observed a similar contradiction which they distinguished as 'legislative' and 'administrative' federalism. Loewenstein (1965, p. 405) differentiated the 'interstate' and 'intra-state' federalism. Reagan (1972) conceptualized the 'permissive' federalism. Landau (1973, p. 173) added 'creative', 'dynamic', 'contract' and 'new federalism'. Dyson (1977) founded the 'jurisdictional' and 'functional' federalism distinction which would later be popularized by Chandler and Zöllner (1989). Aranson (1990) coined the 'constitutional federalism' and 'contingent federalism' which he believes stems from Diamond (1969) constitutional or legal doctrinal distinction as against the

contemporary utilitarian based understanding of federalism. Smiley (1976) invents the 'executive' federalism which Watts (1989) would further illuminate, in his conceptualization of the 'Presidential congressional model' and the 'Parliamentary model' of federalism.

A plethora of other models of federalism are identified with various terminologies as chosen by the writers. In particular, Banting (2006, p. 79) identifies four models of federalism as 'classical', 'inter-provincialism', 'shared–cost' and 'joint–decision' federalism. Some other scholars have used such terms as 'de facto' and 'de jure' federalism; 'rule based' and 'norm based' federalism; 'institutional' and 'ideological' federalism; 'layer cake', 'marble cake' and 'fruit cake' federalism; 'centralized', 'decentralized' and 'balanced' federalism; 'creative' and 'rowboat' federalism; 'picket fence' and 'bamboo fence' federalism; 'national' and 'regional' federalism; 'symmetry' and 'asymmetry' federalism to contextually refer to specific models of federalism.[127] All of these add to the problem of identifying the most unifying features that constitute federalism for an empirical application.

4.9 Analytical Framework

For the purpose of this research, more effort will be channelled to approaches that relate to how federations are structured and operate which is where the distinguishing marks of federalism is found. This serves to enhance a systematic empirical study by creating the basis for analysis and comparison of federations, as is our purpose in this thesis. Therefore, the following approaches are suitable and, also, provide a bigger umbrella that covers a great deal of what the various categorizations above imply. They are: the institutional, sociological, and functional analyses.

4.9.1 Institutional Analysis

The institutional approach is linked closely with the classical definition of federalism by Wheare (1963) and those who believe in the prominence of institutional division of powers as the hallmark of federalism and federation. Much has already been written indirectly about this approach from the beginning of the

[127] See Banting (2006); Grodzins (1967); Keating (1999); Watts (1993).

current chapter, and it is not intended to duplicate excessively. The common knowledge about the institutional approach centres on the division of powers between levels of government to create jurisdictions for independent spheres of government. However, understanding the rationale and motivation of the proponents to insist on this approach would be helpful. Wheare, who is credited as the chief exponent of the institutional approach, argued that there are certain distinct and peculiar institutions that distinguish federation from other political institutions (Wheare, 1963, p. 53). He emphasized on the essentiality of such peculiar institutions or procedures for federal government, if it would achieve its goals. They include the following:

1. A constitution (preferably, written) that regulates the terms of distribution of powers, between the general and regional governments, and which should be supreme such that no government is in the position to override the terms.

2. Both general and regional governments should have under their independent control, financial resources sufficient to perform their exclusive functions.

3. Powers for amending the constitution should not be confided exclusively to one level of government, but all levels and governments must take part in the process of amendment.

4. There should be an independent judiciary for settling disputes arising from the interpretation of the meaning of a certain clause in the constitution regarding the division of powers or.

Clearly, this approach focuses more on established constitutions, rules and regulations governing a federation. Without doubt, the institutional checklist enunciated by the proponents remains valuable to students of federalism as it provides distinctive features. It equally allows for a comparative study of federalism. Yet, despite the great value the institutional approach commands, it is still limited to act as an independent framework for federalism because of the problem of interdependence and cooperation between the levels of government, which makes the premise of independence untenable. The other issue is concerned with the sociological configuration of societies. Hueglin (1990, p. 4) clearly represented the deficiency with the institutional approach by observing that, “it

enhances a comparative discussion of the politics of federalism, but cannot expand to an analysis of politics in federal states."

4.9.2 Sociological Analysis

The progenitor of the sociological approach is Livingston, who challenged the institutional basis of federalism as inferior to the 'social forces' that made federalism necessary. The central argument of the sociological approach is that the essence of federalism lies not in the institutional structure but in the social diversity, which he called the federal qualities, of a society (Livingston, 1956, pp. 1-3). Livingston argued forcefully that a federal system is a device consciously adopted as a means of solving problems presented by the social forces – "diversities that are grouped territorially" within a society.[128] Adopting the sociological approach would require a major focus on certain 'social cleavages with different levels of political salience in federations,' to borrow from Burgess (2006, p. 140). These include:

1. sub-state nationalism
2. linguistic diversities
3. territorial identities
4. religious differences
5. Indigenous peoples and communal tradition.

Our understanding of how the above mentioned social cleavages affect the stability of the constitutional and political order in a federation illuminates politics in federal states which is arguably elusive with the institutional approach, according to Hueglin.[129] In his words, meaningful political theory of federalism cannot be developed when the social forces conditioning politics are eclipsed as prerequisite from the analysis of the workings of federal government, and not included as part and parcel of an ongoing power struggle" (Hueglin, 1990, p. 4). However, the sociological approach has other drawbacks; the principal being the absence of definite indices and criteria by which a federal society can be distinguished from a non-federal society (Rath, 1978, p. 578). This has sometimes led to paradoxical claims such as Wildavsky's portrayal of the United States as a federal society,

[128] Livingston (1956, pp. 1-3).
[129] See Hueglin (1990, p. 4).

whereas Riker characterizes the same as sufficiently integrated to justify the abandonment of federalism provided the American leaders elected to do so. .

4.9.3 Functional Analysis

While the two approaches already explored find direct anchorage in specific definitions of federalism, the functional approach links more substantively to the mainstream functionalist theoretical perspectives, rooted in the philosophical work of Emile Durkheim. Functionalism is underscored by the interconnectedness that exists between different parts, accounting for the success or failure of a system. Given this background, the functional approach to the study of federalism is not predicated only on the constitutional division of powers, like the institutional approach, or on the social forces alone, like the sociological approach. It allows exploration beyond the formal arrangement of the constitution, to the varied devices and institutions of "extra-constitutional cooperation and collaboration that has steadily grown overtime between the centre and states (Rath, 1978, p. 583).

The functional approach in this context is similar to Michael Burgess' Political Economy approach which he argued, involves the direct interaction between politics and economics that shapes the underlying constitutional and political agendas of federal and provincial governments in federations (Burgess, 2006, p. 144). In his view, the approach is predicated upon the dynamic relationship between the changing structure of national, regional and local economies and the political system(s) in which they operate.[130] Similarly, Hueglin addressed this approach in terms of intergovernmental techniques of fiscal federalism which is indicative of spatial struggle over resources (Hueglin, 1990, pp. 4-5). The proponents of this approach infer that in order to effectively employ the functional approach, there is a requirement to examine the following:

1. Fiscal federalism - constitutional power separation within the context of economics

2. The division between national and regional resources

[130] Burgess (2006, p. 144).

3. Measuring the level of mutual sharing against the lures for national dominance

4. The nature of economic power and the relations between government(s) and key corporate actors.

In sum, the functional approach finds support from scholars who perceive federalism as involving cooperation, interdependence, collaboration, and partnership between the centre and regional governments, instead of independence and autonomy. The pioneering work of Morton Grodzins (1960) in this regard deserves quoting as it has influenced many students of federalism that followed:

> The American form of government is often, but erroneously, symbolized by a three-layer cake. A far more accurate image is the rainbow or marble cake, characterized by an inseparable mingling of differently colored ingredients, the colors appearing in vertical and diagonal strands and unexpected whirls. As colors are mixed in the marble cake, so functions are mixed in the American federal system (Grodzins, 1960 cited in Elazar, 1969, p. viii).

A major drawback of the functional approach is that, in order to be comprehensive it focuses on certain economic issues which results would largely be questionable in theoretical terms.[131] In the words of Hueglin, the approach allows for insightful analyses of country specific problems and conflicts, but rarely leads to meaningful comparisons (Hueglin, 1990, p. 5). To sum up, no single approach can comprehensively aid the understanding of federalism and the general workings of federations. However, what is clear is the need for analyses of the constitutional provisions and institutional set-up, as well as the socio-political dimensions and the socio-economic factors in federations.

Therefore, a combination of the three approaches offers a robust analytical framework for this study. Firstly, the institutional approach enables us look at the

[131] See point number 3 above for explanation.

constitutional division of spheres of independent control, as relates to the problem of our study – resources, revenues and issues of conflicts, in Nigeria and Canada. Secondly, the sociological approach guides us in our examination of the nature of diversity, territorial cleavages, and linguistic differences in each of the federations under study. Thirdly, the functional approach is employed to understand the influences that cause the perceived difference in both federations, regarding the manifestation of conflict over resource revenues.

4.10 Concluding Remarks

This chapter has examined issues around theoretical developments within federalism and federal concepts. It began by differentiating types of political institutions based on structural forms—which are federations, confederations and union/unitary states. Confusion with linking the practice of federalism to each of the three forms of government was made apparent. This exposed how difficult the task of defining federalism has been and remains. In an attempt to address this, the chapter confronted the challenge of untwisting the normative and ideological dimensions of federalism in order to extract what federalism distinctively means and its relationship with each of the structural forms of government.

The analysis shows that the distinctive thing about federalism was not, merely, the duality of demands for union and regional autonomy, but the relative balance or equilibrium between the conflicting forces for unity and diversity, and the instrumentalities to safeguard this. This illuminates clearly that federalism usually faces certain tensions which it must, at all times, strive to balance in order to remain fundamentally effective. Such tensions include those between diverse territorial governments, and those between different levels of government. The presence of instrumentalities to manage these tensions makes federalism capable of mitigating different kinds of conflict, including conflict over resource revenues. In this chapter, the author built a table and diagrammatical illustrations to show the concrete relationships between federalism and the federal kindred terms/federal institutional forms.

In the end, federation was found to be the structural representation of federalism, both of which are mutually reinforcing and without the combination, the situation would be ‘dis-federalism’. Another section of the chapter dealt with the problems

of theorizing federalism and the distinction between terms like theory, approaches, and models in relation to federalism discourse. The last section surveys different analytical frameworks for federalism, including institutional, sociological, and functional analyses. A combination of the three analytical approaches is adopted to produce a robust analysis in this thesis. This will form the basis of the subsequent chapters' analyses, to decode the empirical differences between the two federations with regard to resource revenue conflicts.

CHAPTER FIVE.
RESOURCE ALLOCATION IN FEDERAL POLITICAL INSTITUTIONS

5.1 Introduction

From the preceding chapter, we find the distinguishing mark of federation and federalism to be the equitable division of powers, between 'mutually-suspecting' territorial governments and a general government. More so, the maintenance or safeguard of the same condition, was seen as paramount. Division of powers and wealth, thus, becomes the most crucial issue in federalism; paradoxically fueling and abating conflicts, across the society. In this chapter, the concept of fiscal federalism, which addresses the issue of fiscal constitution of a country, is explored. The chapter incorporates other key subsections including issues of expenditure assignments and taxation (revenue assignments), problems of vertical and horizontal fiscal gaps, intergovernmental transfers, and the contentious debate over natural resource revenues—which fuels the problematique of this study.

5.2 Fiscal Federalism

As earlier discussed, a federal system of government involves the partitioning of a society into distinct territorial units which are accorded regional government status to cater for issues that are considered to be of 'local importance'. The regional governments are required to partner with a central government that has been jointly formed to handle such matters considered to be of general interest. Deciding on what matters should come under the central government's jurisdiction and what should be left for the regional governments is never easily settled; they are contentious issues, addressed under the theme of fiscal federalism.

There is an ambiguity over the terminology of fiscal federalism which needs to be acknowledged and clarified at the outset. Literally, the term denotes concerns on financial matters in a federally organized government; but, contextually, that notion is misleading. For instance, there is a weighty component of function or responsibility assignment under the scope of fiscal federalism in addition to the more controversial issue of revenue or financial assignment. Moreover, the term

'federalism' there tends to restrict the field to federations only. Wallace Oates (2002, p. 36) believes it is rather an unfortunate choice of terminology, as the scope of fiscal federalism is much broader than a narrow concern with fiscal, or purely financial relationships, between different levels of government. He is of the view that, it addresses what might be better called "the economics of multi-level government—the role of the different levels of government; and it encompasses regulatory, as well as fiscal, functions, and policy instruments" (Oates, 2002, p. 36)

Fiscal federalism is generally concerned with the allocation of responsibilities, including expenditure and regulatory functions, to different levels of government, and also the allocation of the needed resources—tax functions—to enable the orders of government perform the assigned functions. Scholars of fiscal federalism extol the importance of the subject for adequate improvement of the public sector performance regardless of the system of government in practice—especially as levels of government are emerging too in unitary states through devolutionary measures (Musgrave, 1971, p. 3; Oates, 2002, p. 36; Shah, 2007, p. 3). The hope is that state and local governments, being closer to the people, will be more responsive to the particular preferences of their constituencies and will be able to find new and better ways to provide these services (Oates, 1999, p. 1120). The rationale gets marginally increased as Shah (2007, p. 7) observes that there are several accepted theories which provide a strong rationale for decentralized fiscal constitutions on grounds of efficiency, accountability, manageability, and autonomy. More specifically, Oates (1972, p. 55) noted the following reasons for decentralization:

1. Local governments understand the concerns of local residents.
2. Local decision making is responsive to the people for whom the services are intended, encouraging fiscal responsibility and efficiency, especially if financing of services is also decentralized.
3. Unnecessary layers of jurisdiction are eliminated.
4. Inter-jurisdictional competition and innovation is enhanced.

Therefore, the subject matter of fiscal federalism is undeniably more crucial in a federal system because, unlike in a devolving unitary state, the levels of government enjoy a constitutionally entrenched degree of autonomy, and also, there is non-

subordination of either levels of government. In view of this, Stevenson (2008, p. 28) opines that the problem of fiscal federalism is two-fold: in the first place, "both…levels of government should have access to enough revenue to carry out their responsibilities effectively and without financial strain." The essence is to reinforce one of the archetypical principles of federalism—non subordination—because if a level of government has access to less revenues than required to carry out its functions, then it literally accepts subordination by 'begging' the other level for financial rescue. Another problem Stevenson pointed out concerns "the disparity in the resources available to different governments at the same level which should not be so great that it exposes some...to hardship depending on where they live, and ideally not so great that it influences their decision about where to live" (Stevenson, 2008, p. 28). The goal is to secure certain minimum standards of service, and living conditions for citizens across the federation, regardless of their locality.

5.3 Theories of Fiscal Federalism

Aiming at the realization of the two elusive scenarios, several theories have been proposed in the literature on fiscal federalism, providing adequate principles to be considered when designing functions and fiscal responsibilities between central government and regional governments. It is possible to partition the theories into two categories. Part of them come under what Oates (1999) termed the 'Traditional Theory' or the 'First Generation Theory' (FGT) of fiscal federalism.[132] The rest come under what Qian and Weingast (1997) have popularized as the 'Second Generation Theory' (SGT) of fiscal federalism.[133] These broad categories of fiscal federalism theories are discussed below.

5.3.1 Traditional Theory (FGT)

As the name implies, this theory embodies the earlier theoretical propositions that had set an unchallenged tradition for subsequent thoughts on fiscal federalism among scholars of the subject. Oates (2005) opines that the works of exponents of

[132] Other terms used to identify this category include, "early normative theory," "mainline theory," and "classical theory" of fiscal federalism; see Oates (2005, 2008); Porcelli (2009).
[133] See, for instance, Garzarelli (2004); Oates (2005); Porcelli (2009); Prakash (2012); Weingast (2006, 2009).

fiscal federalism like Paul Samuelson (The Pure Theory of Public Expenditure, 1954), Richard Musgrave (Theory of Public Finance, 1959), and Kenneth Arrow (The Organization of Economic Activity, 1970), played a key role in shaping the emergence of this broad perspective.[134] Central to this theoretical perspective is the presumption that the government is genuinely committed to represent the public interest because of electoral pressures; ceteris paribus, each tier of government aims at advancing the social welfare cause of its respective constituency according to the division of jurisdictions. This theory contends that the central government should have the basic responsibility for the macroeconomic stabilization function and for income redistribution in the form of assistance to the poor (Oates, 1999, p. 1121). Regional governments are therefore required to provide local public outputs that are tailored to satisfy the interests of their residents based on the particular conditions of their specific jurisdictions.

Other theoretical propositions supposedly linked to the traditional theory include, the principle of jurisdictional design (George Stigler, 1966), the principle of fiscal equivalence (Mancur Olson 1969), and the decentralization theorem (Wallace Oates, 1972). Stigler (1966, p. 213) advocates for the jurisdictional structuring of the fiscal system by arguing that the design should take cognizance of "differing circumstances and mores of different localities by allowing legitimate variations of types and scales of governmental activity to correspond with variations in the preferences of different groups of citizens." Incrementally, Olson (1969) took the jurisdictional principle further by observing that government boundaries do not always match with the collective goods each jurisdiction provides. Consider the points raised below:

> In every case, one or more of the following three logically possible relationships between the 'boundaries' of a collective good and the boundaries of the government that provides it will apply: (1) the collective good reaches beyond the boundaries of the government that provides it; (2) the collective good reaches only a part of the constituency that provides it; or (3) the boundaries of the collective good are the same as those of the

[134] See Oates (2005, p. 350).

> jurisdiction that provides it. In the first type of situation, there is an obvious cause of inefficiency; the fact that the benefits of a given government's activity reach beyond its borders means that it provides an external economy, and when any maximizing unit provides an external economy, it tends to carry on its activity at a less than Pareto optimal level. In the second possible type of situation, in which a collective good reaches only a subset of the population in a jurisdiction—what might be called an 'internality', which normally has the same effect as the externality just described—the provision of a collective good for a local area will hurt more people than it helps, even if Pareto optimality would have required that the collective good be provided. If the benefits are local and the taxes national, even a collective good which brings gains much greater than its costs will still create more losers than gainers (Olson, 1969, pp. 482-483).

Following from these observations, Olson argues that there is a need for a separate governmental institution for every collective good with a unique boundary, so that there can be a match between those who receive the benefits of a collective good and those who pay for it—a match he defined as "fiscal equivalence" (Olson, 1969, p. 483). Achieving this requires the central government to intervene in the provision of some local collective goods in order to forestall the problem of externalities. His argument is not proposing an exclusive central or local jurisdiction for such collective goods, but rather calls for a concurrent legislation in related jurisdictions.[135] Oates' decentralization theorem, proposes that under certain prescribed (sufficient) conditions, a varied pattern of local outputs in accordance with local tastes will be Pareto superior to an outcome characterized by a centrally determined, uniform level of output across all jurisdictions (Oates, 2005, pp. 352 - 353).

[135] Observe Olson's assertion that both the "centralizing" and "de-centralizing" ideologies are wrong, or at any event entail inefficiency; see Olson (1969, p. 483).

The traditional theory of fiscal federalism upholds the centrality of economic rationality, efficiency, and equity as the driving force for federalism and fiscal decentralization. However, the acceptance of centralisation of revenue responsibilities and decentralisation of expenditure responsibilities as a means of achieving efficiency and equity, through central government's monopolized stabilization and redistribution roles has been challenged. Charles Tiebout (1956), through the 'tiebout migration model' opines that division of government into levels, when accorded with fiscal decentralization, would result in efficient provision of public goods. In his view, "the consumer-voter may be viewed as picking that community which best satisfies his preferences for public goods…the consumer-voter moves to that community whose local government best satisfies his set of preferences" (Tiebout, 1956, p. 418). This implies that the redistribution function can be achieved through the lower levels of government.

Supporting this view is Padovano (2004), who constructed a political-economy model in which decentralized redistribution programs are more efficient than central measures.[136] There is the latent possibility that some regions end up exploiting others through the central government's inter-regional redistributive programs. Oates concludes that the distortions associated with such inter-regional programs can be avoided by making redistribution a regional function so that each region can draw only on its own resources for redistributive purposes (Oates, 2005, pp. 359-360). We now turn to the second generation theory of fiscal federalism.

5.3.2 Second Generation Theory (SGT)

For many scholars, the SGT is emerging, against decades of dominance of the Traditional theory of fiscal federalism.[137] This new theory builds on, and also questions, certain hegemonic premises of the FGT. Firstly, scholars in this tradition hold as their central theme that the panacea for efficient delivery of social welfare and public goods is not exclusively dependent on fiscal decentralization and centralization, but what form the measures take. For instance, Oates (2008, p. 319) opines that the theoretical models in 'SGT' show how decentralized levels of

[136] This work is cited in Oates (2005, p. 359).
[137] See Weingast (2007); Porcelli (2009); Garzarelli (2004); Oates (2005); Prakash (2012).

government have powerful incentives to 'raid the fiscal commons' in ways that undermine the performance of the public sector and perhaps the entire economy; e.g., the issue of 'soft budget constraint'.[138]

Secondly, the presumption of the FGT which views the government as benevolent, genuinely committed to represent the public interest and always driven by economic rationality, does not receive any support from the SGT. This theory instead harbours the assumption that public officials—who represent the government—and citizens, all participate in political processes, and have their own goals that they pursue through the political institutional setting which guides their decisions (Brennan & Buchanan, 1980, p. 184; Oates, 2005, p. 356; Qian & Weingast, 1997, p. 1; Weingast, 2006, p. 1). This implies that there are other factors out there that might be antithetical to economic rationale, driving the choice of allocation of public goods between levels of government without maximizing social welfare.

Evidently, the public choice approach and its 'alleged' successor—political economy approach—both of which focus on the structure of incentives for political actors in decision making—provide the foundation on which the SGT is built (Garzarelli, 2004, p. 6; Oates, 2005, pp. 356-360; 2008, p. 321). The political economy approach focuses beyond public officials to every other agent in the political process, including citizens, institutions, politicians, and conflicts of interest that ensue. This approach is rooted in the work of Inman and Rubinfeld (1994)—The Political Economy of Federalism.[139] In the view of Boadway and Shah (2009, p. 130), while some common arguments in line with the Political Economy approach can be disputed, the following apply: that the lower-level of governments are more 'accountable' because they are closer to the electorates; political accountability might be enhanced through decentralization because it is possible to identify a public-program with given levels of government, and tax dollars with given expenditures; lastly, decentralization has antidotal effects on anti-social

[138] The issue of 'soft budget constraint' was proposed by Janos Kornai in his seminal work on the behavior of state–owned enterprises in socialist states, where these enterprises were insulated in a very basic way from the threat of bankruptcy. In the subsequent literature, the term has become broadened to encompass any entity that operates with the expectation that there is a "supporting organization" that will underwrite its financial losses; including local governments expecting the central government to bail them out; See, Qian and Weingast (1997, p. 3); Oates (2008, p. 319).
[139] See Weingast (2006, p. 3).

political behaviours like rent-seeking, influence peddling and outright corruption because more people are involved at the lower level who can easily raise alarm.

For the Public choice perspective, Brennan and Buchanan (1980) are widely cited, and the work also provides a perfect illustration of the basis of the SGT. They argue, through their proposition of the 'Leviathan hypothesis' that the central government act like a monolithic agent, aiming at expanding its jurisdiction. Therefore fiscal decentralization is a desirably constraining mechanism to curtail the enlarging size of the central government; it can offer partial or possibly complete substitutes for explicit fiscal constraints on the taxing power.[140] This constraining mechanism on the central government is highly valued as Weingast observes: "in its absence, the central government might be in a position to confiscate the wealth of sub-national governments, as well as distorting the efficient system of markets" (Weingast, 2006, p. 8). In a federal system, similar constraints are in-built not only regarding the central and regional governments, but including every other government and the market system. This leads Weingast to project the "Market-preserving federalism"[141] as a corollary of the SGT—demonstrating his strong support for the SGT, in particular, and federalism in general (Weingast, 2006, p. 10). The following excerpts from the pages of his works justify this assertion, thus:

> A fundamental political dilemma of an economic system is this: a government strong enough to protect property rights and enforce contracts is also strong enough to confiscate the wealth of its citizens...This forces us to ask what form of political system is required so that a viable, private market economy is a stable policy choice…The answer concerns the design of political institutions that credibly commit the state to preserving markets...

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[140] Brennan and Buchanan (1980, p. 184); see also, Boadway and Shah (2009, p. 130); Porcelli (2009, pp. 2-3).

[141] This refers to a federal system that has operational mechanism that limits the degree to which the political system of a country can encroach on its market; limiting the exercise of corruption, predation, and rent-seeking by all levels of government, especially where central government market-intervention frequently bestows many sectors with monopolies and various forms of protection from competition. Thus, the Market-preserving federalism makes it difficult for any government to create monopolies and massive state-owned enterprises whose primary political purpose is to provide jobs, patronage, and other forms of inefficient economic intervention that plague developing countries (Weingast, 2006, p. 10).

> We remain remarkably ignorant about how constitutions affect credible commitments to secure economic rights and, more generally, limited government. For this purpose I focus on federalism, an important mechanism underpinning development in many nations (Weingast, 1995, pp. 1-3). Sub-national governments are more likely to provide market-enhancing public goods when they capture a large portion of the increased tax revenue generated by greater economic activity (Weingast, 2006, p. 2).

Implicit here is the fundamental difference between the traditional theory of fiscal federalism and the SGT which rests on the SGT's support for decentralization of both expenditure and revenue responsibilities, in order to curtail large intergovernmental transfers (Prakash, 2012, p. 2). The implication of this singular difference is huge and manifests in various forms as will be seen in the next sections.

5.4 Analysing the Expenditure Assignment Debate: The Burden of Vertical and Horizontal Fiscal Gaps

The two theoretical traditions discussed are each, committed to enhancing and defending certain specific interests. On one hand, issues of equity and efficiency are of primary concern to the traditional theory, i.e., horizontal fiscal issues. On the other hand, the SGT is more concerned with ensuring constraints on the central government, which relates to vertical fiscal issues. Strong attachment to the former may produce a free-riding central government that subjugates constituent units, just as the adherents of the latter will readily sacrifice the factor of efficiency and equity in order to constrain the central government, and restore genuine autonomy of the constituent units. These issues of efficiency and equity arise due to the nature of some public goods and the varying fiscal conditions within a society.

For instance, the problems of 'spatial externalities and spill-outs', e.g., economies of scale (public transport), and administrative and compliance costs, are all factors that are cited by the traditional theory supporters as justifying the assignment of a 'supposed' local public service to the central government; pursuant to the efficient

and equity goals' attainment (Shah, 2007, p. 10). Likewise, the situation when people move away from their primary localities because of higher costs to receive similar services than when they live in other places. This situation presents what is termed 'horizontal fiscal gap' caused by large regional disparities in fiscal capacities, due to reasons of population, economic activities, and local resource endowments among other factors. The resulting 'fiscal inefficiency' if not properly tackled, creates acrimonies and opens cracks in the union.

This is where the value of the central government becomes most obvious as Musgrave, and the traditional theorists, argued: that redistributive and stabilization functions should primarily rest with the central government (Musgrave, 1971, p. 13). However, the genuineness and objectivity of such a notion becomes contested when one considers the various criteria on which fiscal decisions are based; including political, economic, and sociological factors. For instance, a decision that ought to be applauded on economic grounds might be totally disputed, and even ridiculed, on political grounds, which is often influenced by sociological impulses. To illustrate, the traditional economic case for fiscal decentralization is based on the potential welfare gains it promises, from a more efficient allocation of resources in the public sector (Oates, 2008, p. 314). In the actual fact, however, it has been shown that cases for fiscal decentralization do not always result in more efficient allocation.[142] As seen in some instances, certain services that fit into the category of local public services are often placed under the central government's oversight due to political reasons; including provision of uniform levels of public outputs across jurisdictions. This indirectly leads to the centralization of finance while expenditures are decentralized in order to achieve efficiency. This creates a 'vertical fiscal gap' reflecting a situation where the central government controls more revenues than its expenditure responsibility as against the sub-national governments, which have lesser revenue sources than their expenditure responsibilities. Amidst the dilemma, we can take solace from George Stigler's advice that "political process defies rational explanation; thus: politics is an

[142] See Shah (2007, p. 11).

imponderable, a constantly and unpredictably shifting mixture of forces of the most diverse nature" (Stigler, 1988, pp. 209-210).

Notwithstanding, many positives can be drawn from the competing theoretical perspectives. In the view of Shah (2007, p. 9), these theories argue that finance should follow function, i.e., the desirability in decentralizing taxation and spending functions. This, for Weingast, creates a political system that can limit the ability of the federal government to confiscate wealth of sub national governments while supporting an efficient system of markets; this becomes the main attraction of federalism.[143] Yet from the theories, it is not settled as to what specific functions and responsibilities should be placed under the jurisdiction of the central government and what to be placed under regional governments' sphere. Arguably, there is no 'one-size-fits-all' prescription.

But generally, as informed by the theories, functions like security and defence, international trade, currency, and unemployment are considered exclusively integral to central government's jurisdiction (Boadway, 2007, p. 102); while agriculture, education, social welfare services, and health are either shared or exclusively a local jurisdiction. Residual powers are often left for the local jurisdictions as well. The reason may relate to the fact that, what is not brought forward for negotiation (issues for coordinateness) at the setting up of the central government or the federal union, most likely should understandably not bother the emerging central government. This argument perfectly holds for federations formed through the 'coming together'[144] process. For federations formed through 'devolutionary means' the argument would suggest residual powers be left with the central government; because what is not an issue inducing devolutionary federalism, likewise, should not bother the emerging sub-national governments. It is important to note that, in spite of how the design of expenditure responsibilities are structured, the empowerment to fulfill them comes in the form of a tax assignment—the second aspect of fiscal federalism—as a means of revenue generation. This forms the focus of the next section.

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[143] See Weingast (1995, pp. 1-3; 2007, p. 2).
[144] See Chapter Four for patterns of formation of federations.

5.5 The Debate over Revenue assignment—Taxation

Theoretical guidance over tax assignments suffers from a lack of uniformity similar to the controversy over expenditure assignments discussed in the preceding section. The difference in the focus and interest of the two broad theoretical traditions relating to fiscal federalism, once again, steers the debate in the subject of taxation. The traditional theorists or First Generation Theorists (FGT) argue in support of the central government to assume the responsibility for national efficiency and equity; this notion forms the foundation of the 'economic principles of taxation'. On efficiency grounds, in the opinion of Boadway and Shah (2007, p. xxviii), three sorts of arguments apply: firstly, program benefits may spill over to other communities. Secondly, decentralized decision making can lead to inefficiencies, because they distort cross-boundary transactions in products or factors, either intentionally or unintentionally. Thirdly, fiscal competition among sub-national governments may lead to inefficient choices of program spending. To preempt the identified problems, the central government has to hold the exclusive powers over broad range of taxes including tax on income, mobile goods and tradable goods.

However, as Boadway and Shah (2009, p. 94) observe; definitions of what constitutes national equity, is so controversial that different observers put different weight on equity as an objective—pursuant to achieving horizontal equity across the nation and vertical equity across income groups. Notwithstanding, a basic concern of the FGT perspective, according to Oates (2005, p. 352), is the distortions that can result from the decentralized taxation of highly mobile tax bases (especially capital). He notes a key point that the extensive application of non-benefit taxes on mobile factors at decentralized levels of government can result in distortions in the location and levels of economic activity.[145]

The tax to be placed under the jurisdiction of sub-national governments, in the perspective of the FGT, is primarily benefit taxes like property rates and user fees. In fact, these tax sources for the sub-national governments are not robust enough to yield the required revenues to match expenditure needs. On the contrary, the central government receives excess revenues, beyond its expenditure needs, from the broad

[145] See Oates (2005, p. 352).

tax sources exclusively assigned to it, which exemplifies the problem of 'vertical fiscal gap'. The FGT is not unaware of this systemic problem which results from their support for fiscal centralization; but they would go ahead to further consider the design of intergovernmental transfers (to be discussed in the sub-section below). In this regard, the FGT models emphasizes the importance of transfers and revenue sharing programmes for mitigating or correcting vertical and horizontal imbalances (Weingast, 2006, p. 2).

At this juncture, it is instructive to consider the positions of the SGT on issue of taxation. In the opinion of Prakash (2012, p. 16), the new theory underlines the fact that public sector growth, due to centralisation of tax responsibilities, has prevented multilevel governments from competing with each other, vertically as well as horizontally. The lack of competition leads to inefficiency. It is also important that allocation of tax be done in such a way that the interests of the citizens are ensured; and the market system is preserved. In the view of Weingast (2006, p. 2) the SGT emphasizes the importance of fiscal incentives for producing local economic prosperity. There is a strong case, by the SGT, for decentralization of taxes to match expenditure needs in order to mitigate the problem of vertical fiscal imbalances.

Thus, unlike the FGT, the SGT places minimal importance on intergovernmental transfers and revenue-sharing programmes. In addition to forestalling the problem of vertical fiscal imbalance, the SGT also argues that decentralization of taxes to match needs increases efficiency by inducing "both households and firms to choose jurisdictions that provide the mobile agent with an efficient level of these services" (Oates, 2005, p. 352). Consequently, the SGT posits that "inter-jurisdictional competitions, a common market and hard budget constraints, may provide protections against infringements to market operations" (Prakash, 2012, p. 2). This will contribute to mitigating the problem of 'horizontal fiscal imbalance' as well. In sum, the emerging SGT justifies the case for decentralization of taxes as a mechanism for controlling the overly intrusive and expansive tendencies of the public sector, and for supporting the effective operation of private markets.

Unfortunately, a dilemma remains because, in the opinion of Remy Prud'Homme, exaggerations of the benefits of decentralization by the SGT proponents may occur. At the root of his argument is that "there are dangers of decentralization, even

though, decentralization measures have an enormous potential and could, if properly designed and implemented, significantly improve the efficiency of the public sector" (Prud'Homme, 1995, p. 201). He further posited that: "Decentralization measures are like some potent drugs, however: when prescribed for the relevant illness, at the appropriate moment and in the correct dose, they can have the desired salutary effect; but in the wrong circumstances, they can harm rather than heal."[146] In a related fashion Shah (2007, pp. 20-21) advises that "the selection of which of the taxes to decentralize must be made with care, balancing the need to achieve and sustain fiscal and political autonomy, as well as accountability at the local order of government" while targeting equity objective.[147]

Since the consideration of the expenditure functions allocated to different levels of government, in any given instance, remains the determinant for which a particular kind of tax should be assigned to those levels of government,[148] it would be instructive to observe in real terms, what typical functions or responsibilities and taxes are supported or disputed for decentralization in the perspective of the theoretical traditions.

5.6 Juxtaposing Expenditure Assignment and Revenue Assignment

While the effort here is to present the different responsibilities assigned to governments, in order to juxtapose these with the sources of revenues (taxation) assigned to each level, it must be pointed out clearly that the list is not comprehensive, and does not cover all expenditures and revenues sources available in every given instance. However, it is assumed to be representative of the major items found in the majority of cases, based on the writings of several 'country-specific' and 'comparative' experts in the study of fiscal federalism.

Expenditures for central government

From comparative observation of the practice of fiscal federalism, and also in line with the debate on expenditure assignments explored earlier, we find the following responsibilities to be exclusively 'functions of central government' in addition to

[146] See Prud'Homme (1995, p. 201).
[147] See, also, Boadway and Shah (2007, p. xxx) for further justifications.
[148] See, for instance, Shah (2007, p. 19).

the provision of public services that are national in scope. These functions are listed in the table 2 below; and they attract little or no objection from either theoretical perspectives as being a central government's responsibilities.

Table 2. Expenditure areas for central government

1	Provision of National Security, Defense and Foreign Affairs
2	Stabilization of the Economy
3	Tertiary and Higher Education
4	Waterways and Aviation
5	Currency and Monetary Policies
6	National Infrastructures and Monuments
7	Ensuring National Efficiency and Regional Equity

Expenditures for sub-national governments

In a similar fashion, comparative experience shows expenditure responsibilities that attract minimal theoretical dispute over their decentralization to the constituent governments. These are listed in table 3 below:

Table 3. Expenditure areas for sub-national governments

1	Primary and Secondary Education
2	Primary Health Care
3	Fire Service
4	Water Supply
5	Local Policing
6	Agriculture
7	Refuse collection
8	Neighbourhood Parks and Recreation
9	Street Maintenance
10	Local Transit
11	Traffic Management
12	Local Bylaws Enforcement
13	Local Libraries and Markets
14	Local Infrastructures

(See Boadway, 2007, p. 102; Ekpo, 2007, pp. 225-227; Shah, 2007, pp. 17-18)

For Shah (2000, p. 11), the above listed are services for which economies of scale are not a major consideration; political proximity is essential, no significant cost-benefit spillovers are anticipated, and distributions consideration are not important, hence, these should be assigned exclusively to the sub-national governments. However, some range of 'supposed' local services are perceived to be affected by significant 'spillovers' and inefficient delivery due to economies of scale. They are,

therefore, not unanimously agreed upon, as to their placement under sub-national or central government. The items affected in this instance are listed in table 4 below:

Table 4. Expenditure areas with disputed jurisdictions

1	Welfare Services
2	Inter-city Transportation
3	Environmental Protection
4	Public Health
5	Redistribution Policies
6	Regional Panning
7	Electricity
8	General Police Services

(Shah (2000, p. 12; 2007, pp. 17-18); Boadway (2007, p. 102); Ekpo (2007, pp. 225-227)).

These services could go either way, or possibly be coordinated by both levels of government as some scholars propose. But in most cases, the coordination involved requires the services to be provided by the sub-national governments (decentralized expenditure), while the central government gets actively involved in the financing (centralization of revenues).

We now turn to the revenue assignments—tax sources. It must be noted that the issue surrounding tax assignments are cumbersome because, frequently, different levels of government are be empowered to determine the rate of a certain tax instrument, while another level owns, but may or may not administer the collection of, the tax in question. However, we take exclusivity of a level of government over a particular tax instrument to imply full powers to determine the rate and also collect the tax for its jurisdictional use. Another important point to make here is that, description of each tax instrument is ignored in this study, having been well analysed in other scholarly works on taxation.

Tax assigned to the central government

Again, from comparative observation, the following tax instruments, listed in table 5 below, are usually assigned to the central government; attracting little or no significant objection from any of the broad theories.

Table 5. Undisputable Tax instruments for the central government

1	Custom Duties
2	Excise Duties
3	Corporate Income Tax
4	Non Resident Withholding Tax

In addition to the four taxes listed above, the central governments in most countries exploit a wide range of other tax instruments despite the controversy over the appropriate jurisdiction that should control them. The instruments in question bring to the fore, the core issues that split the two theoretical schools in fiscal federalism. Table 6 below shows a list of the related tax instruments.

Table 6. Central government's Tax sources that are disputed

1	Personal Income Tax
2	Payroll Taxes
3	Consumption Tax
4	Wealth Tax
5	Resource Taxes

For example: In Canada, India, Switzerland, and the United States, state-level governments have full access to broad-based taxes such as income, sales, and

payroll taxes, whereas in Nigeria, Australia, and Germany, the opposite is the case.[149]

Tax assigned to the sub-national governments

The following tax revenue sources are those exclusively assigned to the sub-national governments; without any theoretical dispute as to the appropriateness of the sub-national government to possess them. They are listed in the table 7 below.

Table 7. Tax sources for sub-national governments

1	Motor Vehicle Taxes and Driving licence
2	Property Tax and Frontage tax
3	User Fees

From the tables above, there are glaring observations. Firstly, while the central government is confined to lesser definite areas of expenditure than the sub-national governments, it has an expansive revenue source far greater than the sub-national governments. Secondly, the tax instruments for the sub-national governments are basically direct taxes which bases and rates often yield proceeds that are not significant enough to match the wide expenditure areas of the sub-national governments. Thirdly, some of the tax sources listed in table 6 might possibly help to ensure a match between expenditure and revenues of the sub-national governments if assigned. This accounts for why the controversy over those tax sources remains.

Of the five items listed under the central government's disputed tax sources, only the consumption tax could be said to have a stronger case for central government's engagement—due to the mobility of goods and services across jurisdictions. The rest (personal income, payroll, wealth, and resource taxes) are all direct, and also immobile, taxes levied on those paying for it at definite locations. Although the personal income tax, as one of the main instruments that can be used for

[149] See Boadway and Shah (2007, p. xxix); Birds (1999).

redistributive purposes, has been argued to be under the central government, a counter argument suggests that the sub-national governments are equally as effective in fostering income redistribution (Boadway, 2007, p. 105).

A matter of intense controversy is the argument over resource taxes. There may be no other rationale for assigning it to the central government, in those cases where they are so assigned, other than the fact that they yield enormous revenues that can affect the national economy if left for the sub-national governments. Shah (2000, p. 17) corroborates this with the assertion that "resources are immobile and therefore could be easily taxed by sub-national jurisdictions." His further comment reflects the earlier observation of the researcher, thus: since resources tend to be distributed unevenly across a nation, taxation by sub-national jurisdictions perpetuates regional inequalities and may encourage fiscally induced migration to resource-rich regions, resulting in an inefficient allocation of resources.[150] Needless to say, a jurisdiction that is resource rich will not easily subscribe to this advanced pursuit of 'national equity' above its own jurisdictional welfare. Instead, it would aim to occupy the 'resource taxes' which engenders conflict between the constituent unit and the centre, reflecting the challenge this study explores. This issue will be analysed in Chapters six and seven as it forms the basis of this research.

Without doubt, the central government continues to occupy a wide range of tax sources against fewer areas by sub-national governments. In turn, this has brought about a dire need for transfers of revenues to be made from the central to the sub-national governments. Given that, the lower order of government seldom meets up with its expenditure needs. The subject of intergovernmental transfers is the focus of the next section.

5.7 Intergovernmental Transfers

Undeniably, intergovernmental transfers have been well acknowledged as vital elements of fiscal federalism in order to address the problems of vertical and horizontal fiscal gaps.[151] This is crucial because the division of expenditures and revenues, as discussed in the last section, usually ends up with the sub-national

[150] See Shah (2000, p. 17).
[151] See Bird (1999, p. 151); Boadway and Shah (2007, p. xxvii); Rao (2007, p. 321).

governments having greater expenditure responsibilities than can be financed from their own limited revenue sources (Bird, 1999, p. 151), The situation seems to be generic as Boadway and Shah echoed, "regardless of the political or constitutional definition of the nation, sub-national governments are almost never self-sufficient financially" (Boadway & Shah, 2007, p. xxvii). Their revenue-raising responsibilities fall short of their expenditure responsibilities, forcing them to rely on financial transfers from the national government.

One could ask why revenue accruing responsibilities are not raised or enlarged to avoid falling short of their expenditure needs, since fiscal policy is a conscious design. In the opinion of Rao (2007, p. 321) "the problem is that although assigning functions to sub-national governments is relatively easy, finding adequate and potentially non-distorting tax handles to finance those functions is difficult." This explanation provides stronger support for the FGT as the theoretical tradition espousing the greater value on intergovernmental transfers, as against the SGT, which instead places an emphasis on the importance of revenue generation by sub-national governments.[152] Of course, revenue decentralization does not totally eradicate significant vertical fiscal gaps as the most decentralized federations, including Switzerland and Canada, still engage in intergovernmental transfers.

In any case, Intergovernmental transfer is a form of revenue sharing mechanism through which one order of government (usually lower order) is entitled to receive a specified share of revenues collected by another level (usually higher order). According to (Shah, 2007, p. 1), "Intergovernmental fiscal transfers finance about 60 percent of sub-national expenditures in developing countries and transition economies, and about a third of such expenditures in member countries of the Organisation for Economic Co-operation and Development" (29 percent in the Nordic countries, 46 percent in non-Nordic Europe). The aims include; enhancing equitable distribution of services, promoting growth and even development, and minimizing intergovernmental rifts. These aims, in more concrete terms, targets three main purposes: to finance the difference between state expenditure and revenue-raising responsibilities (the fiscal gap); to use equalizing transfers to

[152] See Weingast (2007, p. 22); Prakash (2012, p. 16); Oates (2005, p. 352).

compensate for differences in state fiscal capacities that arise from the decentralization of fiscal responsibilities; and to allow the federal government to exercise influence or oversight over the design of state programs."[153]

Pursuant to these goals, there are different types of transfers in place and various factors employed in determining the distribution of each type vertically, between the levels of government, and horizontally across the sub-national governments. Generally, scholars classify intergovernmental transfers into two broad categories to reflect the particular motive of the transfer program. These categories, at the simplest description, fall between general revenue-sharing (i.e., unconditional statutory allocation) and federal spending powers (i.e., grants or conditional transfers). Even though the names attached to them vary in specific instances, they are consistently clear enough to decode their purposes. Some of the terms used to represent them include: general-purpose and specific-purpose transfers; unconditional and conditional transfers; and, statutory and non-statutory transfers.

In each of the pairs, the latter alone literally qualifies as grants, although both have often been erroneously addressed as such. The reason is because in the former, recipients of the transfers are originally entitled to generate the funds directly from own jurisdictions. But for the consideration of efficiency and other factors underpinning 'harmonization', the central government became the controller of the resource pool on all governments' behalf. Interestingly, the two related concepts that dominate the issue of intergovernmental transfers in Nigeria and Canada—'Revenue Sharing' and 'Equalization'—provide a perfect representation of the pairs.

5.7.1 Revenue Sharing and Equalization

Admittedly, the concepts of revenue sharing and equalization seem so entwined that in most cases, only one of them is institutionalized to pursue the basic goals of intergovernmental transfers—mitigating fiscal equity problems through

[153] See Boadway & Shah (2007, p. xxxii).

redistribution. However, it is instructive in terms of this study to observe a few distinct, but mostly disregarded, differences between them as shown below.

Revenue Sharing

This is an arrangement in which the revenues from a given tax base and other sources accrue to both the central and sub-national governments. Thus, the revenues are later being shared between these governments. It ensures sub-national governments a specified source of revenues to carry out their functions while attempting to provide greater harmony in levying taxes and the management of those government financial engagements. In other words, revenue sharing arises through the attempt to enhance net welfare gains; often by affecting or eroding sub-national fiscal autonomy in order to minimize the welfare loss from tax disharmony.

Equalization

Equalization programmes, according to Wilson (2007, p. 339), are "typically designed to make aggregate treatment by government, equal across sub-national jurisdictions…by equalizing potential government revenues, i.e., somehow transferring revenues across jurisdictions so that they can afford similar levels of services at similar tax rates."

Between the two concepts, the fundamental difference is that, revenue sharing is primarily concerned with reducing the vertical fiscal gap between levels of government whereas equalization is primarily meant to ensure horizontal equity between sub-national governments. Unfortunately, however, none of them can single-handedly deal with the problem of 'vertical equity'; i.e., the transfer from rich to poor individuals through regional governments, which requires a combination of different redistribution policies to achieve; if it can ever be objectively attained (Boadway, 2002, p. 6).

In whatever guise they come—whether as revenue sharing or as equalization program—they face similar challenges. The first challenge is over the principles or formulas employed in each case to calculate transfers, which are marred by controversies. As a matter of fact, comparative investigations show wide variations in practice, which suggest that there is no 'optimal' set of intergovernmental

transfers that suits all circumstances.[154] In some instances, there is the use of representative tax base, population, derivation, and fiscal needs to calculate transfers; but all are criticized in one way or the other.[155] The second challenge is over the design of the Institutions that handle fiscal transfers in order to obtain the desired results. Shah (2007b, pp. 294-300) identified four stylized fashions which institutional arrangements for intergovernmental transfers take across countries; none of which is devoid of imperfections. They include the following:[156]

1. The Central/National Government Agency Model: In this case the sole responsibility for policy making and the implementation of intergovernmental transfers is assigned to central government executive institutions. In some cases, this function is domiciled in the presidency or Prime Minister's office, Ministry of Finance, Ministry of Home Affairs, or the Ministry of Local Government or Planning (or a Planning Commission). This model is more popular in decentralized unitary states than federal states where the sub-national governments are autonomous entities.

2. The National Legislature Model: In this case the sole responsibility rests on the national legislature which must enact legislation to provide a legal basis for transfers from the central government to sub-national governments. Usually, such provisions are enshrined in the constitution which makes it difficult to adapt to changing circumstances without going through the 'not-so-easy' constitutional amendment exercise.

3. Intergovernmental Forums Model: In this model, responsibility over the principles and formulas to be applied for intergovernmental transfers is assigned to a 'collegial forum' whereby members are representatives of the different levels and units of government. The rationale behind this model is to curtail the notion of central government's supremacy in inter-

[154] See Boadway and Shah (2007, p. xxxii).
[155] For example, there are suggestions that rather than using the representative tax base to calculate equalization transfers, some more 'macro' measure, such as provincial per capita GNP, could, or should, be used; See Wilson (2007, p. 339).
[156] The categorization below is adapted from Shah (2007, pp. 294-300); please consult for details, including specific countries that are involved in each practice.

jurisdictional financial matters. Instead, it aims to facilitate consultation and strike a balance among competing interests, as well as mediate conflict.

4. Independent Agencies Model: As the name implies, a 'supposed' independent agency is empowered to decide what form intergovernmental transfers should take. However, since such independent agency is usually a creation of the central government, it is required to report either to the executive or legislature on a permanent or periodic basis, giving rise to the fear that the central government might influence the agency to adopt their position against those of the sub-national governments in cases of competing interests.

Resulting from the common challenges identified for the design of intergovernmental transfers, a useful suggestion is that decisions on any issue be tailored to each case depending on the objectives sought. In addition, Shah (2007a, pp. 31-35) provides a detail of important lessons on some negative practices to avoid and some better practices to emulate when designing intergovernmental transfers.[157] His warning resonates Bahl and Linn's earlier observation that "grants can make local governments less accountable for their fiscal decisions...there will be less incentive to improve the efficiency of local government operations and develop innovative methods of delivering public services" (Bahl, Linn, & Mondiale, 1992, p. 428). The possibility is that they may increase spending without increasing taxes, or economic efforts. At this juncture, it is timely to consider, specially, the most potent factor responsible for producing the large fiscal gap—horizontally and vertically—which intergovernmental transfers embattle to correct; i.e., the natural resource revenues.

5.8 Centrality of Natural Resource Revenues

Natural resources are highly regarded and desired by individuals and nations all over the world. Some resources like petroleum (oil and gas) produce the world's major source of primary energy, and, thus, are very crucial and geo-strategic in the global economy. According to Tordo (2011, p. xi), petroleum is a major factor in

[157] Note that this research does not intend to repeat or represent the massive volume.

international politics and socio-economic development, as it represents the larger share in total energy use for most net exporters and net importers. In her opinion, approximately two billion dollars of petroleum are traded each day worldwide, which makes it the largest single item in the balance of payments and exchanges between nations.[158]

The value of the products in the international market makes them the catalyst for boosting the economy of any government or jurisdiction that controls them. The location of such resources anywhere is considered advantageous and receives high premium in anticipation of the financial windfalls that would result once production commences. If the resources get exploited, there is no doubt the proceeds can drastically change the wealth distribution within the nation. As Wilson (2007, p. 340) observed with respect to the problem of equalization, "the most frequently used example...and an important real world cause of discrepancies, is the case in which provinces have access to resource revenues, but these resources are not spread evenly across provinces." The problem that will result is that, public goods in the resource-rich provinces are provided at lower tax rates than in other provinces where resource revenues are absent. Consequently, individuals who have similar financial capacities are treated differently based on the province they live in—a crude manifestation of a horizontal equity problem.

Similarly, if the provinces or regions are denied access to the resource revenues—leaving it totally under central government's jurisdiction—in order to mitigate the horizontal equity problem, other kinds of tensions ensue between the centre and the particular region where the resources are located. In the opinion of Boadway and Shah (2009, p. 207), these tensions are exacerbated if there is a perception that the central government is not using the resources wisely (as always suspected in a federal system), or if there is outright corruption. Indeed, in federations where natural resource endowments are significant, many issues become contentious including: ownership tussles and the establishment of property rights; management

[158] See Tordo (2011, p. xi).

and regulations over the rate of exploration, extraction, and the processing of resources.

At the root of all the tensions is the ownership issue between the central and the sub-national government where the resources are located; because whoever assumes ownership most likely, decides on the subsequent contentious issues identified above. Ownership denotes the authority to do the following: determine the extent or limits of exploration and exploitation of the resources; negotiate contracts—duration of the term for exploration and production rights, renewal of exploration and production rights, unitization, cancellation or termination of a right, and area relinquishment; and legislate other related rules, enforcement, and determination of penalties and fines among other things.

Sub-property rights may be established for private firms to acquire rights (licences) for a stipulated number of years—lease—after paying some premium to the government, it might be retained by a public corporation or by a joint venture between the public and private sectors. Greater proprietary revenues are generated as production proceeds, in form of royalties, taxes, fees, and public corporation profits taxes, including profit sharing. It is important to briefly get acquainted with these aspects of revenue sources from natural resources because, as Boadway and Shah (2009, p. 208) surmise, "how the revenues are generated and how they are used is what generates much of the concerns."

5.8.1 Resource Revenue Sources

1. Licensing: These are revenues generated as government sales leases, or block area to an oil company or group of oil companies to explore, for oil and gas, develop, and produce in the field, without transferring the ownership of the mineral resources of leases (Tordo, 2007, p. 3). Leases are usually for a specified period of time, after which another lump-sum licence fee applies again for renewal.

2. Royalties: These are payments due the owner of natural resource (central government, regional government, or specific community, whoever is assumed to be the owner in any particular case) in return for removing the resources from the land; fixed at a specific percentage of total production

(*unit royalty*) or value of sales (*ad valorem royalty*). This means that royalty ensures a recurring receipt of revenues to the government whether or not the project is profitable, as long as production continues (Otto et al., 2006, pp. 50-52). Tordo (2007, p. 37) explains further that, in the petroleum industry, royalties are typically calculated on a net-back basis: the price base for royalty calculation is adjusted from the point of export to the wellhead by deducting transportation and other marketing costs.

3. Corporate Profit Tax: This is similar to the standard corporate income tax imposed on business organizations in each country, save the fact that a higher tax rate is usually imposed on companies in the petroleum industry to capture more rent. Tordo (2007, p. 39) argues that, under this method, taxes are only due when annual revenue exceeds some measure of costs and allowances.

4. Resource Rent Proceeds: These are taxes tied more directly to the project's profitability. It can come in one of the two different forms; either as bonuses commonly paid by the investing company upon signature of an exploration and production agreement, or as deferred taxes until all expenditures have been recovered and the project has yielded a predefined target return.[159] In the first instance, bonuses may be paid upon discovery, declaration of commerciality, commissioning of facilities, start of production, and/or reaching target production levels (daily or cumulative); but to compensate for the risk, the bonuses are balanced by lower royalties and taxes. In the latter instance, the project is granted a tax holiday and then a very high marginal tax is applied to all subsequent operating revenue after investment expenditure has been recovered to a certain level.

5. Corporate Profit Split: This source of revenue applies where the owner of natural resources—represented by national oil company—partners with foreign oil companies in a joint venture arrangement; the deal being to share profits based on stipulated sharing agreement (Bindemann, 1999, p. 1). In

[159] See Tordo (2007, p. 41).

this case, corporate profit is the revenue that remains after royalty and cost recovery have been deducted.

6. Environmental Taxes and Bonds: With the threat of global warming, governments are becoming eager to adopt measures that contribute to protecting the environment. This might mean greater restrictions on investors' freedom to operate. As Tordo (2007, p. 45) observed, in some case, investors are asked to post performance bonds as security to comply with abandonment obligations. In other cases, environmental taxes are imposed as well as the requirement for insurance policies to cover environmental damages. In addition, bonds indemnify authorities against the investors' failure to comply with contractual obligations or the terms of the concession, in the petroleum sector. This safeguards the government against technical and financial failure and premature or unplanned project termination. The value of the bond is normally reduced in proportion to the value of the outstanding obligations. In some cases, holding company guarantees are used in addition to or instead of performance bonds.

As we have seen, revenues from petroleum resources are diverse and inescapable. Their certainties produce a large influx of taxable income that can be disruptive to the real economy depending on how they are used. The "Resource Curse" or "Dutch Disease" phenomenon reflects the fact that natural resource revenues can possibly impede the development of an economy, instead of enhancing it – the case of Nigeria is a typical example. An explanation for resource curse offered by Boadway and Shah (2009, p. 208) is that, "an active resource sector itself draws factors of production from other productive sectors; thus: reallocation of productive factors to regions in which the resources happen to be located can have interregional and inter-industry effects as other economic activities from the rest of the country could be attracted to that particular region." Some of the attracted industries may have no natural industrial location advantage to be sited in the region other than being where natural resources happened to be found.

Furthermore, natural resource revenues are particularly prone to volatility—prices fluctuate in world markets—generating uncertainties which may affect different

jurisdictions in various ways that are hard to cope with.[160] Norway has been applauded for providing a template on how careful planning and commitment to purpose can mitigate the problem of volatile cash flows. Holding the revenues in a fund, investing the fund in foreign assets, and drawing on that fund only to the extent that it generates income, will ensure that induced financial effects will be largely suppressed.[161] However, it is unfortunate that not all governments are able to exercise the self-discipline required to save all resource revenues. Even if such funds can be sustained, the real effects of a resource boom cannot be avoided entirely due to the following factors: inter-industry adjustments are inevitable, likewise interregional ones, to the extent that resources are not evenly spread across the country; resource rich regions will then have greater ability to raise revenues and, if uncoordinated, this will lead to fiscally induced migration from other regions (Boadway & Shah, 2009, p. 209).

The issues are, without doubt, so complex and conflict prone that both central and sub-national governments argue vehemently over the ownership and control of natural resources because of the revenues. Scott (1976, p. 17) summarises four arguments in this regard: a) resource revenues are essentially benefit taxes and should be paid to the government that provides the benefits; b) resource revenues arise from exhaustible assets and should accrue to the level of government that incurs the burden arising from exhaustion and depopulation; c) resource revenues raise questions of time preference and should be collected by the level of government most able to make efficient allocation over time; d) resource revenues raise questions over the burden of risk of revenue variability and should be collected by the level of government least prone to pay highly for a risk-free stream of revenues.

5.9 Concluding Remarks

The concept and theories of fiscal federalism which addresses the issues of fiscal constitution have been appropriately discussed in this chapter. The chapter incorporated other pertinent sections including; issues of expenditure assignments

[160] See Boadway and Shah (2009, p. 208).
[161] Boadway and Shah (2009, p. 209).

and taxation (revenue assignments), problem of vertical and horizontal fiscal gaps, intergovernmental transfers, and the contentious debate over natural resource revenues—which fuels the problematic that the overall thesis confronts. From this chapter it is confirmed that, central to the political maneuverings for a favourable balance of power that ensues in federal countries is Revenue Allocation – which implies the determination of federal revenues' generation and distribution in the federation. This point is corroborated by Watts (1970) who argues that federal finance is an extremely important and controversial subject because it affects the economy and the political balance, because whichever level of government has the major financial resources, finds in its hands the means of political control over the economy.

Analysing the arguments has so far not produced any clear-cut decision on where, between the competing levels of government, the ownership of natural resources should be located. The arguments have been weaved around efficiency and equity factors. While these are important criteria, it is more result oriented to focus on the nature of conflict or violence imposed in a society and the quest to bring about peace when considering which levels of government should own natural resources. Subsequent chapters address and analyse cases of resource revenue conflict in specific countries' contexts, and the impact of federalism-related efforts to address the conflict. Nigeria is the focus of Chapter six.

CHAPTER SIX.
NIGERIA: FEDERALISM AND RESOURCE REVENUE CONFLICT

6.1 Introduction:

In the previous chapter, the allocation of resources and its problems in federal political institutions was explored and it was observed that the issue of resource revenue is usually at the centre of the problems. This chapter investigates the resource revenue conflict in the context of Nigeria. This is targeted alongside the consideration of the practice of federalism in the country, in order to determine its impact on the nature of the conflict over the years. As such, the chapter contains a comprehensive study of federalism in Nigeria; the make-up of the federation; constitutional provisions regarding the division of fiscal powers in the federation; institutional arrangements for revenue allocation and sharing; real conflicts between the oil producing States and the Federal Government; and formal measures to address the problems. The chapter concludes with statements over the current state of affairs with regard to the resource revenue conflict in Nigeria.

6.2 Origin of Federalism in Nigeria

In the context of this study, it is instructive to discuss federalism in Nigeria starting from the evolution of Nigeria as a country, in order to understand comprehensively the root of diversity and conflict in the federation. The country known today as Nigeria is a product of British colonialism. Before the arrival of the Europeans, the geographical space in question was inhabited by different peoples and/or nations identified as Oyo, Yoruba, Igbo, Tiv, Benin, Nupe, Hausa/Fulani, etc. (Awa, 1964, pp. 3-4; Ezeani, 2012, p. 15). Each of these nations were separated by vast land masses which, at the onset, limited their knowledge of the existence of the other nations in close proximity to them. They had different languages, cultures, and belief systems which all contributed to shape their general disposition of what was to come under imperial and later colonial rule.

However, things changed with the exploration of the African coast by European explorers, between the 15th to the 20th centuries. Their first mission was for slave

trade; second for slave prohibition and commencement of legitimate trade exchange, and finally, a later change of strategy that brought about colonialism. Particularly in the Nigerian case, the European explorers were the British who claimed possession of the territories along the Niger River basin.[162] Further expeditions into the interiors revealed the existence of the afore-mentioned nationality groups in not 'too far a distance' with exploitable resources including palm trees, fertile soils, and good vegetation. After several resistance by each group to the consolidation of British authority, treatises were 'allegedly' signed with certain chiefs amongst some of the nationalities, whereby sovereignty was transferred to the imperial power at different times (Nwabueze, 1982, pp. 5-6). The British subsequently assumed responsibility of each territory won; placing each as either a colony or a protectorate run by a separate British colonial administrative mission.[163]

By 1914, an amalgamation of all the territories into one country occured under unified British colonial rule by Lord Frederick Lugard, who became the first Governor-General of Nigeria.[164] It should be noted that three territories (Lagos Colony, Oil River/Niger Coast Protectorate, and the Northern Nigeria Protectorate) was formally established and administered by different British colonial governors (Awa, 1964, p. 5). Adiele Afigbo argues that it was basically these three colonial administrative units, with some adverse changes in boundaries in the case of the Protectorate of Southern Nigeria (the merging of Lagos colony and the Niger Coast protectorate), that formed the basic building blocks of the Nigerian federal arrangement (Afigbo, 1991, p. 17). Each of these three colonial administrations came into being purely for reasons of administrative convenience, in the process of incorporating several nearby communities, rather than out of concern for maintaining the integrity of geographic, cultural, religious and/or linguistic inclination of the people.[165]

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[162] The tragic drowning of Mungo Park (1806)—the foremost explorer commissioned by the British government to trace the mouth of the Niger River—in the process, would remain indelible.
[163] Nwabueze (1982, pp. 10-20).
[164] The name, Nigeria, had been suggested, seventeen years earlier, by Miss Flora Shaw—a British Journalist in the territory—who later got married to Lord Lugard.
[165] Afigbo (1991, p. 17).

However, it was difficult to establish a uniform system of administration over all the territories due to differences in the indigenous societies' mode of political organization. Therefore, the Governor-General—Lord Lugard—introduced the 'indirect rule' system of administration for his lieutenant governors in the various territories (Nwabueze, 1982, p. 20). Yet, the success rate varied and subsequent colonial governors continued their experimentation with what system worked the best for their newly created conglomerate.[166] Their usual trend was to increase the involvement of the local people in the governance and participation at the local administration, thereby contributing indirectly to the central government through the lieutenant governors; albeit with restricted capacities.

Meanwhile, a corollary of colonialism in Nigeria is the advent of western education system. Here again, the difference in the nature of the various communities and territories, affected their acceptance of, and commitment to, the western education. Thus, communities in the northern part (predominantly Muslims), did not fancy the opportunity as their southern counterparts who were predominantly Christians. With the emergence of educated Nigerians, came increased pressures for the inclusion of Nigerians in all aspects of governance—including the making of laws. In respect to the varied levels of education across the country and the general poise of each of the nationality group's elites, 1946 saw the colonial government, led by Sir Arthur Frederick Richards, formally partition the country into three regional administrative units; Northern, Eastern, and Western regions.

This new constitutional arrangement saw the central legislature, based in Lagos, administered the whole country; while regional Houses of Assembly were created in each of the regional capitals of Ibadan, Enugu, and Kaduna, representing the West, East, and North respectively (Ezeani, 2012, p. 17). As a consequence, the "British members of the colonial administration of these regions (resident officers) withdrew to the rear, leaving their Nigerian *protégés* facing themselves eyeball to eyeball on the firing line" (Afigbo, 1991, p. 27). Meanwhile, before this time regional clashes had been insulated from manifesting as each region had minimally and solely voiced opinions through the British resident administrators that were

[166] See Nwabueze (1982, p. 22).

responsible for their areas. The account of Afigbo on the inevitable destination of federalism from this moment seems captivating and deserves quoting:

> The minuscule crumbs of power tossed to the Nigerian political elite by the Richards Constitution put the tinder to the powder keg of primordial federal features. The need to organize properly in order to mop up the regional crumbs as a preparation for collecting the larger crumbs at the center in Lagos helped to regionalize the National Council of Nigeria and Cameroons (NCNC)…it also transformed a number of regional cultural associations—the Egbe Omo Oduduwa in Yorubaland (1950) and the Jamiyar Mutane Arewa in Hausaland (1949)—into regional political parties known respectively as the Action Group and the Northern People's Congress (NPC). With this development, all the requirements for a federation were in place: the three administrative regions and three major political organizations, each with its base in one of these regions—the NCNC[167] in the East, the NPC in the North, and the Action Group in the West (Afigbo, 1991, p. 27).

The end of 1948 saw a change in the colonial administration, ushering in Sir John Macpherson as the Governor-General of Nigeria. With the polarity expressively amplifying, a new constitution was imminent, and so the emerging Macpherson constitution of 1951 granted more autonomy to, and representation of, the regions. However, certain defects were present. Chiefly among these was the overbearing authroity of the Governor-General, who was vested with enormous veto power over the will of the regional houses in their affairs. Moreover, the distribution of seats in the central legislature (House of Representatives) was such that the North out-numbered each of the other two regions, and this was vehemently opposed by the East and Western regions. Note too that, earlier consultations with regional representatives, at the Ibadan constitutional conference of 1950, on a suitable

[167] National Council of Nigeria and the Cameroons; later changed to the National Council of Nigerian Citizens, when Southern Cameroon joined the Republic of the Cameroon.

structure of government among other issues, revealed unalloyed support for federalism in order to safeguard the centrifugal forces.[168]

But the provisions of the Macpherson constitution was a far cry from what was dreamt about as it orchestrated more struggle for the centre as well as bitter clashes between the regions. Two successive conferences of regional representatives in London and Lagos 1953-1954 saw the Lyttleton Constitution of 1954 emerge with which provisions formally set Federalism afoot in Nigeria. The Federal Constitution established a federation of three units: Northern, Eastern, and Western, regions, each of which had an indigenous premier as the regional Head of Government, and a British Governor of the region as the Head of State. At the central government, however, the Governor-General represented both executive and legislative apex powers. Thus, we can infer that federalism in Nigeria was born to conform to the parliamentary system for which the British had a penchant. This seems a well thought-out plan as Sir Herbert Richmond Palmer who spent over 25 years, holding several administrative roles including that of the Lieutenant-Governor, in Nigeria opines: "During most of the nineteenth century, the ideal of colonial administration was to create colourable counterfeits of the Motherland, its institutions, its idiosyncrasies and its peculiarities" (Palmer, 1934, p. 37).

Interestingly, research trends show that the study of Nigerian federalism is marked by two sharply contrasting perspectives. The first is the 'British sympathetic' or what can be better termed the 'British defender' which argues that "the decision to clamp a federal structure on Nigeria arose from British sensitivity to the divisive, primordial features of indigenous Nigerian society" (Afigbo, 1991, p. 13). The second perspective can be labeled as the 'British accuser',[169] which argues that "the British decided on a federal structure for Nigeria in order to protect their interests by making sure that the emerging state would remain unstable and weak.[170] That is to say, there was no genuine rationale to put the people together in one state, or if

[168] See, for detail, Afigbo (1991, p. 28); Awa (1964); Eleazu (1977); Ezera (1964).
[169] This label represents the group better than "scholars sympathetic to the cause of the Nigerian nationalism" which Afigbo had used; see (Afigbo, 1991, p. 13).
[170] Afigbo (1991, p. 13).

there was, a federal structure was not suitable. A further observation by Afigbo explains:

> A key problem, however, is the tendency to approach the study of Nigerian federalism through a synchronic analysis of the sociopolitical circumstances of Nigeria at the time the decision to federate was taken in 1946-1954. The synchronic approach fails to recognize that some forces, which were particularly strident in 1946-1954 (and even before then), were largely voiceless when certain crucial decisions were taken in the halcyon days of colonial autocracy" (Afigbo, 1991, p. 13).

Needless to say, the synchronic analysis has been highly utilized in the study of Nigerian federalism and the implications are far-reaching. First, it has led most scholars to rank Nigeria in the category of federations formed through the 'devolutionary means', as opposed to 'coming together'. They reasoned that Nigeria had been under a unitary system during the colonial period and federation emerged through the devolution of powers. However, the diachronic approach employed in the historical survey above, questions this notion; it also argues that different territories had always been administered separately and the federation emerged through the 'coming together' of the regions after a series of indigenous leaders' conferences.

The second implication is that a wrong diagnosis has been given to the problem of federal operations in Nigeria; because scholars and practitioners are guided to believe that the means of formation of a federation matters in shaping the future operation of the system. Thirdly, and similar to the previous, it has contributed to produce (and even to justify) a vertically and horizontally lopsided federation of masters and slaves of different shades in Nigeria. The practical effects of these shall be demonstrated as this chapter progresses.

6.3 The Make-up of the Nigerian Federation

The structure of the Nigerian federation has undergone expansive adjustments since its inception in 1954 as a three-unit federation. The cause is connected to primordial impulses hatched up in the lead-up to federation, in addition to few others providentially facilitated. To start with, Nigeria is vast with an area of 913,072

square kilometers; measuring at its widest (west to east) is 1,120 kilometers and at its longest (south to north) is 1,040 kilometers. The diversity in Nigeria can seldom be equaled in any other country. The reasons include: enormous population strength; variations in climate, vegetation, and natural resource endowments; diversity of the people, which expands like watershed commencing with tripartite religion and tripodal major nationalities, cascading into multiple ethnic groups, and branching further to avalanche of tribes, with numerous dialects and languages.

As a result, in 1963, the federation went through its first restructuring as the mid-west region was carved out from the western region, leading to a federation of four constituent units. This action confirmed that, even though the federation was geographically structured at the onset to reinforce the separateness of the three major nationality groups—Hausa/Fulani in the North, Ibo in the East, and Yoruba in the West—there were other distinct ethnic groups who needed to be separated from the major groups within the foremost regions. Consequently, the number of the federating units has been adjusted by subsequent Nigerian governments on five different occasions, increasing to: twelve in 1967 (called states thenceforth instead of regions), nineteen in 1976, twenty one in 1987, thirty in 1991, and thirty six in 1996 which has remained so till date. Meanwhile, agitations for the further creation of states in Nigeria remain strident.

Thus, with thirty-six states and a Federal Capital Territory (FCT), many worry whether Nigeria is a federation of nations with opinions divided over the clamour for more separate states. Clearly Nigeria is not a federation of 'nations', 'culture areas', or 'linguistic areas' because the constituent units have not been so delimited (Afigbo, 1991, p. 15). However, it can be observed that some states are largely homogenous and relatively mono-ethnic, carved out from the major nationality groups in the foremost North, East and Western regions. This is the case in each of the following states: Kano, Katsina, Kebbi, Jigawa, Sokoto, Zamfara (core Hausa/Fulani states); Abia, Anambra, Enugu, Ebonyi, Imo (Core Igbo states); Oyo, Ogun, Lagos, Osun, Ondo, and Ekiti (Core Yoruba states). In each of the other remaining states, there is usually a dominant group which tries to impose its will on several other minorities. Regrettably, of all the three major nationalities, only the Hausa/Fulani tries to dominate (even forcefully) other nearby states outside their

core region. This contributes to the call for liberation by means of carving more states. Given this, one can equally argue that Nigeria is, or aspiring to become, a federation of nations.

Can further state creations be justified as means to alleviate the yearnings of several minorities? In the mythology of Nigerian politics, political engineering (like state creations) along rigid ethnic-national lines is regarded with great suspicion because it is believed to be the last step from stability and unity, to disintegration and Armageddon (Afigbo, 1991, p. 15). Yet, geographical and ethnic diversity remains very important, shaping decisions and the allocation of responsibilities between the center and the constituent units. This truism rationalizes the fact why despite having multitude of states, national politics for central resources drafts the 36 states into a de facto six geo-political zones.

The concept of geo-political zones was introduced into the Nigerian political lexicon through the 1995 Draft Constitution by selected experts—a product that never culminated into an operational constitution. The six zones are as follows: (1) North Western States (relatively homogenous Hausa/Fulani Muslims): Kaduna, Kebbi, Zamfara, Sokoto, Kano, Jigawa, and Katsina; (2) North Central States—The Middle Belt region—comprising largely minorities of which are predominantly non Hausa/Fulani and also non-Muslims): Kogi, Niger, Benue, Kwara, Plateau, and Nassarawa, in addition to housing the Federal Capital Territory; (3) North-Eastern States (comprising a mix of non/Muslims and people of different descent): Taraba, Borno, Bauchi, Adamawa, Gombe and Yobe; (4) South-Western States (Ethnically homogenous Yoruba nation but religiously mix of non/Muslims): Oyo, Ogun, Lagos, Ondo, Ekiti, and Osun; (5) South-Eastern States (Homogenous Igbo nation/almost entirely Christians): Abia, Anambra State, Ebonyi, Enugu, and Imo; (6) South-Southern States (Tribally mixed but predominantly Christians): Akwa-Ibom, Bayelsa, Edo, Cross River, Rivers and Delta State. The vitality of the 'geo-political zone' construct in Nigerian politics cannot be overemphasized as will be evident.

6.4 Formal Federal Features in Nigeria

Nigeria is currently a federation of 36 states and a Federal Capital Territory; in addition to 774 Local Government Areas (LGAs) that 'supposedly' constitute the

third tier of government.[171] There is a written constitution that defines the relationship between the central government, called the federal government in the Nigerian context, and the states. The constitutional provision is such that functions and powers are divided into jurisdictions in order that no level of government shall overawe the other, instead each is required to stick within its constitutional bounds. The constitution prescribes a Presidential system of government, which implies a separation of executive powers, legislative powers, and judicial powers. The goal is to ensure that no single individual can simultaneously represent more than one arm.

The legislative arm at the central level is bicameral as against unicameral version at the state level. The upper legislative house—the senate—comprises 109 members equally drawn, through periodic elections, from the 36 states in addition to one member elected from the FCT. The lower house—called the House of Representatives—comprises 362 members elected based on population distribution across the country.[172] That is to say, states are divided into federal constituencies based on population; hence, the number of representatives from each state varies considerably to the point that, Lagos and Kano states with their outrageous population figures each has 24 representatives as against Bayelsa and Nasarawa states with just 5 representatives each.[173]

The Senate reinforces the 'equality of constituent units' or the 'confederal element' as students of federalism might put it, while the House of Representative consolidates the majoritarian principle or the 'unitary element'. This accentuates the fact that federalism, as was established in chapter four of this study, lies in between the two extremes of confederacy and Unitarianism. Also, every bill must be debated and approved at the two legislative houses, no matter which house it is sponsored from, before it is sent to the President for assent which might, or not, be approved on certain occasions, but mostly assented. The executive arm of

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[171] The true status of the LGAs in the federation remains contentious among scholars considering their total subjugation by the other levels.
[172] This is the total number in the 7th National Assembly. Section 71-74 of the 1999 constitution provides for the periodic review of the sizes of constituencies.
[173] For a comprehensive list of representatives by states, see the website of the Nigeria National Assembly at www. Nass.gov.ng

government is headed by the president who doubles as the head of state and head of government. The president is elected through a direct election/voting system, as against Electoral College, in a 4-year periodic general election in which the whole country comes under a single constituency.

To insure that the president does not represent any particular ethnic group or narrow coalition, s/he is required to gain at least 25 percent of the total votes in two-thirds of the states of the federation (Kalu, 2015). Thereafter, the president appoints his/her cabinet members—called ministers—after ratification by the Senate. There is an independent judiciary—represented by the Supreme Court of Nigeria—that interprets the constitution, decides on dispute between legislations and actions of different arms of government as well as different tiers of government. The constituent units operate in similar fashion to that which obtains at the national level; with the governors as the chief executives. However, the legislative arm is unicameral at the state level, represented by the Houses of Assembly, and the High court represents the judiciary. The constitution, in section 153, establishes the Independent National Electoral Commission (INEC) as the electoral umpire in the whole country, to conduct all elections periodically.

6.5 Resource Allocation in Nigeria

In line with the findings in chapter five, the allocation of resources in Nigeria is also a very critical issue. It brews tension and is also capable of taming conflicting parties across the Nigerian federation. Resources include the generality of holdings that empowers the holder to function in a capacity, or achieve goals, for which others are restricted. Therefore access to most resources is highly competitive as premiums are placed on their capture. In the context of governance, resource means power and wealth. The former can be understood in terms of political powers or government functions (i.e., power to legislate, enforce, and to defend), while the latter can be viewed in terms of fiscal wealth including liquid cash, an abundance of natural resources, and revenues in various commercial activities that take place within the jurisdiction of a government. Expressed in elementary terms, the distribution of political powers is concerned with ‘government functions’ or areas to expend, whereas the distribution of fiscal wealth concerns ‘government revenues’ needed to cater for the functions. The allocation of both aspects of

resource is enshrined in the constitution of the country in order to forestall conflict between the federal government and the states. Therefore this section explores the constitutional provisions and its operational aspects regarding the distribution of functions and revenues between the levels of government.

6.5.1 Division of Functions

Section 4 of the 1999 constitution of the Federal Republic of Nigeria prescribes the establishment of exclusive legislative and concurrent legislative lists. The former sets out functions or matters which the federal government shall solely legislate on, whereas the latter sets out the functions on which either of the levels of government can legislate. From the sub section 4 (7 a, b, and c) of the constitution, it can be seen that residual powers are vested in the states. Detail of the functions in each of the legislative lists is provided in the part I and part II of the second schedule. The exclusive legislative list contains 68 items; including functions like security and defense, police, international trade and economic policies, and currency among others. The concurrent legislative list consists of 30 items of shared power; meaning that either the federal government or state governments can legislate on any item therein. Alternatively, both levels of government can jointly decide on any of the items if they both be interested.

Although most of the items in the exclusive legislative list are justifiably areas that require higher level of government to act on, however, as the competing theories of fiscal federalism in the preceding chapter reveals, some inclusions in the list can be disputed as to why they are exclusively federal government's matters. The following items readily come to mind in this regard: Police and other government security services; Mines and minerals, including oil fields, oil mining, geological surveys and natural gas; Railways; Prisons; Taxation of incomes, profits and capital gains. These items may at best be put into the concurrent legislative list as is often the case in some other federations. In addition, the states have much impact to make in each of those expenditure areas in the Nigerian case.

Another important observation from the constitutional division of powers is the excessive entrenchment of the federal government's preeminence in the Nigerian federation. It is alarming to have 68 items under the exclusive jurisdiction of the

federal government, in addition to 30 items, of shared jurisdictions, on which the federal government dominates. Observe the provision in the sub section 4 (5) of the constitution which reads thus: "if any Law enacted by the House of Assembly of a State is inconsistent with any law validly made by the National Assembly, the law made by the National Assembly shall prevail, and that other Law shall, to the extent of the inconsistency, be void." With the federal government ever increasing her scope of functions, it is not surprising there are no items on the concurrent list devoid of federal government's interest. This implies that the federal government has 98 items or areas to legislate on, whereas the states have no single significant area they are 'assuredly' able to legislate on their terms, other than residual matters. One may even ponder what other matters are left as residual when 98 functions have been outlined under the exclusive and concurrent legislative lists.

The implication of the above is that the Nigerian federation begins to look more like a decentralized unitary state than a federation. It can be argued that states are often bewildered stooges of the federal government, and lack the authority to deliver local-specific dividends related to political decentralization that is the hallmark of federalism. The grave problem with this pattern of constitutional division of powers remains relatively blurred, until one considers the corresponding constitutional specifications for revenue generation between the levels of government. This is very important because financial resources, as Watts (2008, p. 95) opines, "enable or constrain governments in achieving their policy objectives within their constitutionally assigned legislative and executive responsibilities." The next section treats the allocation of finances, wealth, and/or tax jurisdictions, from where the basis of resource conflict in Nigeria will become evident.

6.5.2 Allocation of Revenues

The majority of revenue that governments receive come from different types of taxation. Therefore, allocation of revenues between levels of government most practically becomes allocation of tax jurisdictions; or simply 'tax assignments'. However, a couple of other revenues can accrue to governments, as fees, charges and profits, but not as taxes. Thus, the allocation of revenues equally implies identification and division of different areas of activities, which have the possibility of yielding revenues from their provisions. Subsection 162(10) of the current

Nigerian Constitution makes clear that, 'revenue' means any income or return accruing to or derived by the Government of the Federation from any source and includes -

1. Any receipt, however described, arising from the operation of any law;

2. Any return, however described, arising from or in respect of any property held by the Government of the Federation;

3. Any return by way of interest on loans and dividends in respect of shares or interest held by the Government of the Federation in any company or statutory body" (Nigeria Constitution 1999, sect. 162(2)).

Hence, our task here is concerned with tax assignments and general distribution of revenue raising powers between the Federal Government and the States in Nigeria. In concomitance with the constitutional provisions in the exclusive legislative list, the following revenue sources fall under the primary jurisdiction of the federal government:

- Import Duties
- Excise Duties
- Export Duties
- Company Income Tax
- Withholding tax on companies
- Petroleum Profit Tax
- Mining Rents and Royalties
- Personal Income Tax (except from members of armed forces, Nigerian Police Service, FCT Abuja residents, foreigners and staff members of the Ministry of Foreign Affairs)
- Capital Gains Tax
- Value Added Tax
- Stamp Duties
- Gift Tax
- Capital Transfer Tax

- Education Tax (Ekpo, 2007, pp. 226-227; RMAFC, 2012, pp. 18-19).

The section 163 of the constitution states that [w]here under an Act of the National Assembly, tax or duty is imposed in respect of any of the matters specified in item D of Part II of the Second Schedule to this Constitution (i.e. the concurrent legislative list), the net proceeds of such tax or duty shall be distributed among the States. If taxes and general revenues that arise in respect to any of the 68 items in the exclusive legislative list go to the federal government, and the ones that accrue in respect of any of the 30 items under the concurrent legislative list are being distributed to the States after pooling, then one would wonder whether the States can be said to have their financial autonomy as required in federations; especially as regards directly generating revenues.

The opinion of Nigerian scholars of fiscal federalism is uniform and corroborates that, the sources left for the States are less-lucrative tax fields which can only generate paltry revenues that do not make any significant impact to the macroeconomics of the nation.[174] Ekpo (2007, p. 227) provides a catalogue of these sources (often shared with the Local Governments) as follows: Property taxes, Pools and Lotteries, Betting, Land Registration, Survey fees, Motor Park dues, Market and Trading Licenses and Fees, Marriage, Birth and Death Registration, Development Levies, Public convenience, Sewage and Refuse Disposal, Signboard and Adverts permit fees among others.

This type of revenue allocation gives rise to a number of problems around vertical and horizontal fiscal imbalances as the States generate lesser revenues than required to match their expenditure responsibilities which calls for their dependence on the Federal Government for survival. Ironically, this may not really be a problem, but just another means to strengthen the constitutional centralization of functions, as was observed in the previous section. To confirm this, section 162 of the constitution establishes a special account called 'the Federation Account' (FA) into which shall be paid all revenues collected by the Government of the Federation, with few exceptions, from which shall be 'shared' between the Federal Government

[174] See, Ejobowah (2009, p. 531); Ekpo (2007, p. 218); Odoko and Nnanna (2009, p. 3).

and States according to some given formulas. The constitution empowers the Revenue Mobilization Allocation and Fiscal Commission (RMAFC), a partial intergovernmental forum cum federal executive body responsible for the fiscal management of the federation, to work out a revenue sharing plan for the funds in the federation pool, among other functions (Nigeria's constitution section N (part I) of the third schedule).

6.6 Problem of Revenue Sharing

Pursuant to adequate sharing of revenues, the constitution provides that the RMAFC shall take into account, the allocation principles especially those of population, equality of States, internal revenue generation, land mass, terrain as well as population density, in determining the formulae; and that the principle of derivation shall be constantly reflected in any approved formula as being not less than 'thirteen per cent' of the revenue accruing to the Federation Account directly from any natural resources (Nigeria's Constitution section 162 (2)). It is not intended here to focus on the details of the activities of the RMAFC, but to concentrate on the factors opposing the successful realization of the given mandate. Three major problems are identified with regard to the following issues: (i) Process of running the federation account; (ii) Ambiguity in the idea behind the revenue sharing; and (iii) The principles for the sharing of the revenues in the account. They will be further discussed below.

6.6.1 Process of running the Federation Account

The Federal Government runs the so-called 'joint account' as if it were its independent account. It is instructive to point out here that there are four parastatals that remit payments to the federation account as follows:

1. The Nigerian National Petroleum Corporation (NNPC);
2. The Nigerian Customs Service (NCS)
3. The Federal Inland Revenue Service (FIRS);
4. The Department of Petroleum Resources (DPR).[175]

[175] DPR is domiciled in the Federal Ministry of Petroleum Resources.

Because these parastatals are domiciled at the federal level, the Federal Government often interferes in their activities, mandating the siphoning of funds to undesignated locations. In 2007, Ekpo observed that "before the Resource Control Suit [in 2002], the areas of contention with respect to the Federation Account had to do with non-payment of some revenues collected by the federal government into the account and some deductions from the account before sharing among the tiers of government."[176] The trend continues even after a decade and there is no certainty of any positive change. For example, in a recent Oil and Gas Industry Audit conducted by the Nigerian Extractive Industries Transparency Initiative (NEITI) published in 2013, many irregularities were found from the financial flows in sector. In particular, an amount of $4.84 billion USD was received by NNPC, but was not subsequently remitted to the Central Bank of Nigeria for the Federation Account (NEITI, 2013, p. 16). More worrisome, this has been a recurring issue with $3.996 billion also reported as received, but not remitted by NNPC in the previous audit.[177]

Without honesty on the part of the federal government's agents which collect and deposit most of the funds, as historical antecedents portray, the genuineness and impact of the formula becomes harder to substantiate. Other concerns are worth mentioning here. Firstly, the federal government had, at a time, unilaterally created a special fund for which 7.5% of the money due to Federation Account furnished. That was challenged by states, and the Supreme Court declared the action illegal (Ekpo, 2007, p. 216). However, on the dissolution of the account, the federal government manoeuvred a change in the sharing formula, to make the 7.5% become the top-up for its share in the vertical revenue sharing formula. Today, the Federal Government has mandated three of the four parastatals, involved in the collection of revenues, to run special accounts on which certain percentages of their total revenues would go to, before remitting the balance to the Federation Account.

[176] See Ekpo (2007, p. 216).
[177] See NEITI (2013, p. 16).

The operation of the accounts, in no small measure, shrunk the Federation Account as a post-mortem appraisal for the years 2011-2013 reveals. The accounts include the following:

1. Excess PPT Reserve Account, on which the FIRS furnished with the sum of N3.282 trillion Naira—a 36.7% of the total revenues from Petroleum Profit Tax—between 2011 and 2013.

2. Excess Crude Account, on which the DPR fed with the sum of N1.075trillion Naira from the department's total collection of N3.154trillion Naira; leaving a 65% for the Federation Account.

3. Foreign Excess Crude Account, managed by the NNPC, which was funded with N935.06billion from the bulk of the revenues NNPC received.

4. Excess Domestic Crude Account which, in similar circumstance as "(3)" above, received N769.844billion Naira through the NNPC (FAAC, 2013, pp. 58-63).

The problem with the above arrangements is that, it undermines the basis of the Federation Account as a federation's 'Joint Account', and not for the Federal Government. This is so because, after transferring the percentages of funds that are due to the Federation Account to those Special Accounts, they become the direct assets of the Federal Government. Not even the RMAFC or any State of the federation can confidently speak of the true circumstances surrounding the funds thereafter, as the Federal Government draws from there at will. This is contemptuous of the Federal Government on the States which does not indicate partnership as supposed in Federations, but suppression.

6.6.2 Ambiguity in the idea behind the revenue sharing:

Revenue Sharing or intergovernmental transfers in Nigeria takes two main forms: Statutory Allocations and Grants. The former concerns vertical issues between the Federal Government and the States as a whole, and also horizontal issues between the States in variance. The latter, Grants, usually take one form—that is, from the Federal Government to each of the States individually. In respect to the vertical sharing of revenues, the RMAFC currently applies the given formula: 52.68% to

Federal Government, 26.72% to the States, and 20.60% to the Local Governments (RMAFC, 2012, p. 23). The horizontal sharing of the percentage for all the States is done using other formulas that consider several other factors—they will be better dealt with under the third and last problem.

Nevertheless, the ambiguity referred to here has its root in the indefiniteness of goals set to be attained through the revenue sharing, and the genuineness of the commitment toward the any of the goals. Theories of fiscal federalism reveal factors that support central pooling of some tax resources, which subsequently occasion the idea of revenue sharing, to include the following: the need for stabilization; the need to correct fiscal equity across the country; and the need to reduce tension or struggle between Federal Government and States, by means of partnering in the public sector management. These factors conform to the three cardinal economic functions of government: Stabilization, Redistribution, and Allocation. In the Nigerian case, there seems to be awareness of the same visions as the vertical sharing formula might have been premised to ensure stability, the horizontal sharing on fiscal equity need, and the establishment of the RMAFC to bring about the needed partnership in allocation that forestalls conflict. This requires further analyses in the Nigerian case.

Starting with the stabilization ideology for which the vertical revenue sharing 'rightly' favours the pre-eminence of the Federal Government with 52.68% as against 26.72% to the States and 20.60% to the Local Governments, the formula seems good. However, the performance of subsequent Nigerian Governments to the present makes it doubtful whether the Federal Government is clear on how to use the larger share to stabilize the economy. Succinctly, the stabilization function implies designing measures to correct economic ripples that cause exchange rate fluctuation, inflation, and unemployment; all in order to fast-track economic development as well as to prevent the economy from plunging into recession. All of these key issues remain intractable and have cast doubt over the Federal Government's continuous retention of the lion's share of the Federation Account.

About the idea of redistribution to bring about fiscal equity, the basis of the horizontal sharing in Nigeria can at best be described as vague. While section 162 (2) of the constitution emphasizes factors such as population, equality of states,

internal revenue generation, land mass, terrain, population density, and derivation, problem of collating figures—which becomes politicized at every given time—obscures the rationale for assigning various weights onto each of these factors. The pattern for the transfers of the statutory allocations and grants justify this assertion. Transfers are merely unconditional monthly sharing of the 'National Cake' without any link between allocations to insure specific areas of needs like health care, social service, education, as is the case in most other countries. A startling observation by the RMAFC is disheartening; "the Local Governments are spending over 95% of their revenue on salaries and allowances alone while the State Governments are spending approximately 50% for same…Government at the Federal level is spending 67.3% of its revenue on recurrent (consumption) expenditure while only 32.7% is allocated to Capital (investment) expenditure" (RMAFC, 2009, p. xviii).

Similarly, the ways in which the Federal Government awards grants can hardly cushion the effects of horizontal fiscal gaps. Note the vagueness of the basis for awarding grants as quoted by the RMAFC, "The Federal Government may make grants to a state to supplement the revenue of that State in such sum and subject to such terms as may be prescribed by the National Assembly" (RMAFC, 2012, p. 24). This raises the question: what are, and how concrete are the indices to determine which State(s) truly deserve to have their revenues supplemented? Decisive demographic information like those relating to the number of elderly people; family incomes and circumstances including single parentage due to death of partners or divorce; range of working class and dependants; accurate unemployment figures; health needs; and education/literacy data are non-existent in Nigeria, or manipulated wherever they are inputted. All of this data is crucial for any genuine attempt at correcting horizontal equity in any given society. In the end, the power to grant becomes a controversial political instrument in the hands of the Federal Government to favour any state it pleases, if the bases cannot be substantiated.

The establishment of the RMAFC was to bring about the needed partnership in allocation in order to forestall intergovernmental conflict. The idea seems laudable going by the constitution of the board members of the commission, which required the representation of each state by a member and one other member representing

the FCT to bring about a commission of 37 member commissioners. Also it is required that "no decision in the Commission is valid, unless approved by all the Commissioners sitting in a Plenary Session and presided-over by the Chairman of the Commission," to ensure that each State fully participates and has her interest accommodated in the ensuing recommendation (Mbam, 2010, p. 3; Tukur, 2005, p. 2).

However, the States' representation so much emphasized, suffers a major defect when one considers how the commissioners emerge. Section 154 of the constitution empowers the President of the country to appoint the Chairman and members of the commission, subject to confirmation by the Senate; without any kind of nomination from the states on who should represent them in a crucial intergovernmental forum. One then begins to ponder whether they are to represent the states or the President/Federal Government. As a result, there is a particular case where Senators representing a particular state fiercely disputed the President's nominee for their State.[178] Secondly, section N31(b) in the third schedule of the constitution prescribes that the members should be, in the opinion of the President, persons of unquestionable integrity with requisite qualifications and experience. This prescription again is shrouded in ambiguity, without concrete specification of what relevant experience and qualification that applies. A critical examination of the membership of the commission suggests that it has become another outlet for political patronage where retiring and ageing politicians, who had previously held different positions including Ambassadorial, Legislative, and Administrative roles, are recycled.

Most disturbing is the fact that the 'unquestionable integrity' prescribed as the basis for appointing the members by the President has been sacrificed for nepotism. Otherwise, how can one explain the appointment, into this key commission, of a Senator who was at the centre of N55million Naira Bribe Scandal and was subsequently found guilty and indicted?[179] Consequently, the members so appointed owe their primary allegiance to their appointer in the discharge of their

[178] See Daily Daily Champion (2005).
[179] See Sanusi (2005).

duties instead of the particular States whose interest they are there to represent. Observe a presentation by a Chairman of the Commission at a retreat, thus:

> [T]hat he [the President] has found some of us worthy of appointment for a second tenure is evidence of the trust and confidence he has always had in the Commission. This is in spite of the fact that we have, as a Commission, often been blunt in telling him the truth, no matter its bitterness (Tukur, 2005, p. 4).

From the above address which seems sugarcoated, it is not hard to decipher how incapacitated the members truly are, against the wish of an all-powerful president over revenue sharing. Hence, what is presented as revenue sharing formula, presumed to have been 'technically checked, jointly agreed and recommended by all the State Commissioners', most probably represents the sole wish of the President/Federal Government. This undermines the principle of partnership between the FG and the States; thus contributing to intergovernmental tension that it was supposed to preempt.

6.6.3 Unfair principles for the sharing of the revenues

To recap, the constitution provides for the consideration of the population, equality of States, internal revenue generation, land mass, terrain as well as population density, in the determination of revenue sharing formulae by the RMAFC. In addition, the principle of derivation should not be less than 'thirteen per cent' of the revenue accruing to the Federation Account directly from any natural resources.[180]

These required principles are indeed arcane and contentious. Spurred by the principle of equality of states which receives an excessive 40% weight in the horizontal sharing formula, Odoko and Nnanna (2009, p. 3) bemoan why the states should be treated as equal in consumption and unequal in production. Similarly on land mass, they wonder why a huge land mass of unfertile and unproductive soil should be rewarded more than a small land mass of fertile and productive soil.[181] It

[180] See FRN (1999 Section 162, 2).
[181] Odoko and Nnanna (2009, p. 3); see also, Ekpo (2007, p. 220).

becomes even more worrisome when one considers the fact that oil revenue contributes over 80% to the federation account and, in the opinion of Ejobowah, "all the governments operate mainly on funds shared monthly from the Federation Account with the implication that the sub-national governments do not have an independent revenue base" (Ejobowah, 2009, p. 527). Meanwhile, only a quarter of the States—Niger Delta, majority of which are ethnic minorities—produce oil. Ejobowah further laments that "it has turned out to be a way of shifting a disproportionate cost of Nigeria's multi-ethnic federal arrangement onto the six, ethnic-minority, oil rich states in the Niger delta."[182]

Figures quoted under the principle of population in the revenue sharing formula are not credible. It is public knowledge that the country has never had a successful census that was not mired in controversy over large-scale politicization. Considering the other factors included in the horizontal sharing, internal revenue generation efforts, which should be encouraged as the only efficiency factor, receives a ridiculous weight of 10%.[183] This means that internal revenue efforts are not rewarded as much as mere equality of all states. The system has undoubtedly contributed to the increasing agitation for new state creations in order to receive large allocations. Because, without any capacity for internal generation of revenues, equality of states factors will provide the basic insurance for the local political entrepreneurs. The fundamental question becomes thus: Is the idea of revenue sharing all about dissipating the 'National Cake' without thoughts of replenishing the same? Unsurprisingly, conflict between the oil producing States and the Federal Government (with the rest of the country), as a result of this system of revenue management has remained intractable in Nigeria, as will be further discussed in the next section.

6.7 Resource Revenue Conflicts

The current basis of resource revenue conflict has been well established above. In order to appreciate the gravity of the conflict, this section will focus on practical manifestations of the conflict. Basically, resource revenue conflict centres on

[182] See Ejobowah (2009, p. 527).
[183] See RMAFC (2012, p. 24).

competition for the receipts of revenues from [natural] resources; which in the case of Nigeria is Petroleum. These resources are produced in a quarter of the States—collectively called the Niger Delta States—in the federation, but only 13% of the proceeds go to the producing states based on the principle of derivation. The remainder is shared among the entire States and the FG; with criteria which often make some non-producing states receive larger shares from the general sharing than even the oil-producing states.

Meanwhile, the production of the resources come with several costs which are mostly borne by the producing states, including occupational losses, environmental pollution, health risks amongst others. This situation aggrieves the people of the producing states, who often see the federal relationship between them and the other states as parasitical; leading to violent conflicts. As such, resource revenue conflict is primarily a battle between the Niger Delta and the Nigerian State; and this has a long history as do resource governance. The genesis can be traced 1958—the year that oil production began—which also dates the emergence of a new revenue allocation formula recommended by the Raisman Commission, to guide Nigeria's Independence era.[184]

The Raisman commission's recommendations entrenched the sharing of revenues from oil resources between the Federal Government and the sub-national units at equal ratios, against the 100% retention by sub-national government provided for in the replaced Chick Commission's recommendation of 1953. It is alleged that this split in the revenues from resources was due to the fact that crude oil was located in the minority area. Because, prior to crude discovery, tin and columbite were being exploited in the Northern region solely for the benefit of the North (Raisman & Tress, 1958; Sagay, 2014; Uche & Uche, 2004). Meanwhile, in the tripartite arrangement of the Nigerian federation then, the areas where oil was found was under the government of the Eastern region dominated by the Ibos—one of the three

[184] See, for instance, Aminu (2013, p. 813); Barrett (2006, p. 41); Ebohon (2012, p. 216); Ejobowah (2000, pp. 29-33); Ikeji (2011, p. 95); Phillips (1991, pp. 103-104); Uche and Uche (2004, p. 17); Welch (1995, p. 641).

majority groups. However, the core location of oil was in the communities largely populated by the minorities like the Ijaw, Ogoni, and Ibibio.

It should be noted that at the formalization of the Nigerian federation, the Lyttleton Constitution of 1954 had prescribed for the economic independence of the regions as was clamoured by the elites/political leaders of the 'Big three' ethnic nationalities that controlled each region. This resulted from the fact that between groundnut, cocoa, and palm oil, which were the mainstays of the Nigerian economy, each was produced in the Hausa-Fulani, Yoruba, and the Ibo lands respectively. But with the discovery of oil, the Raisman Commission feared that the prospect of windfalls from it in a 'not-so-specific' period of time would lead to "crediting the Eastern region with a source of income which is at once too uncertain to build upon, and too sizeable to ignore" (Raisman & Tress, 1958, p. 24). The report's drafters possibly worried that this might consequently affect the stability of the country due to widely varied regional economic stands in favour of the Eastern Nigeria. Despite the reduction of full resource revenue retention to 50% derivation, the Eastern region did not resist, as the yield from oil then was still minimal in relation to the region's main economic stay—palm oil—although her later secessionist attempt, that plunged the country into 30 months civil war (1967-1970), was allegedly anchored in the region's holds on oil and gas revenues (Sala-i-Martin & Subramanian, 2003, p. 13).

However, grievance was expressed by the minority in the Eastern region against both levels of government that shared 50% of the oil wealth. It is likely that this grievance would not have been expressed by the minority if they were in control of the Eastern region judging by what unfolded later, as they began to seek self-determination. In 1965, Isaac Adaka Boro spearheaded a militia attack on "government installations in an attempt to force the Eastern regional government to relinquish their hold on the territories occupied by the minority groups;" subsequently declaring an Independent Niger Delta Peoples Republic in February, 1966 (Barrett, 2006, p. 41; Ebohon, 2012, p. 216). As a result, Boro and his accomplices were captured and tried for treason by the Federal Government. In the public sphere the breeding of militancy in the Niger Delta region, which has grown unabated, finds its roots in Adaka Boro's premier struggle—pursuing the ceding of

holds on oil and gas resource revenues in the Niger Delta for the minorities. No wonder agitations over resource revenue in Nigeria have become stylishly popularised as 'Resource Control'.

A plethora of literature on Nigerian fiscal federalism focuses on changes made in the revenue sharing formulae by an avalanche of revenue allocation commissions. But the basic point to observe from all is that there had been a downward trajectory of slashes on derivation percentage from resource revenues with occasional slight retractions until the return to civilian rule from 1999 when it became pegged at "not less than 13%." Therefore, the Niger Delta people at different times have battled subsequent Nigerian governments (both civilian and military); and as well, have been brutally punished. The extra-judicial execution of Ken Saro Wiwa and eight other Ogoni activists in Nigeria, on 10th November, 1995; the declaration of total war against several Niger Delta Militias (especially, NDPVF, NDV, and JRC), intolerable open-firing on demonstrators protesting against neglect in the region; as well as reprisal raids on villages, often leading to Massacres, are all illustrative of high level violent conflicts.[185]

In spite of the state attacks, militant groups seemed undeterred and even became more resolute. With the militarization of the conflict in the region, emerged a lucrative 'conflict economy' which flourished in crude oil theft through illegal bunkering, sea piracy, vandalism of oil installations, kidnapping oil workers for ransom, and other organized crimes that benefited both the policing military personnel and the militants (Asuni, 2009, p. 1; Barrett, 2006, p. 43; Ushie, 2012, pp. 16-17). These activities have led to several shut-ins of oil facilities by the MNOCs, causing disruption in the production of oil which, in turn, resulted in a general economic downturn. There have been estimates that Nigeria was losing between 100,000 to 300,000 bpd to bunkering and oil spills.[186] Today, the situation is not much different as the activity of oil bunkering and pipeline vandalism remains prolific.

[185] See, Aminu (2013); Barrett (2006); Courson (2006); Ebohon (2012); Okumagba (2012); Welch (1995).
[186] See Asuni (2009, p. 1); Ekpo (2007); Ushie (2012, p. 17).

While the foregoing analyses highlights the direct involvement of the people of the Niger Delta in the struggle for control of their resources, their governments and official representatives are not left out of the conflict. As previously mentioned, political restructuring of the Nigerian federation over the years means the Niger Delta, consisting of a group of minorities in the then Eastern Region, is now made up of several states, devoid of the dominance of any of the three major ethnic nationalities in the country. The minorities are now in charge of these States which was part of their foremost dreams; but derivation has plummeted from 50% (as it was when they were under the Eastern Region) to a paltry 13%. Unlike the Eastern Region that was at equal pedestal with the other two regions then, none of the core Niger Delta States has the political clout to legitimately rise up against the majority Northern states that benefit more from the continued dissipation of 'derivation'. Even when the six states of the core Niger Delta all combine, their efforts would still be dwarfed. Hence, it is alleged that some of these state governments have been providing background support and grooming indigenous militant groups; albeit, with different motives including the need for political insulation (Adebisi, 2011, p. 330; Asuni, 2009, p. 4).

Notwithstanding, the State Governors and representatives of the people of Niger Delta have often made their position known, which usually points to gaining more revenues from oil wealth or/and ultimately attaining "resource control." The strategic difference is the replacement of the militants' armed struggle with political negotiations and litigations. This tool for negotiation has been utilized through similar submissions whenever there was a National dialogue through conferences in order to discuss the strengthening of the unity of the country, as was the case in 1986, 1994, 2005, and 2014. Such occasions offer groups a unique opportunity to outline grievances and further agitate for more shares from the oil wealth.[187] Part of their successes through using this strategy is the upgrade to the current 13% derivation, which was negotiated at the 1994/95 National Political Reform Conference.[188]

[187] Gboyega (2001) opines that 27% of the items on discussion during the 1994/95 conference was on the issue of revenue sharing.
[188] See particularly, Barrett (2006, p. 43).

On litigation, a 2002 Supreme Court landmark Judgment was a reaction to constant calls, since 2000, from the Governors of the oil producing states. They had challenged the Federal Government for the removal of revenues from offshore production in determining the 13% derivation, among other deductions from the Federation Account (Egwaikhide, Isumonah, & Ayodele, 2009, p. 40). Spurred by these calls, the Federal Government through her attorney filed a law-suit at the Supreme Court for the determination of the seaward boundary of a littoral state within the country.[189] Even though the Supreme Court ruled in favour of the FG by declaring that the seaward and offshore revenues belong to the FG, it however declared illegal those particular deductions by the FG and ordered up-front payment of the 13% derivation from onshore production (IMF, 2003, p. 14). The prompt payment of the derivation, which hitherto was inconsistent, meant the ruling was not a total loss for the producing states; even though they had prayed the court for the inclusion of offshore resource revenues to the derivation. Their further negotiation through the legislative arm yielded fruit when in October, 2002, the National Assembly passed a bill requiring the derivation grant calculation to be based on all oil and gas production—offshore inclusive.[190]

Regardless of the guise through which the quest for greater shares of the oil revenues manifests, the central theme for both Statesmen and Militants seeking higher oil revenue is that their region suffers greater neglect in relation to other regions in the country. This view seems to be upheld by non-partisan observers from across the federation as well as foreign expatriates.[191] Undeniably, the area shows sign of serious neglect and the candid observation of an American expatriate who had been there on peace-work succinctly summarizes the Niger Delta lots, thus:

> The oil industry exploited and polluted the area, wiping out the traditional livelihoods of fishing and farming... Despite its mineral wealth, the Niger Delta is one of the poorest regions in Nigeria. There is no infrastructure to speak of and the

[189] Dafinone (2002); Ikpang (2011).
[190] See IMF (2003, p. 15).
[191] See, Aminu (2013, pp. 813-814); Asuni (2009, p. 3); Egwaikhide et al. (2009, pp. 38-44); Ikeji (2011, p. 133); Ushie (2012, p. 16).

> inhospitable geography of the region has added to the region's remoteness from the rest of the country...roads in the Delta cost four times more to build than those on dry land, leaving the canoe or motor boat as the primary form of transport...the difficulty of moving goods and people means that essential supplies—including petroleum products—cost more in the Niger Delta than in other parts of Nigeria. Thus, a combination of geography, ethnic tension, economic underdevelopment, and the presence of an industry that yields many disadvantages but few direct benefits to the people of the region have created a situation ripe for conflict (Asuni, 2009, p. 3)

On the contrary, critics of the Niger Delta agitations—led by Governor Aliyu Muazu who is the leader of the Northern Governors Forum—argue that the payment of 13% derivation to the oil producing States is the root of a growing imbalance in the Northern States' development strides compared with the rest of the States in Nigeria (Anyadike, 2013, p. 27). Buttressing this, Governor Aliyu argues that some states in the South receive allocations that are 20 times more than those of some of the Northern states (Innocent & Anyadike, 2012, p. 55). The Northern position is equally represented by the immediate past Governor of the Central Bank of Nigeria (CBN), Mallam Lamido Sanusi, who claims that "the low financial allocation to the Northern states was the major reason for the underdevelopment of their region, and the activities of such groups as Boko Haram" (Adegbami, 2013, p. 141).

To the critics, the problem is not about the percentage the Niger Delta States receive but of "greed" and financial recklessness of their governors. This assertion finds support from Ushie who observed that "within Nigeria's politicized fiscal federalism, powerful state governors sit atop public exchequers and conduct their fiscal affairs out of the reach of the federal government, and also beyond the scrutiny of civil society, international donors, and local constituencies (Ushie, 2012, p. 14). She went on to argue that the oil-rich Niger Delta region receives 35% of all revenues shared between the central and sub-national governments, which is the

highest among Nigeria's six geopolitical zones.[192] Therefore, there is certainly a case of corruption, but that does not replace the ground of their agitations which is, simply put: 'grievance' induced by 'relative deprivation'. This is so because, corruption reigns supreme at the federal level too;[193] hence, it would be erroneous to focus the analysis too narrowly on corruption. To show that the FG is not in disagreement with the basis of the grievances, there have been efforts to ameliorate the deplorable conditions in the Niger Delta. It suffices to consider these efforts and determine their impact.

6.8 Efforts to address the Conflict

Outside the adjustments on the percentage for derivation and the abolition of onshore and offshore dichotomy in order to allocate more revenues to the oil producing states, there have been some policy measures to better the lots of the Niger Delta region starting from the early 1990s. These began as a consequent of an unsuccessful coup to oust the military government of General Ibrahim Babangida in 1990. The coup was led by a Northern minority officer—Major Gideon Orkar—but mostly backed by junior officers from the Niger Delta, who accused the FG of not developing oil producing areas (Egwaikhide et al., 2009, p. 38). Decree 23 of 9th July 1992, establishing the Oil Mineral Producing Areas Development Commission (OMPADEC)—to cater for the developmental challenge of the areas—which was funded with 1.5% (later upgraded to 3.0%) of the Federation Account, represents Gen. Babangida's efforts to pacify the people of the Niger Delta. The enunciated objectives of the commission included the following:

1. To receive and administer the monthly sums from the allocation of the Federation Account in accordance with confirmed ratio of oil production in each State

2. For the rehabilitation and development of oil mineral producing areas,

[192] See Ushie (2012, p. 6).
[193] For evidence, see Soludo, Oji, Agu, and Amakom (2003, p. 81).

3. For tackling ecological problems that have arisen from the exploration of oil minerals

4. For tackling ecological problems that have arisen from the exploration of oil minerals

5. To determine and identify, through the Commission and the respective oil mineral producing States, the actual oil mineral producing areas and embark on the development of projects properly agreed upon with the local communities of the oil mineral producing areas;

6. To determine and identify, through the Commission and the respective oil mineral producing States, the actual oil mineral producing areas and embark on the development of projects properly agreed upon with the local communities of the oil mineral producing areas;

7. To consult with the relevant Federal and State Government authorities on the control and effective methods of tackling the problem of oil pollution and spillages.

In addition, all major operators were advised by the FMG to spend 5% of their total budget executing development programmes in the State(s) or region (Egwaikhide et al., 2009, p. 38). The intended result could not be felt because of dishonesty on the part of the FMG in adequately funding the commission. According to Sagay (2014), figures provided by the first Chairman of OMPADEC, Chief A. K. Horsfall, during the first three year period...shows that the commission, going by the 3% derivation formula, was supposed to have received 72 billion naira, but it only received 11 billion naira. Meanwhile, another decree no. 25 of 1994 had been promulgated for the establishment of Petroleum (Special) Trust Fund which was to provide for the identification, funding and execution of projects in various sectors, and for matters connected therein (Decree No. 25, 4th October, 1994). The establishment of this Fund was suspected to provide an outlet for the non-oil producing States, especially the Northern States, to counteract whatever benefit the OMPADEC would accord the Niger Delta. To justify this position, Sagay (2014) observes that while OMPADEC received just over 2 billion naira in 1995-96, the PTF (special) by contrast received 346 billion naira between 1994 and 1997.

At the return of civilian democratic rule the fourth republic government, under Rtd Gen. Olusegun Obasanjo in 1999/2000, passed a bill for an Act that establishes the Niger Delta Development Commission (NDDC), to provide for the repeal of the OMPADEC decree. At establishment, it purported to be an effective commission with a re-organized management and administrative structure to replace the OMPADEC (NDDC Act, 1999). It was to take charge of the use of the finance received from the allocation of the Federation Account for tackling ecological problems which arose from the exploration of oil minerals in the Niger-Delta area. Funding of the NDDC would be provided by the following means; removal of the equivalent of 15% of total monthly statutory allocation due to a member State; 3% of the annual budget of any company operating on and offshore in the region; 50% of the monies due to a member State from the ecological funds and any other grant.[194] Despite lofty ideas behind its establishment, in reality, this initiative has yet to achieve any appreciable feat, as militant advocacies for greater economic autonomy for the oil producing states continues unabated.[195]

In another instance, industry operators are encouraged by the Federal Government to engage in Corporate Social Responsibility aimed at developing the Niger Delta region. Through this strategy, oil companies try to employ locals to fill quotas of their manpower needs, provide scholarship opportunities for the locals, help in the provision of infrastructure in the communities—building roads, schools, and clinics—and providing portable water in order to improve the standard of living in communities. However, the network of agents involved in the execution of each of the projects, as well as the spate of clientage among the local chiefs most often brings about the unfortunate defeat of the goals set to be achieved. Thus, against the huge sum that the oil companies often quote as being spent in providing local community projects, peoples' perceptions remain unfulfilled. It might seem harsh and unfair to negate the contributions of the industry operators in the Niger Delta region. Ironically, the impact is rather seen in the sophistication of the lucky local chiefs who share the spoils with the industry workers. They only leave mere crumbs

[194] See Sagay (2014).
[195] See Barrett (2006, p. 42).

to be committed to the actual implementation of the publicized projects which eventually become unrealized due to depleted funds.

6.9 Concluding Remarks

This chapter has explored the question of federalism in Nigeria and resource revenue conflict. It did a thorough historical survey of the emergence of Nigeria as a country and also the development of federalism in the nation. The challenge in Nigeria today is rooted in the historical antecedents through which suspicion, resentment and hatred were sown during the colonial period. In spite of this, it seems clear that the country is developing the culture of tolerance and compromise often exhibited by leaders, albeit, minimally. However, conflict over petroleum resource revenues poses the most crucial threat to the corporate existence of Nigeria. The conflict provides the avenue through which the country's federal experience is constantly put to test. Constitutional provisions regarding the division of fiscal powers in the federation, and certain issues over the institutional arrangements for revenue sharing have all been explored in this chapter. Both of the points contribute immensely to the nature and outcome of the conflict, and against various efforts to combat it.

Considering the proliferation of insurgents in the region, it is clear that the strategies employed by both the federal government and oil companies have done little to assuage the Niger Delta people. By the twilight of Obasanjo's second term, Barrett (2006, p. 43) opined concerning the insurgents that their emergence, and the success of their guerrilla attacks on oil installations, indicate that the amelioration of the situation through moderate measures such as those being proposed by Obasanjo's government might not be enough to bring lasting peace to the region. The succeeding administration led by [Late] President Umaru Musa Yar'Adua on 25 June 2009, granted amnesty to the insurgents (unconditional pardon), including all persons being prosecuted for offences associated with militant activities, upon the surrender and handing over of all equipment, weapons, arms and ammunition; a proclamation that was in effect until Sunday, 4th October 2009. With the benefit of hindsight, after over half a decade, it can only be seen as a truce; aided, perhaps, by the fact that the current President—Dr Goodluck Jonathan—hails from the Niger Delta. The militants are, today, acting like a stand-by army of the region; ready to

mobilize whenever the need arises. The threats they meted against the Northern people in reaction to the North's initial threat to stop President Jonathan from running for the second term further illustrate this.[196]

The conflict over resource revenues in Nigeria is indeed complex. The basic rationale to seek justice for the neglected areas of the Niger Delta has taken different forms including self-determination; seeking increasing shares in the petroleum wealth; and full resource control. Moreover, leaders of the movements and Statesmen have often been drawn into financial scandals that make the true motive behind their struggle more complicated. Having a Niger Delta son as the President undoubtedly helps to tame the insurgents, but does not totally signal the end to their agitations. However, as the conflict over resource revenues remains persistent, it is important to direct the reader to a display of specific sources of revenues from oil and gas in Nigeria, and the ensuing volume of cash in real terms (see Appendix: Financial Flows from Oil & Gas). The understanding from the evidence will justify the recommendations from this study on possible ways towards solutions to bring lasting peace and for business to thrive. Next chapter discusses the situation in Canada.

[196] See Nwosu (2013).

CHAPTER SEVEN.
CANADA: FEDERALISM AND RESOURCE REVENUE CONFLICT

7.1 Introduction

This chapter explores the case of resource revenue conflict and the impact of federalism-related efforts to address the conflict in Canada. The chapter commences with the history of federalism in Canada, including its development over the years. Effort is made to understand the kind(s) of diversity that features in the Canadian federation, the constitutional provisions regarding the division of fiscal powers, and the institutional arrangements for the allocation and sharing of revenues. Thereafter, an investigation will follow into the competition for revenues from the high yielding oil and gas industries, between the levels of government in the Canadian federation. The aim is, firstly, to ascertain the prevalence of real conflict between the oil producing provinces or communities and the central government. Secondly, to observe, where there is evidence of conflict, what formal measures have been taken to address the problems. The chapter is underscored by current initiatives regarding the possibility of conflict over petroleum proceeds in Canada.

7.2 History of Federalism in Canada

Understanding the evolution of federalism in Canada is, in effect, getting to know the history of the country and its people. In the opinion of Richard (2004), Canadian federalism is a political and legal response to the underlying social and political realities of British North America. The year 1867 is generally acknowledged as an historic year marking the beginning of formal federal institution in Canada. However, a more extensive investigation would present an account for the 'making of federalism' in Canada beginning from the twilight of the eighteenth century instead. The geographical space that constitutes present day Canada was inhabited by the aboriginal Inuit natives who had crossed the Bering Straits from Asia (Lambert, 2015). These earlier settlers dispersed from the north where they first settled to the west coast and east in search of convenient geographical features for their primary hunting and farming occupations. No harmonized account exists as to what political system they practiced because their population was still low.

Population expanded as European explorers led expeditions to the location. As a direct product, it is believed that, the French settlers from France arrived in 1604 as the first set of Europeans to locate and live in Canada (Richard, 2004). However, they concentrated around the south-eastern corner of the Country—Quebec—which was consequently regarded as a colony of New France. From this period to the mid-eighteenth century, the population of New France grew from less than 10,000 to 48,000 inhabitants (Lambert, 2015). Meanwhile, the English were equally interested in this geographical space as one of their earlier explorers—Henry Hudson—had discovered the Hudson Bay just at about the same time the French began to settle in the nearby Quebec. Hence, in 1670 the English granted the Hudson Bay Company with the exclusive rights to trade with the inhabitants of the Hudson Bay area (Morton, 2008).

The proximity of Quebec to Hudson Bay created unavoidable contact between the two imperial powers that controlled the nearby areas; a rivalry that led to several violent confrontations, and also, ultimately shaped the fate of present day Canada. The Hudson Bay (most particularly its south—which was named the James Bay) acquired a de facto boundary that demarcated the country along British descendants (to the South and Westward of the bay) and French descendants (to the East of the bay). The British soldiers, however, continued to penetrate into the East—the foremost French domain—and after capturing the main French cities of Quebec and Montreal, the French were forced to surrender all their territories in Canada to Britain, settled in 1763 by the Treaty of Paris. The victory of the British did not undo the fact that the people in those conquered territories were not British but French.

Subsequently, the Quebec Act of 1774 emerged in order to recognize the distinctiveness of French Canadians in Canada. The act allowed them to practice their Catholic religion as opposed to the English who were largely Protestants and Anglicans. They were also allowed to keep French civil law alongside British criminal law. The formation of territories was bolstered by a 1791 Act of the British Parliament, which divided the Lawrence River Valley into two parts, Upper and Lower Canada to reflect the Anglo-Franco phonic divide respectively. Both were administered as separate British colonies, just like other remaining British

possessions in North America that did not join the United States to secure independence.

In 1840, the Act of Union was passed by the British Parliament which merged the two colonies to create the single 'Union of Canada' albeit, having the prior colonies of Upper and Lower Canada as Provinces. However, pursuant to overcoming political difficulties in the Union of Canada and Britain's other possessions in nearby locations, the British North America Act (BNA Act) of 1867 created the Dominion of Canada which established formal federal arrangements for the country (Watts, 2008, p. 32). Observe the preamble to the BNA Act; thus: "[w]hereas the Provinces of Canada, Nova Scotia, and New Brunswick have expressed their Desire to be federally united into One Dominion under the Crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in Principle to that of the United Kingdom" (CAP. III. 29th March 1867).

Therefore, the Confederation of Canada, as most Canadians refer to it, was achieved by dividing the United Provinces of Canada into two Provinces of Ontario (replacing the prior Upper Canada) and Quebec (replacing the Lower Canada), and by the addition of two other British Colonies of Nova Scotia and New Brunswick as Provinces; all of which was done for trade and defence purposes (Constitution Act, 1867: s.5-6; Watts (2008, p. 32)). The BNA Act also prescribed a provision for the eventual admission of other parts of British North American territories into the Dominion of Canada (Constitution Act, 1867: 1). Hence, the process of formation of the Canadian federation is truly, as most scholars assert, a combination of 'coming together' (of three British Colonies, from whence others later joined), and 'coming apart' or 'pulling down' (in the Provinces of Canada—the split into Ontario and Quebec) (Stepan, 2001, pp. 320-323; Watts, 2008, p. 32).

A couple of important observations includes the fact that, the name 'Canada' has hitherto applied to 'only' the colonies and provinces replaced/represented by Ontario and Quebec; the other consenting colonies had other names, without any attachment of Canada. Therefore, the choice of 'Canada' as the name for the federating union, instead of a neutral name, accentuates the superiority and dominance of the erstwhile Provinces of central Canada which, till today, remains

'more equal' than the other provinces in the union.[197] Secondly, the structure of the federating units did not enlarge as a result of subsequent splitting up of the initial four provinces. Instead the new provinces are territories that were geographically disconnected from each other in the past.

The expansion started with Manitoba (at the immediate west of Ontario), which joined the Dominion in 1870; British Columbia in the farthest West coast in 1871; and Prince Edward Island in the North of New Brunswick in 1873. Both Saskatchewan and Alberta (located between British Columbia and Manitoba) joined the Dominion in 1905; whereas the last of the provinces—Newfoundland, located at the North East of Quebec—became part of the federation in 1949. While the provinces were joining the Canadian federal union, the large expanse of land in the northern part of Canada was being divided into territories: the Yukon (in the far North West region of Canada); and the North West Territory – from where the Nunavut was later carved out in 1999. The Nunavut is located at the immediate North West of the Hudson Bay while and the North West Territory now sits in between the Yukon and Nunavut. These territories all acquired quasi-provincial government status, and are thus, somewhat recognized as part of the constituent units that make up the Canadian federation.

Critical colonial factors contributed to the adoption of federal arrangement in Canada. Firstly, the territories that were outside central Canada, even though they received minimal focus in relation to that given to the central Canadian colonies, were all under British rule just like the then widely-written about Upper-Lower colonies of Canada. Secondly, the USA, after successfully wrestling independence from the British, allegedly attempted to annex parts of the Colonies in Canada with several invasions especially into Quebec and Ontario. This imposed additional costs on the British in order to ward off these security threats; costs that were thought to be extraneous to the British public. According to Richard (2004), it appeared that the colonies might be left to fend for themselves, especially in respect to defence, fearing another attack. He further opines:

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[197] In fact, some critics view the Canadian federation as an instrument of injustice; arguing that it was brought about to increase the wealth of central Canada; see Kilgour (1988, p. 37).

> Thus it was that in 1864, motivated by a desire to create mutual commercial ties and the threat of annexation by the United States, representatives of the Atlantic Provinces and the Provinces of Canada met in Charlottetown, Prince Edward Island to consider a union of British North America (Richard, 2004).

The meeting at Charlottetown would remain monumentally etched in the minds of Canadians for providing the forum through which a federal union was agreed upon. Arriving at the decision was not without difficulties, because, bringing the colonies in a unitary set up appeared to be the preference of the British colonial power as seen from the preamble of the BNA Act 1867. A unitary set up would also be more cost effective for the new emerging nation. However, opposition arose from Quebec, expressing fear of being subsumed by the majority English Canadians in any kind of unitary arrangement. They took pride in their separateness and wished to preserve their faith, their language, their laws and their culture (Morton, 2008; Richard, 2004). None of the above was feasible or guaranteed in a unitary system; hence, they believed that a federal union, which recognized and supported the autonomy of each constituent unit, would best preserve their distinctiveness.

7.3 Formal Federal Features in Canada

Canada, today, is a federation of ten provinces and a central government; in addition to three territories that have quasi-provincial status. The establishing BNA Act of 1867 founded Canadian federation as one of equality and partnership, with specification for the distribution of powers between the Provinces and the Crown government. The phrase in the preamble of the Act introducing a Constitution similar in principle to that of the United Kingdom, meant that Canada, from the beginning, was going to function as a parliamentary federation; and that has not changed. Canada operates a written constitution[198] that reaffirms Canada's dual legal system, by stating that provinces have exclusive jurisdiction over property and

[198] The written constitution, however, is not totally a single document, but a collection of about 30 primary documents outlined in the Constitution Act 1982 that replaced the BNA Act 1867; from whence the old one became the 'Constitution Act, 1867'.

civil rights, which allows Quebec to adopt their preferred French Civil Law, instead of the British inspired Common Law.

Being a parliamentary federation means that there is a fusion of legislative and executive powers in Canada, unlike in Presidential federations where these powers are separated. Thus, the Prime Minister, who is the Head of Government of the country, is first and foremost elected as a member of the Parliament before subsequently forming the government (the Cabinet) with his party parliamentarians, once they win the majority of the seats. There is a Governor General who is appointed to represent the Monarch as the Head of State. Canada, like most if not all federations, operates a bicameral legislature with the House of Commons and the Senate. The House of Commons has a total of 308 MPs and is 'supposedly' based on representation by population.[199] The highly populated provinces of Ontario and Quebec each has 106 and 75 MPs respectively, while the very lowly populated provinces of Newfoundland and Prince Edward Island each has 7 and 4 MPs respectively. The other six provinces share a total of 113 MPs in significantly varying ratios, while the territories are each represented by one MP. This demonstrates how difficult it might be for some of the provinces to actually have their opinions adopted through parliamentary votes.

There is little difference with the representations in the Senate which ought to be based on equal sub-national membership. Unfortunately the provinces, as the constituent units, which ought to provide the basis of representation here, are downgraded in a de-facto regional arrangement. This regional arrangement groups some provinces together into a single region and allows some other provinces to stand alone as regions. Particularly, the four provinces of British Columbia, Alberta, Saskatchewan, and Manitoba are grouped as the Western provinces/region and altogether produce 24 Senators drawn equally from them. The three provinces of Nova Scotia, New Brunswick, and PEI are grouped as the Maritime provinces/region and altogether pull 24 Senators, but in this case two provinces produce 10 each while PEI contributes only four. The provinces of Ontario and

[199] Unfortunately, a lack of clarity complicates how the number of seats for each province is obtained with respect to the population basis.

Quebec have separate regional status, producing 24 Senators each. The last Province—Newfoundland and Labrador—is awarded 6 Senatorial seats; whereas each of the territories has one Senator representing them. This makes a total of 105 Senators in the Canadian Upper House at every given time.

From the above, variations in provincial memberships at the House of Commons and the Senate, too, are observed. This pattern of representation in the Canadian Senate presents the Upper House as being based on majority representation rather than provincial equality. Whereas the former strengthens unitary principle, the latter supposed to provide a springboard for con-federal principles, both of which create the 'federal mix'. In the absence, the structure appears overtly centralized and to have undermined the relevance of the centrifugal representations required for every federal set-up. No wonder Wheare could conceive of the Canadian system as "quasi-federal in law, even though predominantly federal in practice."[200] Hynes (2010, p. 27) describes this system of representation as "purely arbitrary, and not connected to population, geographic size, cultural distinctiveness or any other factor." Moreover, the Prime Minister may appoint either four or eight extra Senators to pass contentious legislation; none of which may come from Newfoundland and Labrador or any of the territories.[201]

Another variation found is that all Senators are appointed by the Prime Minister, instead of their provinces, for a term that remains valid until 75 years of age. This raises further doubt over their true usefulness as regards provincial representation. But the fact that in practice Canadian Senators do not serve in the Cabinet like some MPs, and also that the cabinet is responsible to the House of Commons means that the Senate has limited power that weakens its effectiveness. Perhaps, this is why equal provincial representation at the Senate may not have been pursued vigorously as the potential benefits remain unclear in the current plan. Simultaneously, that may account for why intergovernmental relations in Canada is still largely routed through the executive arm, i.e., the First Ministers Conferences; in order to safeguard the equality of provinces as against parliamentary majorities.

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[200] See Wheare (1963, p. 19).
[201] Hynes (2010, p. 27).

The judiciary is separate and controlled by the judges of the courts, with the Supreme Court of Canada as the apex court to decide cases of disputes between the crown and the constituent units. It is worthy of note that the reference point for legal adjudications remains the provisions in the Constitution Act, 1867 which was repatriated and replaced by the Constitution Act, 1982.[202] Meanwhile, the overall government structure at the provincial level takes after the federal structure even though names often change (e.g. Legislative Assembly, House of Assembly, and National Assembly, each representing the Provincial legislature in place of the House of Commons and Senate for the the Federal legislature). Thus, the most significant difference is the unicameral legislature in the Provinces as against the bicameral system at the federal level. The chief executive/Head of Government of each province is the Premier; and the representative of the Monarch—i.e. the Provincial Head of State—is the Lieutenant Governor instead of Governor General. The Judiciary is as well represented by the judges of several Provincial courts.

Elections in Canada are conducted through a non-partisan agency named 'Election Canada', headed by a Chief Electoral Officer of Canada whose appointment is usually approved by all of the parties in the Parliament; to ensure impartiality. Under Canada's electoral system, the country is divided into geographically based electoral districts or ridings (also called constituencies). At the federal level, the entire country is divided into electoral districts for elections to the House of Commons. Individual provinces and territories are also divided into different electoral districts for election to their respective legislatures.[203] Electing representatives in Canada is typical of a single-member constituency and, also, determining the winner is by simple majority; or what is otherwise labeled as first-past-the-post voting system (FPTP). This means that permissible outcomes of the Canadian electoral process include the possibility of having a Minority government in power, because a 'majority' of the seats do not have to be earned by any single party before a government can be formed. Typically, the party that garnered the most seats is asked to form a government. Whether this government is allowed to

[202] The new Constitution retains most of, if not all, the provisions in the earlier Constitution, and adds a Charter of Rights and Freedoms, and a new Constitutional amendment procedure that involves in most case, the federal and provincial governments; see Watts (2008, p. 33).
[203] See Doody (2007).

remain in office depends on its ability to sustain the confidence of the House of Commons.

7.4 Resource Allocation in Canada

The quest to secure resources can never be overemphasized in any setting; the Canadian federation inclusive. In the last chapter, 'resources' were defined as holdings that empower the holder to function in a capacity, or achieve a goal, that is restricted for others in similar situations. Arising from this definition, resource, in the context of governance, means power and wealth. 'Power' can be understood in terms of political powers or government authorities (i.e., power to legislate, enforce and to defend), while 'wealth' can be viewed in terms of fiscal wealth including liquid cash, the abundance of natural resources, and revenues in various commercial activities that take place within the jurisdiction of a government. Specifically, the distribution of political powers is concerned with 'government functions' or areas to expend while the distribution of fiscal wealth concerns 'government revenues' needed to cater for the functions. Here, attempt is made to explore how the functions of government are distributed between the federal and provincial governments in the Canadian federation. Similarly, how the revenues and revenue sources of government are allocated between these levels will also be examined, in order to underscore the basis of the conflict or dispute between the duos.

7.4.1 Division of Responsibilities

The distribution of legislative jurisdictions in Canada takes different forms due to the presence of two levels of government on one hand, and another variant that is statutorily not totally equal with the Province. Also, the inclusion of another level at the municipalities in the federation makes matters more complex. The federal parliament can make laws for the whole of Canada in respect of matters assigned to it by the Canadian Constitution. Provincial legislature, likewise, can make laws relative to the subject matters over which it has been assigned a jurisdiction. The three territories are under the crown government, although particular arrangements have been developed for Aboriginal peoples in the territories and various regions of Canada. The municipal governments are created under provincial law and can

make by-laws dealing with a variety of local matters, such as zoning regulations and the issuance of construction permits.

Details of functions to be carried out by the levels of government are explicitly enshrined in Canada's constitution which lists "three forms of legislative powers: exclusively federal, exclusively provincial, and concurrent; with major residual powers assigned to the federal government" (Watts, 2008, p. 32). Each level of government is 'presumed' supreme in its area of jurisdiction and should not be overridden by another. Take note of the re-assurance in Section 91 of the Constitution Act, 1867; thus:

> It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces; and for greater Certainty, but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that (notwithstanding anything in this Act) the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated (Constitution Act, 1867: s.91).

The Section 91 proceeds to list the following items under the exclusively federal jurisdiction: public debt and property, regulation of trade and commerce; unemployment insurance, raising of money by any mode or system of taxation; borrowing of money on the Public Credit, navigation and shipping; and other items including National defence, Banking and Currency, Marriage and Divorce, and Census (Government of Canada, 1982 s. 91; Magnet, 2013). Section 92 establishes that in each Province, the Legislature may exclusively make Laws in relation to matters coming within the Classes of Subjects next hereinafter enumerated. The subjects include the following; Direct Taxation within the Province in order to the raise Revenue for Provincial Purposes; borrowing of Money on the sole Credit of the Province; Establishment and Tenure of Provincial Offices; the Appointment and Payment of Provincial Officers; Management and Sale of the Public Lands

belonging to the Province and of the Timber and Wood thereon; Establishment, Maintenance, and Management of Public and Reformatory Prisons in and for the Province; and Property and Civil Rights in the Province among other items included.

Altogether, there are 29 items in the exclusively federal list and 16 items in that of the Province; although the expansion of section 92 in the Constitution Act, 1982 means that the exclusively provincial list has about 22 items in it. Concurrent jurisdiction includes matters on only 4 items—education, pension, agriculture and immigration as shown in sections 93-95 of the Constitution.[204] A critical look at the Constitutional provisions reveals the entrenchment of wide powers for the provinces than is usually noticeable at a first glance. For instance, the federal government does not at all times take precedence over the provincial government when both governments have interest on items in the concurrent list, as the case in Nigeria. This is exemplified in section 94a of the Constitution Act, 1982, thus; "The Parliament of Canada may make laws in relation to old age pensions and supplementary benefits, including survivors' and disability benefits irrespective of age, but no such law shall affect the operation of any law present or future of a provincial legislature in relation to any such matter."

In fact with the above observation, Canadian federation looks more like a classic dualist federal system. The watertight-compartmentalization in the Canadian federalism, in addition to being marked by separate legislative lists and a shared concurrent jurisdiction, is such that residual powers have equally been 'allegedly' divided between the two levels of government.[205] Note that section 91 of the constitution provides that the Parliament of Canada can make Laws for the Peace, Order, and good Government of Canada; and section 92 (16) provides that the Legislature of each province can make Laws on generally all Matters of a merely local or private Nature in the Province. Magnet argues that the parallel function of these provisions, however, is not reflected clearly in either the constitutional text or

[204] See Government of Canada (1982).
[205] In the opinion of Magnet (2013), there are two parallel residual categories of law-making power which require balanced and nuanced interpretation when courts consider division of powers questions relating to matters which are not specifically enumerated in sections 91 and 92.

the structure of sections 91 and 92 which divide legislative power (Magnet, 2013). Hence his conclusion regarding the existence of two residual lists, which are: the federal residuum, stated specifically in the introductory clause of section 91, and the provincial residuum, evidenced in the enumerated class of subjects assigned to the provinces by section 92.

Corroborating this view, Simeon and Papillon (2006, pp. 99-100), argue that the applicability of the clause includes "matters not contemplated at the time of Confederation (such as aviation and broadcasting) or that assumed national dimensions with the passage of time." Specifically in their opinion, the key criterion for justifying federal jurisdiction is provincial 'inability' i.e., that the issue is beyond the ability of the provincial power. Even then, "it must have a singleness, distinctiveness and indivisibility that clearly distinguishes it from matters of provincial concern and a scale of impact on provincial jurisdiction that is reconcilable with the fundamental distribution of legislative power under the constitution."[206] This, no doubt, clearly demonstrates how strong the provincial level is, as an equal partner in the federal union.

A crucial observation from the Constitution of Canada is the explicit placement of property and civil rights in the exclusive provincial legislative list, and the consequent inclusion of Mines and minerals—including oil fields, oil mining, natural gas—and other resources under the provincial jurisdiction.[207] To show the importance, a new section 92A was included in the Constitution Act, 1982, re-emphasizing provincial ownership of natural resources, thus: [i]n each province, the legislature may exclusively make laws in relation to (a) exploration for non-renewable natural resources in the province; (b) development, conservation and management of non-renewable resources natural resources and forestry resources in the province, including laws in relation to the rate of primary production there from; and (c) development, conservation and management of sites and facilities in the province for the generation and production of electrical energy. The significance of this provision will be illuminated in the next section on allocation of revenues,

[206] See (Simeon & Papillon, 2006).
[207] See sections 92 (13); s. 92A; and s. 109 of the Constitution Act, 1982.

especially regarding the disputes which oil and gas revenues has generated in the Canadian federation.

7.4.2 Allocation of Revenues

The majority of revenues that government receives come from taxation, even though other revenues can accrue to government, as fees, charges and profits. Therefore, while allocation of revenues between levels of government in its simplest definition focuses on 'tax assignments', it also extends to the division of different areas of activities which have the possibility of yielding revenues. Even beyond the difficulty for the distribution of functions, allocation of revenues generates tensions that constantly test the stability of a federation. As Wheare (1963, p. 93) states, the federal principle requires independence of each government within its sphere and not subordinate to one another. For this principle to operate not merely as a matter of strict law, but also in practice, it follows that both levels of government must each have under its independent control financial resources sufficient to perform its exclusive functions. This section explores the allocation of revenues and/or tax jurisdictions in the particular instance of Canada.

The Constitution of Canada provides for the attainment of self-sufficiency by each level of government; as each is equipped with access to major tax sources and also responsible for raising a greater part of own revenue needs. Broadly, section 91 (3) empowers the federal government to raise "Money by any Mode or System of Taxation," whereas section 92 (2), empowers the Provinces to raise revenues for the provincial use through Direct Taxation within the Province. There is ambiguity in this broad classification, as the federal government may want to occupy some sources within the 'supposed' direct jurisdiction of the provinces. Of course the constitution, by implication, empowers the federal government to impose both direct and indirect taxes across the federation. Against this controversy, scholars of Canadian fiscal federalism have analysed what specific taxes that various orders of government occupy in practice (Bird, 1999; Boadway, 2007, p. 105; Shah, 2007, p. 22; Vigneault, Boadway, & Mintz, 1996). From the literature, the following tax instruments are available to the federal government:

- Customs
- Personal Income Tax

- Corporate Income Tax
- Non Resident withholding Tax
- Consumption Tax
- Payroll tax

The same literature suggests the under listed tax instruments are available to the Provincial governments:

- Corporate Income Tax
- Personal Income Tax
- Consumption Tax
- Resource Tax
- Property Tax
- Payroll Tax
- User fees

From the above distribution of tax instruments one can easily notice that both the federal and provincial governments co-occupy several tax fields. In fact the only exceptions are Custom Duties and Non Resident Withholding Tax to which only the federal government has access (Vigneault et al., 1996, p. 1). Such joint occupancy of the major tax fields naturally generates conflict, because each level of government has its own needs which burden tax rates (Simeon & Papillon, 2006, p. 104). In addition, they can as well act independently which may possibly expose some individuals to be taxed twice while some persons may slip being taxed. Illuminating this point, Sheikh and Carreau (2000, p. 13) claim; if one province is taxed on the basis of residence while another is taxed on the basis of the source of income, an individual living in the first province but earning income in the second would be taxed twice. By contrast, someone living in the second province but earning income in the first would avoid tax completely.[208] Hence, it is complicated and, perhaps, a mark of ingenuity, considering how both levels of government are able to tax on same bases, yet without each order of government being overridden.

Considerable cooperation that forestalls the problem of joint occupancy around tax bases has largely been achieved through the activities of Canada Revenue Agency

208 See Sheikh and Carreau (2000, p. 13).

(CRA) (Simeon & Papillon, 2006, p. 104). This agency coordinates sets of tax collection agreements, and also, acts as the common income tax collector for all provinces except Quebec (and Ontario and Alberta, with regard to the corporate income tax). In particular, CRA is responsible for administering tax legislation, benefit payments and related programmes for governments across Canada, through the implementation of tax agreements between central and provincial governments. These agreements have allowed a high degree of coordination within an otherwise highly decentralized revenue-raising regime, while simplifying the paper burden facing taxpayers.[209]

To illustrate, the following tax fields are jointly occupied by the federal and provincial governments; Personal Income Tax; Corporate Income Tax; Consumption Tax, and Payroll Tax.[210] The coordination of Canadian tax policies is such that little variants and/or division has been created for each of the taxes in order to distinguish the federal quota from the provincial quota, or separate the two if required. Starting with the Consumption Tax, the federal government owns Goods and Services Tax (GST),[211] whereas the provinces own the Retail Sales Tax (RST) (Rao, 2007, p. 326). Each province decides the rate for the RST and whether to collect it separately (exclusive of the GST), as is the case in Manitoba, Saskatchewan, and British Columbia, or to include it as surtax unto the GST and allow CRA to collect on their behalf.[212] For the latter, the GST changes to HST (Harmonized Sales Tax), and the rates still vary as each province chooses what constitutes the applicable RST. In Quebec, the QST covers the RST, whereas Alberta does not levy any Retail Sales Tax.

For the remaining joint tax fields, the federal government through the CRA collects Personal Income and Payroll taxes for all provinces except Quebec. Similarly, all provinces except Alberta and Quebec permit CRA to collect Corporate Income Tax on their behalf. Apart from the case of Sales Tax where the federal government applies uniform rates for the provinces under HST, in all other cases, each province

209 See Simeon and Papillon (2006, p. 104).
210 Simeon and Papillon (2006, p. 104); Vigneault et al. (1996, p. 10).
211 This is a version of the standard Value Added Tax VAT).
212 See TaxTips (2015). http://www.taxtips.ca/salestaxes/sales-tax-rates-2015.htm

reserves the right to advise CRA on a specific rate as the wish. The reason is due to wide variations in provincial economic bases, with each tax instrument often more important to one province over another. What CRA does is to apply the provincial rate onto the federal rate for the same base and further remit to each of them their accruals after collection. This gives the provinces greater autonomy and ensures financial sufficiency in order to attain their provincial obligations. But at the same time, the system permits variations which burden could be more or less severe to some individuals than others, with similar economic status, depending on how tax friendly is their province, like Alberta.

The last set of tax instruments listed under the exclusive jurisdiction of the provinces includes Resource Tax, Property Tax, and User Fees. A resource tax may seem a surprise listing as some countries place it under the federal or concurrent jurisdiction due to the flow of revenues from natural resources. However, section 109 of the Constitution of Canada specifically prescribes that "All Lands, Mines, Minerals, and Royalties belonging to the provinces of Canada...and all Sums then due or payable for such Lands, Mines, Minerals, or Royalties, shall belong to the Provinces...in which the same are situated or arise, subject to any Trusts existing in respect thereof, and to any Interest other than that of the Province in the same." In addition, section 92A (2) states that in each province, the legislature may make laws in relation to the export, from the province to another part of Canada, of the primary production from non-renewable natural resources and forestry resources in the province, and the production from facilities in the province, for the generation of electrical energy, but such laws may not authorize or provide for discrimination in prices or in supplies exported to another part of Canada. Hence, because natural resources are unevenly distributed across provinces, revenues accruing to resource rich provinces dwarf those of resource poor provinces.

Consequently, the lack of uniformity in the tax rates imposed by some provinces potentially produces a horizontal fiscal gap which is worsened by the fact that provinces own and control natural resources and the windfall they generate. Nonetheless, the federal government still has responsibility to reduce horizontal fiscal gaps within the federation. This goal makes the issue of intergovernmental transfers indispensable. Also, as seen above, the federal government collects several

taxes for consenting provinces as surtaxes on federal government's own taxes. The process requires that the federal government, in return, remits to each province what is due them through a kind of revenue sharing or transfers; although these particular returns do not constitute part of intergovernmental fiscal transfers as they originally emerged from those provinces. Below, we will be looking at this vital subject of Intergovernmental transfers which is where most of the resource conflict debates in Canada manifest.

7.5 Intergovernmental Fiscal Transfers

Decentralization of tax powers alongside expenditure responsibilities in Canada has not totally erased the reliance of sub national governments on the federal government to provide related levels of services to Canadian citizens across provinces. Boadway (2007a, p. 56) provides two reasons for this: Firstly, because the composition of the population differs across regions, the need for public services targeted to particular types of people (school-age children, the elderly, the ill, the disabled, the unemployed) differs. Secondly, the cost of providing a given level of public services differs, because wage costs, transportation costs, population densities, and other factors differ across regions. As a result, different tax bases per capita across regions generally require different tax rates to generate comparable levels of revenue per capita; meaning that the net benefits that accrue from governments to otherwise identical households—differ across regions.[213] Thus, Intergovernmental fiscal transfers are crucial if the provision of comparable levels of public services in Canada is a national priority.

An historical survey reveals that the issue of Intergovernmental transfers is the unavoidable corollary of the establishment of federal system for the Dominion of Canada. There is no doubt that one of the key reasons for confederation (federation in the real sense) included the advantage of economic union. Hence, the basic economic arrangement at the time of confederation was a transfer of the key revenue sources—customs and excise—to the central government; coupled with free trade in goods among the new provinces, thereby securing an economic union (Cumming, 1986, p. 49). In exchange for this surrender of revenue raising power,

[213] See Boadway (2007a, p. 56).

the central government made financial transfers to the provinces. As a consequence, a loss of political autonomy was imminent, but the expected benefits outweighed the loss given Cumming's assertion that, political autonomy without the meaningful resources to achieve desired programmes can in effect be meaningless autonomy.[214] Indeed, there was a strong notion for equitable sharing of the costs and benefits resulting from nationhood and national prosperity, as well as reductions in regional disparities and the fostering of regional growth.

Supporting economically less viable provinces to attain similar levels of economic growth, by transferring back a certain percentage of the revenues ensuing from custom and excise, is one of the cardinal objectives of federalism. However, the means to realize it in concrete terms have proved much more difficult than envisaged. The reason is that the amounts transferred to some of the 'needy' provinces—New Brunswick, Nova Scotia, and Manitoba—were often insufficient as they pressed for additional allowances; but what they received was based on what they contributed. An explanation from Courchene (2007, p. 23) is apt; "since these transfers were on derivation basis...this meant that the richer provinces would receive larger per capita transfers." It did little in correcting the fiscal inequality of the poor provinces. The implication was that some provinces were languishing behind and constantly questioning the benefit they received from the federation. This resulted in a clamour for subsidies that would offer them a further relief as opposed to derivational transfers.

After two commissions—the 1926 Duncan Commission and 1940 Rowell-Sirois Commission—the federal solution to revenue inequality was to launch Canada's formal Equalization Program (Courchene, 2007, p. 23). The basis of the Equalization Program was that "National Adjustment Grants be made to provinces whose revenue sources were insufficient to provide comparable standard of public goods and services without levying higher than average taxes" (Cumming, 1986, pp. 51-52). Because of the objection that had come from the rich provinces which had stalled the commencement of the program from the time the final Commission's report was received in 1940, the federal government pre-empted

[214] See Cumming (1986, p. 49).

fears by deciding to make the payments from federal government's own reserve to ensure that provinces do not contribute directly to the equalization program (Courchene, 2007, p. 23). However, meeting these responsibilities had been marred by the federal government's insufficient financial capacity. As a result, the Federal Government conceived a better alternative in transferring progressively larger shares of the PIT and CIT to the provinces, instead.[215] This ensured the provinces generated more revenues, leaving lesser volume to be transferred by the federal government.

Currently, there are two main federal-provincial transfers designed to tackle the problem of fiscal inequalities. These are; the Equalization Program, and the Social Transfers System. Both Plans are based on federal spending power; however, the fundamental difference distinguishing the two is instructive. In the former, the federal government makes transfers to certain provinces whose revenue raising capacity is below the specified national average obtained through a pre-meditated formula.[216] The latter is premised on providing equal per-capita transfers to help finance provincial spending on health, social welfare, and post-secondary education, and is normally divided into the Canada Social Transfer (CST) and Canada Health Transfer (CHT) (Boadway, 2007, p. 118). As a consequent of its spending power, these programs rely on federal government's stipulated conditions, most especially the socio-welfare transfers, which can be altered by the funder—the federal government—and not the recipient provinces.

The success of these two programmes in addressing the problems that led to their institutionalization is obfuscated by controversies over the basis of provincial eligibility to receive benefits, and the terms for utilizing the transfers by the provinces. In respect of the former, debates over equalization suggest that each given formula employed results in placing some undeserving provinces as eligible to receive equalization, which would not be eligible if another formula was employed. About the utilization of the transfers, there are cases of objections from some provinces against federal government's imposition of certain conditions that

[215] See Courchene (2007, p. 23).
[216] For further explanation, see Roy-Cesar (2013, pp. 2-5).

must be observed in the provision of the required socio-welfare programmes (Boadway, 2007, p. 119). For instance, receiving the CST and CHT requires that provinces should not impose residency programmes on their welfare system, and their health insurance must abide by some specific criteria including affordability, accessibility and comprehensiveness.[217] These prescriptions might be difficult for a poor province that cannot easily complement the costs from own source of revenue. The result is that every province seeks a policy change that translates to the transfer of more revenues to them, even at the detriment of other provinces. This, in the end, leads to conflict between the provinces and the coordinating federal government as being explored below.

7.6 Conflict over Petroleum Resource Revenues

In the words of Roy Romanow (1986, p. 1), "more than any other subject in Canadian politics, resource management has brought into stark relief the difficulties inherent in the Canadian federal system." While resource revenue conflict in Canada is relatively strange to outsiders, Canadian scholars are of the view that the struggle to capture revenues from oil and gas has strained intergovernmental relations, periodically causing political and economic disunity than is perceived (Boadway & Shah, 2009, p. 188; Boothe, 2008, p. 90; Dorcey, 1986, p. 16; Hunt, 1986, p. 124; Meekison, 1986, p. 84; Romanow, 1986, p. 1; Sheppard, 1985, p. 153). The conflict has mostly been acrimonious; and because the stakes are high, the competition for revenues is sometimes fierce—particularly in time of economic difficulty (Romanow, 1986, p. 1). This section assesses the conflict and its patterns in Canada.

Provincial competition for more revenues in Canada is dictated to by oil and gas resource proceeds. Huge benefits go to provinces that produce oil and gas from royalties, causing rapid provincial growth which can threaten other sectors (e.g. manufacturing industry) and also increase fiscal disparity between provinces. By the end of the twentieth century, commercial production of oil and gas had only been centred in the Western Canada, with major concentrations in Alberta, and

[217] See Boadway (2007, p. 119).

relatively lesser in British Columbia and Saskatchewan.[218] None of these western provinces was part of the colonies that formed the Dominion of Canada in 1867. Being a late comer, there is the sentiment of the central Canada's dominance, which reserves the position of minority to the Westerners; in spite of housing the oil-patch of Canada. It is important to note that when Alberta and Saskatchewan joined the federation in 1905, the mineral rights remained with Canada whereas other provinces by the time had mineral rights with them. These new provinces had to fight it for the next twenty years when it was granted in 1925. It could be argued that this is an important source of the historical grievances against the federal government by these provinces. This sentiment constantly put the western provinces at check with most policies coming from the 'defunct province of Canada' controlled federal government. Hence, any attempt by the federal government to address the "resource-revenue" induced disparity between provinces, bring them into direct confrontation with the western 'resource-producing' provinces.

As a result, resource revenue conflict is mostly structured along the federal-provincial divide. It was heightened through the intrusion of the federal government into a policy field that was hitherto the provincial jurisdiction (the case of the 1973 energy crisis and the subsequent National Energy Program in 1980). Similar conflict manifested when few provinces, aiming to control resources at the corresponding offshore to the provinces, challenged the federal government through litigation. Although, it was finally resolved through political negotiation;[219] both instances will be fully discussed in the section on offshore oil and gas conflict. Further conflicts have taken the form of expressions of resentment from the rest of Canada against the major oil and gas producing provinces whose fiscal capacity excessively trumps those of the other provinces.

Meanwhile, because the constitution makes it explicitly clear that provinces own and control their resources, any ill-feeling expressed remains mere expression. The reason is that, other provinces do not have any means to directly vent their anger on

[218] Currently, two Eastern provinces – Nova Scotia and NFL – have joined the oil and gas producing provinces.
[219] The Nova Scotia deal and the Atlantic Accord are both the products of the political negotiation.

the resource rich provinces, and the federal government does not have direct access into the bulk of the revenues generated by oil and gas save for taxes. Although, pressure from the rest of Canada for changes could push the federal government, as was the case in 1974 when a domestic oil price freeze was enacted (to be discussed in the next section). However, resistance from the producing provinces is inevitable, and can lead to litigation, or force a political settlement. Hence, any change would revert because provincial ownership and control of resources is constitutionally entrenched.

Outside federal government versus producing provinces disputes over natural resources, conflicts manifest in two other stylized fashions. The first arises from the Aboriginal Peoples in provinces and territories, which battle with governments and industry operators over natural resources with respect to land rights, policies, ownership, control, and revenues. Here, the worst set-backs occur to the resource industry. The second relates to a handful of cases where independent individuals (not associated with any Aboriginal bands) attack oil installations as a way of resisting oil and gas development within their locality (maybe requiring pay-offs). In relation to this study, it is important to analyse each of the patterns of conflicts, with specific illustration of when and how they have manifested in Canada over the years.

7.6.1 Energy Crisis and the National Energy Program (NEP)

Arising from the embargo on oil export placed by the Arab oil producing countries and their sympathizers, oil became very scarce and the price began to skyrocket especially from the latter part of 1973 to 1974; price rose from US$4 a barrel to over $12.[220] This was good news for the Western Canada oil producing provinces that capitalized on the scarcity to record excess income, and became one of the few producers that were supplying the world, especially the US. In Canada, this global energy price spike induced a number of actions from the federal government that received commensurable reactions from the producing provinces. First, the federal government, in order to protect Canadian consumers from the escalation in global

[220] See Kilgour (1988, p. 93).

prices, moved to freeze the price for the domestic market well below the world price (Romanow, 1986, p. 2).

In response, the oil producing provinces increased royalties in a bid to capture more revenues proportional to the increased global oil price. The federal government, in a similar pursuit, introduced the export charge on oil, and also eliminated deduction of provincial royalties in the calculation of federal taxes for private companies.[221] This made it difficult for operators to cope with the increased provincial royalties, which had to be forced downwards. Meanwhile, the proceeds from the oil export charges allowed the subsidization of expensive oil imports in Central and Eastern Canada.

To many observers, the above federal measure undermined provincial ownership and was akin to confiscating or alienating benefits from the oil boom due the producing provinces.[222] Westerners, especially Alberta, saw it as an attempt to take the control and management of resources out of their hands. As Kilgour (1988, p. 94) observed, "on the principle of an export tax on oil itself, Westerners wondered why the non-renewable oil of Alberta and Saskatchewan was the sole Canadian export to be subject to a federal tax, when renewable energy exports such as electricity were not similarly taxed." Similar sentiment is shared by the then premier of Alberta—Peter Lougheed—who, in another instance, had earlier observed that the federal government weighed Alberta's needs for markets against the economic advantages to Eastern Canada, and decided against Alberta.[223] This led to growing suspicion as Westerners felt discriminated by, and wary of, the federal government.

National Energy Program (NEP)

Although the federal government in the mid-1970s created a forum for concurrent federal-provincial jurisdiction over resources in response to the resentment the oil price freeze caused, a second price shock in the energy sector, which saw the barrel price of oil soar to US$40 in 1980, dealt the worst blow to the federal-provincial negotiations over oil and gas resources. This price spike led to the federal government's introduction of National Energy Program (NEP), with similar

[221] Romanow (1986, p. 2).
[222] See Boothe (2008, p. 90); Courchene (2013); Kilgour (1988).
[223] See Kilgour (1988, p. 94).

strategies and goals like the earlier price freeze imbroglio. Specifically, the federal government unilaterally imposed a new pricing structure that ensured oil was sold in the domestic market as well as to the Eastern Canada at prices substantially less than world prices (Boothe, 2008, p. 92). Further, the federal government announced its 'Canadianization' policy through the reorganization of energy industry ownership in order to reduce the role of foreign companies; this dragged foreign operators into the conflict too. Included in the NEP package were special taxes on Western Canadian natural gas exported to the United States.[224] As Romanow (1986, p. 4), rightly observed, with NEP, the federal government wrestled control and the concentration of oil and gas resources away from Western Canada.

Thus, for the second time the Albertans perceived a malicious bullying by the federal government, as their Premier concluded that "NEP was tantamount to a declaration of war by Ottawa on Alberta" (Boothe, 2008, p. 92). They responded through a series of staged cut-backs in oil production in order to disrupt the supply of oil to Eastern Canada. This led some major firms to withdraw from mega-projects in Alberta, and also forced the federal government to increase importation at world prices for the East. This and other retaliatory moves resulted in the further reduction of revenues to both Alberta and the federal government. By 1981, the two governments had negotiated a compromise agreement leading to the final dissolution of the NEP, by the succeeding government of Prime Minister Mulroney.

7.6.2 Offshore Oil Conflict

About the time the conflict between Alberta and federal government reached its climax, the prospect of offshore oil and gas production in Nova Scotia and Newfoundland became more promising, with the discovery of the venture gas field (located close to Sable Island in Nova Scotia) and the Hibernia oil field (located in Newfoundland) in 1979. These two provinces, at the time, were among the poorest in Canada; permanently on the equalization receiving province's category. While the discovery had life-changing prospects for their economic wellbeing, as offshore resources are outside the jurisdiction of the provincial governments, legal qualifications and or political decisions were required to alter the status quo. In this

[224] Boothe (2008, p. 92).

regard, two options can be pursued by the province, as follows: (1) attempt at reaching a negotiated settlement; and (2) courtroom litigation (Pollard, 1985, p. 91). Next, we examine what route was chosen by Nova Scotia and Newfoundland to gain access to offshore oil and gas, which mitigated a potential conflict between the federal government and the provinces.

Federal-Nova Scotia Deal

Faced with the option between going to court with the federal government over ownership of offshore resources or seeking political negotiation with the federal government, Nova Scotia chose the latter. As a result, in 1982 the federal government made an accord with the province concerning joint management of the oil and gas resources, which came in effect two years later.[225] The agreement had four vital elements which fell under the themes of management, revenue sharing, back-in provision, and equalization offset payments (Pollard, 1985, pp. 92-93). About management, the agreement provided for a board that would comprise five members, three of which shall be appointed by the federal government including the chairman, while the province would appoint only two members.

In terms of revenue sharing, the province was granted the rights, at the beginning, to receive all revenues (except federal corporate income tax) from offshore activities until its per-capita fiscal capacity reaches 110% of the national average. Thereafter, there will be sharing of revenues until the province achieved 140% of the national average, after which every other additional revenue would flow to the federal government (Cumming, 1986, p. 71). The idea was to enable the province to become self-reliant in order that it would cease to be categorized as a 'have-not' province.

Back-in provision was made in the earlier National Energy Program such that the crown could claim 25% of oil or natural gas field where production has begun. This agreement granted the province the opportunity to share 50% of the crown's share of natural gas and 25% of same in oil field (Pollard, 1985, p. 93). Most importantly, the agreement granted Nova Scotia an insured protection for 10 years after it had

[225] See Pollard (1985, p. 91).

begun to receive reduced transfers for equalization payments as a result of volatile oil and gas revenues from her offshore. By this, a formula was designed which provided that, while in the process of becoming self-sufficient, equalization payments due Nova Scotia could not be reduced by more than 10% percent in any year from the payment of the previous year.[226] Critically analysing the provisions, shows that Nova Scotia had little input in the drafting of the agreement, but were excited at the federal government's benevolence in letting them tap into offshore resources. The case of Newfoundland is totally antithetical to Nova Scotia's as analysed below.

The Atlantic Accord - Newfoundland

Despite having natural resources like fishery and hydroelectricity,[227] Newfoundland was trailing behind other provinces in nearly all indicators of economic wellbeing in Canada (Pollard, 1985, p. 87). Therefore, the discovery of offshore oil resource was deemed to be a lifeline through which the province would be liberated from dependency on the federal government as a 'have-not province'. Giving the provincial government an equal say in the management of the offshore oil as if it were on land was sought, since provinces only have exclusive rights over onshore resources.[228] Moreover, the price to be won was a sufficient inducement to attempt wrestling the offshore oil from the federal government.

Eventually, the case was brought before the Supreme Court, which adjudicated on two questions regarding the continental shelf off Newfoundland: (1) Does Canada or Newfoundland have the right to explore and exploit offshore mineral and other natural resources? (2) Does Canada or Newfoundland have the legislative jurisdiction to make laws in relation to the exploration of the said mineral? Pollard notes that similar questions had been brought to the Supreme Court in the case "Re: Offshore Mineral Rights of British Columbia, 1967", which was decided in favour of Canada (Pollard, 1985, p. 94). Hence, Newfoundland's principal argument was that its historical and constitutional position distinguished its situation from that of the British Columbia; therefore, it should be left to possess the offshore resources.

[226] See Pollard (1985, p. 93).
[227] Due to certain circumstances, none of the resources was under direct control of Newfoundland.
[228] Pollard (1985, p. 91).

Unfortunately the Court, in its decision of 8th March 1984, ruled in favour of the federal government which weakened the position of Newfoundland.[229]

However, the federal government came up with an offer for joint management, and sharing of the offshore revenues with Newfoundland, in similar fashion with the Nova Scotia deal discussed above. A clause in the deal reinforced the federal government's superiority in the management. This repelled its acceptance by Newfoundland which felt the terms would not make any significant change to their economic wellbeing.[230] Newfoundland, instead, argued that oil drilled from the bed of Lake Erie deemed to be international waters, was the property of the province of Ontario;[231] so why not grant them similar rights since there is a precedent. Discontentment, as Pollard observed, led the then opposition leader of the federal Conservative Party—Brian Mulroney—to offer an agreement with Newfoundland, whereby the offshore resources would be treated essentially as if they were on land, if he won the subsequent election (Pollard, 1985, p. 99).

Clearly, the Atlantic Accord is based on this promise as it came into effect February 11, 1985, as soon as Mulroney became the Prime Minister. Unlike the Nova Scotia deal, this accord recognizes the equality of both governments in the management of the resource to the extent that each government appoints equal number (three) of board members and the chairman shall be jointly appointed in order to pre-empt possible domination by any government. In addition, decisions on offshore resources shall be divided to include: (a) decisions, made by the Government of Canada alone, which would relate to Canadianization policy (e.g., discretionary Canadian Ownership requirements) and to the application of federal taxes; and (b) decisions made by the Newfoundland Government alone, which would relate to the royalty regime and other provincial-type revenues, and provincial laws of general application having effect in the offshore (Atlantic Accord MOU). To an extent, the accord seems like an appeasement to the Newfoundland government as it grants the province a prominent position in the joint management scheme.

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[229] Pollard (1985, p. 91).
[230] Pollard (1985, p. 97).
[231] Pollard (1985, p. 98).

7.6.3 Aboriginals versus Governments & Industry Operators

'Aboriginal people' is a collective name for the original peoples of North America and their descendants, of which the Canadian constitution recognizes three groups: Indians (commonly referred to as First Nations), Métis, and Inuit (Government of Canada, 2015). They are distinct peoples with unique histories, languages, cultural practices and spiritual beliefs located in urban, rural and remote locations across Canada. Occupational wise, the people have based on hunting, fishing and a subsistence economy for most of their history (Notzke, 1994). Unemployment is said to be as high as 90 percent in native communities and the median per capita income was C$14,000 in 2005, when that of an average Canadian was C$35,230 (Loon, 2014).

Canada is said to be one of the countries with the most risk of conflict with aboriginal communities (Freeman, 2013). In the view of James Anaya, the U.N. special rapporteur on the rights of indigenous peoples, conflict between Aboriginals and the federal government in Canada challenges the reputation of Canada as a global leader in the campaign for the accommodation and respect for the indigenous people.[232] It is believed that there were treaties that governed the early relationships between European settlers and Aboriginal peoples of Canada even before, and by the early days of confederation. However, induced by discoveries of highly economic resources, the rights of the Aboriginal peoples in relation to their lands and affairs have become controversial. While the governments (provincial and federal) in Canada assume that the treaties marked historical surrenders in terms of lands, resources and general wellbeing, the Aboriginal peoples opine that they never relinquished or extinguished their rights to the lands and resources—treaties were, in fact, peace agreements and partnerships, not land and mineral rights surrenders (Laird, 2000; Notzke, 1994). Governments' 'supposed' concessionary arrangements like the Indian Oil and Gas Act, Indian Oil and Gas Regulation among others, have been seen as rather subjugating the Aboriginals (Bartlett, 1986; Notzke, 1994).

[232] See Ljunggren (2013); Olson (2013).

As a result, several Aboriginal peoples have confronted the federal government, provincial government and industry operators over resource exploitation and revenues. At the forefront is the 1989 massive civil action for breach of fiduciary duties in the mismanagement of $1.38 billion from royalties due Sampson Cree Nation—located near oil fields in Hobbema Alberta. This action was launched by Chief Victor Buffalo, seeking damages against Indian and Northern Affairs Canada; and the formal trial began on 1st of May, 2000 (Hutchins, 2007; Laird, 2000). In another instance, the Mackenzie Delta Gas Project, with incredible economic prospects, faced strong opposition from two First Nations in the Mackenzie Valley. Dehcho First Nations insisted on a resolution of their Land claims with the federal government before any negotiation can begin, whereas a lawsuit was filed in May 2006 by the Dene Tha' people of Northern Alberta, who felt excluded from the consultation and regulatory review processes, being concerned with the infringement of Aboriginal and Treaty rights (Nuttall, 2010, p. 99).

In the opinion of Gordon Laird, there are several other lawsuits claiming somewhere between $30 billion and $40 billion against the government and their agents; including those emanating from the four Cree bands—the Samson, the Ermineskin, the Bobtail, and the Louis Bull claiming outstanding royalties and faulty accounting worth $50 million against both Chevron and the federal government (Laird, 2000). Outside of lawsuits, however, some other Aboriginal groups have employed different tactics in respect of accessing revenues from resources found near their locations. The Yinka Dene Alliance, a group of six tribes whose lands span the Northern Gateway pipeline's proposed route on the Pacific coast, have confronted the pipeline builder Enbridge, banning any contractor(s) from setting foot on their lands (Ljunggren, 2013; Loon, 2014; Nuttall, 2010, p. 25).

In the North Eastern part of British Columbia, the Halfway River First Nation has forced Petro-Canada to shut down three gas exploration wells in its Kobe field, southwest of Ladyfern, where explorers have discovered some of the largest onshore wells in Canadian history (News Bulletin, 2001). A more recent aboriginals' show of power came in New Brunswick in October 2013, when violence broke out between police and First Nations protesters. This group had gathered in opposition to Houston-based Southwestern Energy Co.'s plans to drill

for natural gas on native lands, and subsequently started to throw Molotov cocktails that incinerated six police vehicles (Freeman, 2013; Loon, 2014). As Freeman claims, more clashes with indigenous rights are expected to become more pronounced in the coming years. This is due to the fact that the shrinking number of available resource discoveries is forcing companies to push more into remote regions and Indigenous lands.

The foregoing analysis signals the paramount issues around relative deprivation and grievance which are confirmed by Indigenous rights tensions. For instance the Indian leaders have vowed that they will confront the industry across the whole Northwest unless the governments deal with unresolved treaty rights, land claims, and the cumulative impact of oil and gas activities on the environment (News Bulletin, 2001). Similarly, a female Sampson warrior, Deborah Nepoose, commenting on the Victor Buffalo case lamented: "We've been screwed by everyone—the government, social services, and consultants" (Laird, 2000). In the words of Laurence Joseph, vice Chief of the Saskatchewan Federation of Indian Nations, "what we're asserting today without malice is to get back our traditional territories and stewardship of the land and resources."[233] More blunt is the Halfway River First Nations claim that "Natives want to negotiate deals directly with the industry to get a greater share of oil and gas benefits" (News Bulletin, 2001).

As a consequence, a spokesperson for Imperial oil, which leads the Mackenzie Delta project consortium, and president of Petro-Canada—Ron Brenneman—along with the president of the Canadian Association of Petroleum Producers—Pierre Alvarez—are among host of industry operators calling for the government, as a matter of urgency, to open talks with the aboriginal communities in order to save the industry (News Bulletin, 2001). This suggestion is not totally novel because the Indian Oil and Gas Act (1974) and Regulations (1995) provide for the consultation of the bands. Similarly, a 2004 Supreme Court decision reasserted that governments should "consult and accommodate" aboriginal groups before miners and oil and gas drillers encroach on their lands (Loon, 2014). The big issue concerns what happens if the bands refuse to consent. The government argue that the bands are to be

[233] See Laird (2000).

consulted but do not decide for government, whereas the bands presumably interpret the 'consultation' clause to have granted them the right of approval to decide the outcome of negotiations.

Individual attacks on Oil Installations

Vandalism and violence in the oil and gas rich provinces of Alberta and British Columbia have been on-going since the 1990s. One recurring name in most related accounts is Weibo Ludwig, the Lord of Trickle Creek, near Hythe, Alberta who got entangled in a big war with the oil and gas companies operating in Hythe. The comprehensive account by Andrew (Nikiforuk, 2014) traces the genesis of Ludwig's war to 1991 when Ranchmen's well leaked a quantity of sour gas into the air, which caused spontaneous abortion to dozens of sheep, yet the company failed to notify the residents of Trickle Creek. According to Nikiforuk, Ludwig made several efforts to ensure that the company addressed the issue of gas leakage, which continued to wreck havocs on his community, including miscarriages by pregnant women, and still born and deformed children (Nikiforuk, 1999, p. 56). In the absence of any improvement or agreement in the control of flaring and pollution, Ludwig was said to have offered to sell his land to the company at the rate of C$300 000, for which the company declined to purchase.[234]

Shortly after, there began incidences of vandalism on well sites: power lines were downed, remote oil service roads were mined with sharpened metal bars, and there was even one botched well bombing,[235] all of which dragged Ludwig to the fore as the prime suspect. On 24th August 1998, a bomb blew up Suncor Energy well south of Grande Prairie, with a couple of other bombings at different locations within close proximity; which led to the conviction of Ludwig in 2001 on five charges related to vandalism, of which he served about two years of a 28-month sentence (News Staff, 2010; Nikiforuk, 2014).

On October 11th and 16th 2008 there were two separate explosions directed at a pipeline, which was owned by the Calgary-based EnCana Corporation (Schertow, 2008). Between 2008 and 2009, other explosions were set up, some of which were

[234] Nikiforuk (1999, p. 56).
[235] Nikiforuk (1999, p. 57).

discovered before the blast. Interestingly, a couple of times, there were anonymous letters that accompanied each attempted explosion which demanded oil and gas project in the areas to be shut down. From observations, the authorities appeared not to have enough details about the attacks and suspected that no other persons outside the 'Ludwigs' could be masterminding them (Wikileaks, 2013). On the contrary, a local tribe known as the Kelly Lake Cree, were already involved in a dispute with Encana over gas production in the area and their recent escalations indicate that at least a faction of their group could be involved in the attacks.[236]

But in a swift reaction, the Kelly Lake Cree Nation was quick enough, to denounce the incidences (Schertow, 2008). In this connection, Ludwig was for the second time arrested in January 2010; being his last arrest before he died in April 2012, shortly after his release. One obvious fact that should be taken note of is that there is now, a growing pressure on the oil and gas industry from landowners who argue that most wells are sour gas wells, dangerous, and smelly ones that can immediately lower the value of the land as well as posing health challenges to them. Even though many of them are banding together to form environmental advocacy groups instead of trying to negotiate with the industry individually, there remains the possibility that each, or couple of them might still take to a similar act of bombing for which Weibo Ludwig gained notoriety.

7.7 Efforts to address the Conflict

Generally efforts to address resource revenue conflicts in Canada have taken different forms reflecting the varied patterns through which they manifest. Concerning the federal-provincial conflict, the federal government has been diplomatic, using tax adjustments (to allow federal government access more revenues from the resources), vacation of policy areas (to allow provinces to boost their revenue base), and re-adjustments in the equalization formulas (to reduce horizontal fiscal gaps, which still remain controversial). A stroke of ingenuity was the allowance of some provinces to share the offshore jurisdiction with the federal government which, in turn, saved it huge sums in equalizing the provinces. Addressing the conflict with the Aboriginal groups, the federal government had

[236] Wikileaks (2013).

made one settlement offer—a nine-figure sum—in respect of the Victor Buffalo case (Laird, 2000). Even though all the four Hobbema Cree Nations bands promptly rejected the offer in 1998, it signals the fact that the federal government is becoming increasingly aware of the reality that the Aboriginals should be properly wooed in order to extract non-renewable resources from their lands.

In addition, the federal government has reopened some treaty negotiations. Recent agreements have included resource-sharing clauses on oil and gas revenues, notably with the Vuntut Gwitchin of the Yukon, which now collects 25 percent of all royalties on their traditional lands.[237] In Nunavut Territory, the federal government also made a commendable agreement which, in the opinion of Nuttall (2010, p. 81), potentially empowers the Aboriginal communities to survive and function effectively in the mainstream Canadian economy. The intended strategies include the provision for cash compensation and setting resource royalty levels; clearly defining the use of lands and resources—including guarantees to Aboriginal peoples for specific access to natural resources and subsurface minerals; and initiating co-management regimes, which are forms of shared governance, for decision-making over natural resources, land-use planning, wildlife management and environmental issues.[238]

Industry operators have equally shown commitment to bring about conflict free environments for exploration and production through engaging in discussions with First Nations. As David Luff, vice president of the Canadian Association of Petroleum Producers (CAPP) explains, "We look to government for direction and clarity on the rights we have; what it will come down to is an interpretation of the treaty, a definitive reconciliation of rights—including the resource rights of the provinces and of companies" (Laird, 2000). In relation to individual landowners whose interests often clash with government's approved oil and gas production activities, efforts have been made to reduce the flaring and pollutions from industry activities. When necessary, adequate compensation have applied in order to assist landowners to vacate and re-settle in any other area of choice.

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[237] See Laird (2000).
[238] See Nuttall (2010, p. 81).

7.8 Concluding Remarks

The question of federalism in Canada and the nature of resource revenue conflict have been explored in this chapter. To start with, the general outlook of Canadian federalism (structure and location of political power among the provinces) is shaped by the history behind the emergence of the Canadian federal arrangement. This tends to reinforce the predominance of Central Canada in the federation—constitutionally and politically. The Prairie Provinces decry such dominance, especially, considering that significant portion of the country's foreign exchange comes from the economic activities in the Western Provinces, and not the Central Canada.

Analysis shows that resource revenue conflict is real in Canada. It is manifested through various forms including conflict involving: federal government and provincial governments; Aboriginal groups — federal government — provincial governments — industry operators; and unstructured tensions that involve individual landowners-government — industry operators. The efforts employed by the federal government to tackle the problems have been productive in most of the cases, especially regarding the federal — provincial governments conflicts. The success rate in terms of the conflict involving Aboriginals has been less impressive, perhaps, because there are numerous Aboriginal groups whose demands vary significantly as they do not come under one front. The governments face similar predicament with regard to individual landowners whose lands are affected by oil and gas exploration and production activities. Regardless, the respective governments are committed to addressing cases as they arise.

The issue that has remained intractable, even though not at the fore-front of this chapter, borders on the equalization formula which targets the horizontal fiscal gaps among the provinces in Canada. Resource revenues no doubt boost provincial earnings as well as the fiscal capacity of resource rich provinces. The situation is such that Alberta's fiscal capacity trumps the combined revenue of some provinces. Equalizing other provinces up to a certain percentage of Alberta risks federal government emptying her general earnings which it may not have the capacity to do. Therefore, equalization formulas have adjusted between the following; including all revenues from resources; only a certain percentage; and no percentage

at all; from all non-renewable resources, or oil and gas resources alone in determining the 'mean' provincial earnings to mark the national average. Whatever is taken to be the national average determines which provinces fall below the mark in fiscal capacity; thus, eligible to receive equalization payments.

The impact on resource revenue conflict is that, beside the resource rich provinces, others view the equalization scheme as partial if it fails to include the totality of financial earnings of some privileged resource rich provinces. Being aware of the difficulty on the part of the federal government to fund the equalization, including 100% of resource revenues, from own revenues, these provinces begin to resent the current fiscal system that allows for the provincial ownership of resources. If the opportunity is given, there is no doubt the rest of the Canadian provinces, without enormous resource endowments, will vote against provincial ownership of resources to allow them access more of the oil and gas revenues, through the federal government's central control. The resource rich provinces, however, may not accept any change of the status quo therefore conflict would escalate. In the next chapter, the outcome of the fieldwork in Nigeria and Canada is presented.

CHAPTER EIGHT.
PRIMARY RESEARCH DATA: PROCESS, ANALYSIS, AND FINDINGS

8.1 Introduction

The task in this chapter is to present the primary fieldwork research, accounting for how the data was generated, through the conduct of the interviews in consonance with the methodology that underpinned this thesis. Explanations of the processing of the data in response to the stated research questions is addressed. Finally thematic analysis, which requires intensive familiarization with the data from interviews, is employed. This is guided by the understanding of the conceptual framework the study has set down. It enables sorting of data into categories, in line with the research questions, for easy understanding, interpretation and analysis, in order to filter and specify the findings. It is apt to recall the problem which this study seeks to address, which is arising from conflict over resource revenues that has plagued many countries. Thus, the main focus of this study borders on assessing the impact of federalism in mitigating this conflict, by comparatively examining Nigeria and Canada as case studies.

With this in mind, the study implicitly confronts theoretical questions on resource conflict, federalism, and revenue allocation; in order to understand the nexus between the concepts and, also, to expound the suitability of federalism for addressing resource conflict. In addition, the study examines empirical questions regarding the extent to which conflict over resource revenues is prevalent in the selected countries, and how federalism has contributed to addressing the conflict, among other things. While both issues have been significantly dealt with in the previous chapters, this chapter brings to the fore the interview process and questions addressing the research questions. Note that the under-listed questions have been stated at the outset, as follows:

1. How prevalent is conflict over petroleum resource revenues in the selected countries?

2. How important is the institutional structure (particularly federalism) perceived to address the conflict?

3. To what extent has institutionalizing federalism contributed to curb the conflict over the resource revenues to enhance peace and development in each of the federations?

4. How consistent are the results (impact of federalism in each case); or why are they at variance if not consistent?

5. What are the lessons, in order to reduce the potential for violent conflicts over the resource revenues in Nigeria, Canada, and other countries?

The above questions form the core of the interview questions, with ancillary questions probing further in order to obtain a comprehensive understanding of the issues in the specific country cases. The study employed a semi-structured in-depth interviews; meaning respondents needed to be knowledgeable in the subject matter by training and/or practice. In line with the practice for qualitative interviews that investigates into sensitive issues, ethical approval was sought and obtained. The participants were made fully aware of their rights and indemnity before the commencement of the interviews and all gave consent in writing (see Appendix: Ethical Statements for detail).

8.2 Basis of Selection of Interviewees

Given the information required to answer the research questions, the following groups of people were deemed to possess the requisite knowledge to participate in the interviews.

1. Scholars with expertise on the subject
2. Respondents that have held Government positions
3. Respondents that have held positions with Oil Companies
4. Leaders of related Civil Society and Non-Governmental Organization
5. Private Sector Leaders or Elder Statesmen from within the federation.

Many concrete factors were considered in the selection of specific interviewees from each category, such that those selected are deemed to be fully qualified and

capable to provide reliable responses. Firstly, in the category of scholars, the respondents contacted in both countries held track records evidenced by their robust publications on the subject. Their expertise ranged from federalism, fiscal federalism, natural resource conflict studies, and constitutional law. Secondly, those contacted on the basis of their prior government positions include past and present government appointees and staff of relevant government ministries and agencies. Thirdly, only relevant civil society organizations operating at the national level, whose leaders have been actively vocal and publishing as well, were included. For the selection of elder statesmen, only those that have been recognized by their various countries with specific honors to be referred to as elder statesmen were contacted.

However, an important observation about the above categorization of interviewees is this: although the listed classes guided the prior identification of possible interviewees, in the end it was found that most interviewees did not fit exclusively into one field. Rather, there was an observed overlap amongst them. For instance, most of the respondents, irrespective of the particular class they were listed on the table, happened to be scholars and Professors who had served in various government positions or worked with oil companies. Others are retired Professors honoured with National Order Memberships, or Senior Advocates of their respective countries. Whenever there is a national issue/problem, these people are among the first to be contacted in order to offer advice to the leadership of their countries. The remaining groups are researchers that are primarily based in universities and others that are now championing civil society causes, sponsored by Non-Governmental Organizations. By all means, the quality of the insights each respondent gave, justified the grounds of their inclusion.

Meanwhile, beside the prior determination of categories of the respondents that participate, there was the consciousness to draw certain number of respondents from specific parts of the population representing varied perspectives in respect to the issues under study. For example, perspectives were presumed to be influenced by, and differ along, regional lines of sub-national governments, and also on the basis of whether a particular subnational government is resource rich or resource poor; in the case of the latter, the province or state government would support the

federal government. In Nigeria, the divide exists between the Niger-delta region and the federal government, on one hand, and between the Southern part and the Northern part of Nigeria, on the other hand. In Canada, this was primarily between Alberta province and federal government, on one hand, and between the Western/Prairie Provinces and the federal government/rest of Canada, on the other hand.

Therefore, few respondents were selected in each case in order to compare responses with others so that the most objective picture of the situation could be determined. Also, it aided to identify possible biases resulting from individual respondent's regional or national attachment. The above steps were vital as they provided an enabling platform for the researcher to be reassured of the validity of the data obtained. The detail of the distribution of the interviewees is presented in table 8 below.

Table 8 Distribution of Interviewees

NIGERIA			**CANADA**	
Categories *Based on Perspectives*	**Number**		**Categories** *Based on Perspectives*	**Number**
Niger-Delta Perspective	3		Alberta Perspective	4
Federal Govt. Perspective	2		Federal Govt. Perspective	4
Southern Perspective	2		Western/Prairie Perspective	4
Northern Perspective	3		Rest of Canada Perspective	4
TOTAL	10		TOTAL	16
Based on Participant's means of subject expertise	*Number*		*Based on Participant's means of subject expertise*	*Number*
Scholar	2		Scholar	5
Government Appointment	2		Government Appointment	4
Role as Elder-Statesman	2		Role as Elder-Statesman	3
Role with Oil Company	2		Role with Oil Company	2
Role with Civil Society Group	2		Role with Civil Society Group	2
TOTAL	10		TOTAL	16

8.3 The Interview Process

The researcher travelled to the two countries involved in the study—Canada and Nigeria—to conduct the interviews. Most of the participants, as listed above, were identified and contacted before the commencement of the trips in order to ensure their availability. The interviews were conducted in mutually agreed locations between the researcher and each participant, which ranged from participant's office, home, and quiet public meeting places. Two sets of similar open-ended questions were developed to elicit the empirical information affecting Canada and Nigeria. Most of the questions, however, overlapped across the countries which was pertinent to the analysis. The researcher spent over three months in the two countries for the purpose of this research before returning to New Zealand. In both

countries, over two dozens of participants were interviewed. It suffices, therefore, to partition the narrative on country by country basis.

8.3.1 Canada

The research interviews took place in Canada between February and April of 2014, with the researcher hosted by the Institute of Intergovernmental Relations (IIGR), Queens University, Kingston, Ontario. Being a non-Canadian whose knowledge of the Canadian political system was relatively lacking at the time, the institute provided a lot of resources that prepared solid ground before the interviews commenced. This included the provision of library resources; suggestions for more suitable participants for the interviews; facilitation of meetings with the respondents; and other logistics that made the Canada field trip a rewarding experience.

Specifically, a total number of sixteen participants (See table 8 above for detail) were interviewed, with the researcher travelling to their cities in order to conduct the interviews. Huge effort was made to ensure that respondents from all the regions of Canada were included, in order to assess the various perspectives existing around the sensitive issue regarding oil and gas resource revenues in Canada. When it was extremely difficult for the researcher to travel far away from Ontario to the Western and Maritime Provinces, the respective institutions facilitated the means through which interviews were conducted over the phone, without letting the specified duration of 60-120 minutes for the interviews suffer.

8.3.2 Nigeria

The Nigerian aspect of the research was conducted between April and May, 2014. It was a period when insecurity problems in Nigeria were at their peak, following successive Boko Haram attacks—bomb blasts in Abuja (Federal Capital Territory) and the kidnap of the Chibok girls in the North Eastern Borno State. Most participants had been contacted before the trip and consented, but the situation in the country prevented some from participating. Security was a key factor with some of the expected participants afraid of making themselves available to a ‘stranger-researcher’. Nevertheless, the researcher travelled to different cities across Nigeria to meet with those still determined to be part of the study, from the East, South,

North, and to the West of the country. In all, ten participants were interviewed in Nigeria (See table 8 above for the details).

In spite of the shortfall in the number of respondents, compared with the Canadian counterpart, the research trip to Nigeria was largely rewarding, fruitful, and made less stressful by the Freedom of Information (FOI) Act which came into effect on May 28, 2011. Unlike the usual difficulties which the Nigerian Bureaucrats impose on access to government data when sought for, the FOI made it possible for the cooperation of members of staff at various governmental agencies in the capital city including: Revenue Mobilization, Allocation and Fiscal Commission (RMAFC); Nigeria Extractive Industries and Transparency Initiative (NEITI); Nigeria Institute for Peace and Conflict Resolution (NIPCR), and Nigeria Geological Survey Agency (NGSA); in addition to civil society groups who were very interested in the subject. Below is the interview schedule which guided the sessions in both countries (emphasis is made where a particular question is specifically asked to respondents over the Nigerian or Canadian case).

8.4 Interview Schedule for Canada & Nigeria

1. Do you have conflict in your country over petroleum resource revenues; if yes, what can you point out as the real cause of the conflict?

a. In what ways have the conflicts manifested; e.g., involving government entities, non-governmental entities?

2. Who own(s) the resources and/or how does the entire federation benefit from the resource revenues in your country? What are the implications on the general growth and development in the country?

3. Do you think the institutional structure of government viz. Unitary and Federal arrangement impacts on the problem? Reasons for your position.

4. *For Canadian respondents:* There is an ambiguity in the Supreme Court ruling on the need to 'consult' with the First Nation Groups before resource development commences in certain areas; when there is strong conflict of interest by the parties, what would you consider the interpretation to be? *For Nigerian respondents*: The Supreme Court ruling over the

onshore/offshore dichotomy remains a source of grievance to some groups in Nigeria, likewise the subsequent effort of the Federal Government to include offshore revenues for derivation. What do you think should apply pursuant to fairness to oil producing States and the rest?

5. How would you rate the conflict in terms of severity or mildness? Why has the conflict degenerated, or not, into serious violence?

6. What are the factors fuelling or abating potential conflict over resource revenues in your country?

7. Do you think federalism is a better institutional form above others to address the conflict situation? Why?

8. In your opinion, how has institutionalizing federalism contributed to curb the conflict over resource revenues to enhance peace and development in your country?

9. How successful or unsuccessful has it been and why?

10. Knowing that the rest of each country as majority may defeat any position pushed forward by the producing provinces or States if it were subject to voting before approval, how do you think decisions can be made?

These interview questions are designed in such a way that they would accomplish a number of tasks, including shedding more light on the main problem of the study and leading to the fulfilment of the purpose of the study. Secondly, the questions were structured to be open ended to foster exploration and discovery of rich perceptions covering the entire territory mapped out. Thirdly, the questions are highly interconnected such that answers to a couple of them, logically provide answers to each of the main research questions of this study. For instance, in order to answer the first research question which asks "How prevalent is conflict over resource revenues in the selected countries," interview questions 1 and 2 above suffices.

For the second research question, concerning respondents' perceptions on the importance of institutional structure and suitability of federalism for addressing the conflict, interview questions 3 and 7 are called upon. The third research question,

on the impact of federalism in curbing the conflict from the experience in specific cases, relies on interview questions 8 and 9. For the fourth research question which investigates the consistencies, similarities and differences in the impact of federalism across the cases, a number of interview questions are considered, but primarily interview questions 5 and 6 are the core; with a triangulation with responses on interview question 2. Finally, for the last research question that seeks the lessons to be expounded, in order to reduce the potential for violent conflicts over resource revenues, interview questions 4 and 10 are relied upon.

8.5 Interview Results

With the explanations above, it is appropriate to conduct the analysis based on the main research question and the subsidiary ones earlier stated, alongside the specific reinforcing interview questions. This suggestion is in consonance with the thematic analysis chosen for this study in chapter one. This system involves familiarization with the data, and categorizing them (i.e., data set from the interview responses) into themes that have been pre-determined by the conceptual framework in order to permit possible answering of the main research questions. The process leads to the determination of findings from the responses. Complying with the prerequisites for thematic analysis, the interview audio records were listened to and transcribed by the researcher. Thereafter, efforts were made to re-examine the data by way of re-listening, studying, and analyzing the transcripts over and over again—an iterative exercise that aided the extraction of specific responses that led to the discovery of answers and other valuable insights to enrich the study.

The researcher's interpretation of the data is presented here; while excerpts from respondents are presented whenever deemed necessary in order to support or refute a particular interview question or main research question. On this note, it is important to declare that objectivism and professionalism were the watchwords that guided the researcher in interpreting and analyzing the data. This meant that the researcher ensured that his own opinion was not imposed on the data. Of course, it should be stressed further that the essence of this study was not to test any hypothesis, but to offer a systematic assessment of the potential, and impact, of federalism in curbing resource revenue conflicts, particularly in Nigeria and

Canada. Thus, the researcher had no personal stance over the problem other than taking the role of a neutral analyst.

1. HOW PREVALENT IS CONFLICT OVER RESOURCE REVENUES IN SELECTED COUNTRIES AND WHY IS IT SO?

Corresponding Interview Questions

Interview question 1. Do you have conflict in your country over petroleum resource revenues; if yes, what can you point out as the real cause of the conflict?

Interview question 2. Who owns the resources and/or how does the entire federation benefit from the resource revenues in your country? What are the implications on the general growth and development in the country?

On the above questions, the responses from participants in each country seem highly related, if not totally uniform. For instance, while it was undeniable to all respondents in Nigeria concerning the prevalence of widespread conflict over resource revenues in the country, their Canadian counterparts generally held back on admitting the prevalence of conflict. Most of them argued that they do not have ongoing conflict over resource revenues in Canada; instead, what is happening can be described as a debate, dispute, or difficulty over re-distributional mechanism (equalization program) induced by petroleum resource revenues. In the exact words of a participant: "…well, I think I would characterize it as an ongoing debate about how revenues will be equalized, but certainly I wouldn't call it conflict" (Ptcpt/ Capb/ 012). In a slightly different tone, another respondent partially conceded thus; "… it depends on what your definition of conflict is…uhm! There is some level of political conflict which is linked to the extent which revenues stemming from oil and gas would be included in the calculation of provincial fiscal capacities in order to determine equalization eligibility and benefits" (Ptcpt/ Caal/ 016).

The majority of Canadian participants (over seventy five percent) also agreed there was a real conflict over resource revenues in the past induced by the global energy price spike in the 1970s. Stated in the words of a particular participant: "Maybe I should say, the biggest conflict we had was during the energy crisis and the National Energy Program which had long been resolved" (Ptcpt/ Caaj/ 017). The resolution came with the abolition of the NEP, enhanced by the repatriation of the Canadian Constitution in 1982. A new section was included in the new Constitution which

strengthened provincial ownership of resources up to the issues of price and export determination, they stressed. In another instance, some respondents spoke of a fundamental conflict between Aboriginal groups and the government. Although this form of conflict extends beyond resource revenues onto the issue of resource development, respondents were of the opinion that this particular conflict has often taken more violent forms.

About the root cause of the conflict, all respondents, regardless of country, enunciated similar reasons, although couched with varying nuances as chosen by each participant. In particular, terms such as grievance, deprivation, neglect, ownership, greed, money-grab, geographical or territorial diversities, and resentments were cited as the causes. These terms reinforce each other and at the root of them, is the notion of entities or groups, which points to the issues of struggle for the ownership of resources. From ownership, the feeling of neglect, by the other excluded from ownership (deprivation), sets in which in the end leads to grievance. It should be recalled that in Chapter six, the discussion had elaborated how both the Niger Delta and the Northerners in Nigeria each complain of neglect, which has allegedly contributed to the insurgencies in those parts of the country. By implication, they link resource struggle to the violence in Nigeria. Also in Chapter seven, it had been shown how Western Canada often feel neglected in the political set-up of Canada. Interview responses here enlightened those earlier observations.

Responding to the historic conflict between oil producing provinces (Western Canada) and the federal government in Canada, a participant (Ptcpt/ Cabp/ 026) posited that "there was a good deal of ill feeling and grievances induced by the arrogance with which the central Canada had always treated the west." In his opinion, "the marginalization of western Canada in the political set-up, despite housing the oil and gas reserves of the country, was resented so much that there was a slogan in the West at the heats of the conflict—Let the Eastern Bastards freeze in the dark" (Ptcpt/ Cabp/ 026). Other respondents point out that the conflict, for instance, between the Aboriginals and the governments is due to non-clarity of the ownership issue. In Nigeria, a respondent asserted that the root cause of the conflict should be traced to the diversities in the country which makes Nigeria a deeply divided society, worsened by the regional inequalities in the country (Ptcpt/ Ngasb/

001). Another perspective blamed the institutional capacity: For example, "the formulas, principles and procedures for revenue sharing in Nigeria are simply bogus and conflict prone" (Ptcpt/ Ngokl/ 004).

On the issue of resource ownership, Canadian respondents were all satisfied about the constitutional provisions for provincial ownership of the onshore resources and federal ownership of the offshore (which the FG willingly conceded to the related provinces). According to them, this provision means that the federal government (representing the rest of Canada) only accesses the resource revenues through tax instruments like the Corporate Income Tax, leaving provinces to manage, determine price, and receive the ensuing royalties. As one respondent put it "in Canada, it is pretty clear that provinces own resources and there is no disagreement over that, but how the rest of the country would benefit is the issue; of course that has been the preoccupation of the equalization program in Canada" (Ptcpt/ Caap/ 015). On the contrary, ownership is a big issue in Nigeria and respondents seemed not satisfied with the constitutional provision and the actual practice regarding the benefits sharing. In the words of this particular interviewee "…I think the main problem is the issue of ownership as prescribed in the constitution or property rights if I may say; it is like monkey dey work, baboon dey chop"[239] (Ptcpt/ Ngbm/ 003).

Subsequent Nigerian Constitutions since independence have all granted State governments ownership over land rights within the State but denied ownership rights to the State when a mineral resource is found on the same land. This means that all mineral resources (offshore and onshore) in Nigeria belong to, or are managed and controlled by, the federal government. The same constitutions have entitled the oil producing States a certain percentage of the proceeds from the onshore resources (and offshore in the current practice), which has become a serious source of acrimony between the non-oil producing States (especially the Northern States that constitute a larger percentage of all the States in Nigeria) and the oil producing States which receive extra benefits on derivation. It seems therefore

[239] This is a Nigerian slang denoting that someone or a party engages in a hard labour or productive venture while the benefits accrue to another.

justifiable to think of the constitution as contributing to the conflict as interviewees reasoned.

When asked what implications the particular system of ownership had on the general growth and development in the country, Canadian respondents had only one major concern, and that was about the huge fiscal gap between the resource rich provinces (especially Alberta) and the rest of Canada: "…the situation leads to regional inequality whereby most economic activities are attracted to a particular resource rich province because of a more favorable business environment—e.g., lower provincial tax rates" (Ptcpt/ Carb/ 020). Meanwhile, the minimal proceeds from natural resources pooled to the center means that provinces do not depend on the Federal government to survive; all provinces have to strive to improve their fiscal capacities. Hence, the implication of the Canadian system is that there is a provincial autonomy (non-dependence), which makes Canada a highly decentralized federal system. According to a respondent, "provincial autonomy helped to cushion the effect of 'Dutch disease' as other sectors were constantly invested in by other provinces instead of general dependence on oil and gas sector alone" (Ptcpt/ Caja/ 014). Another view expressed was that the system has contributed to enhance economic growth and overall development in Canada.

In Nigeria, there was virtually unanimous agreement by respondents that central ownership of resources has not engendered even development across the federation as would be expected, instead there remains wide developmental disparity between States. A representative of the opinions can be viewed thus: "…look, due to central ownership of natural resources and benefit sharing system in Nigeria, autonomy of the States have been totally eroded; taxes as internal source of revenues are seldom paid as due; and States are practically dependent on the federal government which controls everything" (Ptcpt/ Ngan/ 007). Another Nigerian interviewee averred "the Federal government has grown into a behemoth and that has made the federation highly centralized, while States become mere appendages of the federal government" (Ptcpt/ Ngeg/ 006).

As most government activities are controlled from the center, which has concentrated on the oil and gas sector to drive the economy, over eighty percent of the respondents blame the system as being responsible for the 'resource curse' that

has bedeviled Nigeria. In their view, Nigeria has become mono-culturally oil based economy because other states are not encouraged to expound other productive economic activities—there is no incentives to do so because of the free and enormous statutory transfers shared to all states every month. The observation of this particular respondent summarizes it: "the revenue allocation system in Nigeria does not promote fiscal responsibility, efficiency, competition, equity or justice; but it is all about sharing and draining the available resources without recourse to rebuilding or developing other sources" (Ptcpt/ Ngsb/ 001).

Another issue raised by Nigerian respondents about the implication of central ownership of natural resources is that it has heated the political climate of the country with the federal government wielding enormous and excessive powers. This respondent asserted; "we have created a super presidency which occupant unaccountably controls the economic and political tides in the country; as such, gaining access to the presidency becomes very bloody, with a priceless premium" (Ptcpt/ Ngsb/ 001). Similarly, this equally means that those politicians at the federal level indirectly exercise some of the juicy powers of the federal government. Hence, another respondent argued that "without the central ownership of resources/and concentration of fiscal powers at the center, the regions would have been the locus of governance and the center would seize to be the battle ground for power capture by ethnic and religious groups in Nigeria" (Ptcpt/ Ngoy/ 009). He further lamented: "imagine for every Presidential election, people would have to leave their place of residence back to their States of origin just in fear that the host States do not kill them in case their candidate loses the election to the Presidency" (Ptcpt/ Ngoy/ 009). Therefore, central ownership of resources appears to have had grave implications for Nigeria.

2. HOW IMPORTANT IS THE INSTTUTIONAL STRUCTURE AND FEDERALISM PERCEIVED IN ADDRESSING THIS CONFLICT?

Corresponding Interview Questions

Interview question 3. Do you think the Institutional structure of government viz. Unitary and Federal arrangement impacts on the problem? Reasons for your position.

Interview question 7. Do you believe federalism is a better institutional form over others to address this conflict? Why?

Unlike the first research question discussed above, this particular question received more uniform answers from both countries. Participants seem highly inclined that institutional structure matters a lot, and it was not difficult for all of them to answer in the affirmation. A little emphasis was offered by this respondent (Ptcpt/ Cakb/ 019) who posited that "institutional structure is very important because it sets down the guidelines for the political intercourse in the society." Another participant added that "institutions influence the way conflicts are carried out and the possible outcomes" (Ptcpt/ Cath/ 022). A more succinct viewpoint is that "outside institutional process, conflict will be highly unwieldy with parties not able to recognize any solution that does not favor them as binding; whereas through the institutional perspective, standards of practice are negotiated and legitimize" (Ptcpt/ Ngjb/ 005). While that could be seen as the general position of participants on the nexus between institutional structure and the conflict, the preference for a particular institutional structure (focus on federalism and unitary) generated somewhat varied opinions. This respondent (Ptcpt/ Caap/ 015) began by saying "some institutional structures are more or less amenable to peaceful resolution or management of conflict and differences than others, but the choice for each depends on the degree of diversity in the country". Illuminating this view, another respondent argued that, "if there is significant difference in natural resource's location—that is a very important source of diversity—federalism is more responsive than unitary" (Ptcpt/ Carw/ 013).

There was a singular instance where a respondent from Nigeria vehemently chose unitary over federalism, arguing thus: "federalism creates divisions in a country by giving territorial groups the rights to pursue self-determination, whereas unitary state consolidates a cohesive national community" (Ptcpt/ Ngal/ 002). Few respondents were indecisive about the appropriateness of either federalism or a unitary system. About two-thirds of the participants however justified federalism on the following premises: respect for diversities alongside sense of solidarity with the whole; recognition and exclusive powers for regions or subnational units; equality and representation; and autonomy and incentives for healthy

competitions.[240] Based on similar grounds, these respondents reject unitary as an option in this case. Observe the following arguments: "in unitary system, you need to ask—who represents the interest of distinct groups and to what extent" (Ptcpt/ Caap/ 015); "there is no guarantee for the contribution of ideas by different groups in the making of national policies" (Ptcpt/ Cakb/ 019); and "you do not have appropriate instruments for compromises in unitary state" (Ptcpt/ Cadb/ 011). As a result, the majority's verdict is suggestive that federalism is the best.

3. TO WHAT EXTENT HAS INSTITUTIONALIZING FEDERALISM CONTRIBUTED TO CURB THE CONFLICT OVER RESOURCE REVENUES TO ENHANCE PEACE IN EACH OF THE FEDERATIONS?

Corresponding Interview Questions

Interview question 8. In your opinion, how has institutionalizing federalism contributed to curb the conflict over resource revenues to enhance peace in your country?

Interview question 9. How successful or unsuccessful has it been and why?

Having reasoned over institutional structures in research question two, participants were further asked to consider carefully the practice of federalism in their repective countries and make personal observations about whether federalism had positively or negatively contributed to addressing resource revenue conflict. There was a huge difference between the conclusions of participants from Nigeria with those of their Canadian counterparts. Participants from Nigeria mostly averred that federalism has been unsuccessful for this mandate, otherwise, that the conflict will not remain violent till now. A participant asked "do you read Nigerian Newspapers—don't you notice how the resource conflict makes headlines even today?" (Ptcpt/ Ngbm/ 003). On the contrary, few participants maintained that the enshrinement of 13% derivation for oil producing states in the Nigerian Constitution is a living proof of the success of federalism in addressing the conflict, because it would not have been

[240] See interviews with Ptcpt/ Cadb/ 011; Ptcpt/ Catc/ 025; Ptcpt/ Ngsb/ 001; Ptcpt/ Cath/ 022; Ptcpt/ Ngsg/ 010; Ptcpt/ Caal/ 016; Ptcpt/ Ngeg/ 006; Ptcpt/ Carw/ 013; Ptcpt/ Carb/ 020; Ptcpt/ Cakb/ 019; Ptcpt/ Caap/ 015; Ptcpt/ Ngjb/ 005; Ptcpt/ Ngan/ 007; Ptcpt/ Ngok/ 004; Ptcpt/ Caja/ 014.

made possible if the country was not a federation (Ptcpt/ Ngal/ 002; Ptcpt/ Ngeg/ 006; Ptcpt/ Nggl/ 008).

Canadian respondents are of the view that federalism has been successful in dealing with the conflict in question. For a particular reference, this participant posited, "historically, there has always been differences which made federalism an undisputable choice…that Canada remains intact till date is evident of successful impact of federalism" (Ptcpt/Camn/ 018). More specifically, few other respondents referred to the issue of NEP and its subsequent dissolution as a classic case of how federalism in Canada has positively impacted on the conflict over resource revenues (Ptcpt/ Cary/ 023; Ptcpt/ Caaj/ 017; Ptcpt/ Caap/ 015; Ptcpt/ Carb/ 020). Similarly, others pointed out that grants to Alberta and Saskatchewan of rights to resource ownership like other provinces, after a very long campaign, as well as the concession of the offshore resources to the provinces of Nova Scotia and Newfoundland also provide strong evidence (Ptcpt/ Capb/ 012; Ptcpt/ Cahl/ 021; Ptcpt/ Capm/ 024; Ptcpt/ Cadb/ 011).

4. HOW CONSISTENT ARE THE RESULTS; OR WHY ARE THEY AT VARIANCE IF NOT CONSISTENT?

Corresponding Interview Questions

Interview question 5. How would you rate the conflict in terms of severity and mildness? (Dependent on response) why has the conflict degenerated, or not, into serious violence?

Interview question 6. What are the factors fueling or abating potential conflict over resource revenues in your country?

Assessing the consistency in the impact of federalism and establishing contributing factors that influence the results in each federation, is addressed by the above questions. When asked to give individual opinions on how intense the conflict is, Canadian participants were unanimous that the conflict was not violent but mild. According to a particular respondent, "the question of resource conflict is not a lead issue…it does not play up all the time, especially from the time after the dissolution of the National Energy Program in the early 1980s" (Ptcpt/ Caaj/ 017). Others posited: "we do not have armed conflict"; "we don't seem to have violent conflict"; "the conflict has not reached the stage of shooting at each other"; and "the conflict

is not to the level of leading to casualties" (Ptcpt/ Capm/ 024; Ptcpt/ Cakb/ 019; Ptcpt/ Caap/ 015; Ptcpt/ Cabp/ 026). All of the assertions seemingly point to one direction—that the conflict in Canada is not severe.

However, Nigerian participants generally agree that the conflict has been increasingly severe and violent over the years. A respondent opined that "the severity of the conflict is exemplified by the seemingly irreconcilable positions of the oil bearing Niger Delta region and the economically 'not-confident' Northern people; the former wants subnational ownership of resource and the latter wants central ownership without which they fear they would not receive sufficient oil money for their sustenance"(Ptcpt/ Ngsg/ 010). Observe the tone of people in the Niger Delta from the submission of a Niger Delta participant, "For peace to reign, the majority ethnic groups, especially the North, should empathize with us, to feel our pains and consider our position" (Ptcpt/ Ngbm/ 003). In the opinion of a Northern respondent, there are no oil-producing state(s) other than the entire Nigerian State, so the Niger Delta states should stop these rants about being the oil-producing states in Nigeria (Ptcpt/ Ngal/ 002). With these strong antagonistic statements, it is not hard to perceive the severe intensity of the conflict in Nigeria.

Furthermore, the researcher probed into why the conflict had not degenerated into violence in Canada as is the case in Nigeria. Canadian respondents were very concise, that the constitution is explicit on provincial ownership of resources, and that Canada does not have a history or tradition of violence (Ptcpt/ Carb/ 020; Ptcpt/ Camn/ 018; Ptcpt/ Caap/ 015; Ptcpt/ Caaj/ 017; Ptcpt/ Cahl/ 021; Ptcpt/ Caja/ 014; Ptcpt/ Caal/ 016). For instance: "we don't resolve issues through violence and we have no tradition of violent conflicts at least since the late 19th century—I guess it is the cultural heritage of the people who live in Canada even before the time of Confederation" (Ptcpt/ Caaj/ 017). This might have influenced the federal government to not pursue any other legitimate policy that would have given them access to more resource revenue, (which would have aggravated the conflict) when they nullified the NEP, argued another Canadian respondent (Ptcpt/ Caap/ 015). Related responses point to the strong provincial autonomy and the political culture of great sense of shared solidarity.

A rare insight factored in the high mobility of Canadians as responsible for taming the potential for conflict: "Canadians are highly mobile, they choose where in the country they would live in, and also maintain homes in other parts of the country—e.g., having family house elsewhere, and other siblings residing in other parts which makes the population more homogenous—I think in other countries where the conflict gets too violent, residents of various regions are less mobile" (Ptcpt/ Capb/ 012). In a similar response, a participant posited "if you mix racial, linguistic, and other diversities restricted along territorial lines with resource struggle, then you are going to have shootings" (Ptcpt/ Cabp/ 026). Another reason is that Canada is a rich country and even the supposed poor provinces are doing pretty well (Ptcpt/ Cary/ 023; Ptcpt/ Caap/ 015; Ptcpt/ Carb/ 020). For example, New Brunswick—one of the poorest provinces—has little Hydro-Electric power and little oil and gas (Ptcpt/ Caap/ 015). In this vein, a participant concluded that there is no violent conflict in Canada because while oil is very vital to each State and country's revenue as a whole in some places, in Canada it may not even produce a quarter of the country's GDP—every single province in Canada has other source of revenues as does the federal government (Ptcpt/ Cadb/ 011).

Factors fueling the conflict in Nigeria are hydra-headed as deciphered from the Nigerian respondents. To many of the respondents, excessive dependence on the oil sector which contributes about 80% to the country's GDP and a similar quota to each state's source of revenue, is responsible for the severity of the conflict in Nigeria (Ptcpt/ Ngan/ 007; Ptcpt/ Ngok/ 004; Ptcpt/ Ngbm/ 003; Ptcpt/ Ngsb/ 001; Ptcpt/ Ngsg/ 010; Ptcpt/ Ngoy/ 009). This is similar to the factor on erosion of State's (sub-national) fiscal autonomy and the 'irresponsibly' designed fiscal structure as were raised by a couple of respondents (Ptcpt/ Ngeg/ 006; Ptcpt/ Ngsb/ 001). Also, the impact of poverty across the States in Nigeria, only few of which could stand firm with reduced or removed oil revenues from the monthly transfers to the States, was well acknowledged by the respondents. Alongside, the issue of corruption was a recurring theme as respondents argued that the flagrant abuse of public wealth, by politicians at all levels of government, contributed to enrage the deprived Niger Delta people who have developed a penchant for armed violence. According to this participant (Ptcpt/ Carw/ 013), corruption means parties on both sides would eventually lose.

Deep diversities in the country summarize the predicament in Nigeria according to respondents: "Nigerians have divergent views virtually over everything and their approaches to issues—be it debates or dialogues—are very aggressive and unpredictable, because of links to other competing primordial cleavages such as language, culture, religion, and ideology" (Ptcpt/ Ngbm/ 003). In the words of a foreign expert of federalism, "the conflict in Nigeria has a lot to do with inclination to tribal sentiments, corruption, military dictatorship—even in the civilian era leaders are more autocratic than being democrats—and the systematic suppression of ethnic minority groups" (Ptcpt/ Cath/ 022). Other observation follows, "the experience of a civil war equally plays a role in making the conflict severe as there tends to be significant pressures from each group, all of which are towards the extremes (Ptcpt/ Carw/ 013; Pt/ Nggl/ 008).

Another perspective blames the ambiguity in the constitution over property rights as giving room to misinterpretations and further assaults on the rule of law, both of which contribute to fueling the conflict: "The basis of federalism is constitutionalism which operates under the rule of law, but in Nigeria these are more or less absent; the current constitution is even a product of a military government, with centralizing tendencies which suppress subnational groups by enlarging the federal government's spheres" (Ptcpt/ Ngjb/ 005). Many other scholars argued succinctly that the 1960 Independence Constitution (with its modification in 1963 to produce the Republican Constitution) was the only authentic constitution that embodied the will of the people; being a product of a series of open conferences, dialogues and negotiations by the nationality groups and regions (Ptcpt/ Ngsg/ 010; Ptcpt/ Ngeg/ 006; Ptcpt/ Ngsb/ 001; Ptcpt/ Ngoy/ 008).

5. WHAT ARE THE LESSONS (SUGGESTIONS), IN ORDER TO REDUCE THE POTENTIAL FOR VIOLENT CONFLICTS OVER RESOURCE REVENUES IN NIGERIA, CANADA, AND OTHER COUNTRIES?

Corresponding Interview Questions

Interview question 4a. (Specific question for Canada) There is an ambiguity in the Supreme court ruling on the need to 'Consult' with the First Nation Groups before

resource development commences in certain areas; when there is strong conflict of interest by the parties, what would you consider the interpretation to be?

4b. (Specific question for Nigeria) The Supreme Court ruling over the onshore/offshore dichotomy remains controversial in Nigeria, likewise the subsequent effort of the Federal Government to include offshore revenues for derivation. What do you think should apply regarding onshore and offshore resources, pursuant to fairness to producing States and the entire Nigerian nation?

Interview question 10. Knowing that the rest of the country as majority may defeat any position pushed forward by the producing Provinces or States if it were subject to voting before approval, how do you think decisions can be made?

Analyzing responses to the corresponding interview questions, especially those relating to respondents opinion over earlier Supreme Court's rulings in their respective countries, shows respondents incline towards the need for clarity in the constitutional provisions over the ownership of property rights, or redesigning them if necessary, in order that everybody understands and accepts their legitimacy. A respondent opined that local communities or regions with petroleum resources should justifiably have higher claims than the rest of the country because they suffer the destruction that follows from resource extractions; "so you need to be sensitive about that when you start thinking about distributing the wealth" (Ptcpt/ Caap/ 015). Thus, in the absence of clarity and consistency in the constitutional provisions, there will probably be continuous disagreement and conflict in the given federation.

Related to the above are opinions about dividing the issues of resource revenues into two aspects—a constitutional and a policy aspect. Here, few participants argue that ownership should be addressed through constitutional means, and that the redistribution of benefits from the resource sector be handled using policy mechanisms—legislation. In this way, any difficulties will only be concerned with how to share some resource proceeds or redistribution of benefits (outside those already reserved for the owner based on explicit property rights). This would then be saddled on the political process of law making, over tax policies, subsidies, negative tax, special taxes, and transfer system or revenue sharing formulas, all of which could be altered up and down as the case may be, generating lesser conflict. Corroborating this view point, a Nigerian participant argued that "the current fiscal system in the country, whereby there is no clear boundary about ownership issues, which remains controversial in addition to the problem of redistribution of benefits, exemplifies staggering complexity" (Ptcpt/ Ngsg/ 010). In his opinion, "there is,

absolutely, so much to steal when you make a system so complex because it becomes harder to even pinpoint at what access point is the fault-line" (Ptcpt/ Ngsg/ 010).

Evidently, the competing interests in the resource revenue struggles in Nigeria are not particularly challenging the status quo that combines offshore and onshore oil revenues. The fear is high that any dichotomy between onshore and offshore resources may reduce what they currently receive. Whereas, with several outlets 'supposedly' created to compensate all interests outside the statutory allocations, the current system obfuscates the true figures each State receives in the end. Most of the respondents in Nigeria believe that the resources (offshore and onshore) belong to the nation and no-one should claim ownership, instead the oil bearing states should be compensated; with suggestions for derivation varying from as little as 3% to as much as 95%, as influenced by each respondent's own interest. As a result, efforts are rather channeled to cause changes on the percentage for derivation which applies to both offshore and onshore. This would mean much more allocation to the oil bearing states and less to the rest of Nigeria if the change to derivation was raised; however, the reverse would be the case if the change to derivation is downward as the Northern States hope. Clearly, petroleum resources are tug-of-war that have implications beyond the political process, to cause divisions between parties.

Of great importance too is the re-enactment of subnational fiscal autonomy where it has suffered drastic erosion by the centralization of both economic activities and taxing powers. Supporters of this idea believe it will fast track the process of diversification of an economy plagued by excessive concentration on oil and gas to the detriment of other sectors. Others suggest the need to shift some responsibilities away from the center, like housing, health, and social services which are local needs that can be effectively handled by subnational governments, in order to further reduce the concentration of fiscal responsibilities at the center. Specifically, Nigerian respondents were relatively unanimous in calling for the review of the distribution of fiscal powers, where the federal government has 68 items on the exclusive legislative list, plus a preeminent stand on 30 items in the concurrent list with the States (Ptcpt/ Ngjb/ 005; Ptcpt/ Ngan/ 007; Ptcpt/ Ngsb/ 001; Ptcpt/ Ngok/

004; Ptcpt/ Ngsg/ 010; Ptcpt/ Ngoy/ 009; Ptcpt/ Ngeg/ 006; Ptcpt/ Nggl/ 008). They argue that, in effect, the powers of the President equally needs to be pruned down and more powers transferred to the State executives.

Another suggestion is that, understanding the meaning of federal conscience and solidarity is vital in any country (Ptcpt/ Cabp/ 026). Other terms used to buttress this view include accommodation and federal tolerance (Ptcpt/ Ngok/ 004; Ptcpt/ Ngan/ 007). As phrased by one participant (Ptcpt/ Caaj/ 017), this is the only way sharing, fairness and compromise would be enhanced. This observation resonates with the "problem of ideological notions of the meaning of federalism" which a certain respondent argued must be addressed if resource conflict was going to be a thing of the past in a federation (Ptcpt/ Cath/ 022). Finally, a startling revelation points to the importance of having leaders that value western culture of respect in government, in order to shun corruption and also, not to resort to violence when faced with sectional agitations and strong oppositions. According to the proponent, "such leaders aspire to become integral part of international communities which provides sort of restraints for fear of peer denial at the global level" (Ptcpt/ Cabp/ 026).

There are many findings from this research as deduced from the analysis. However, for clarity the findings are summarized in explicit terms below:

1. The potential for conflict over resource revenues appears to be prevalent in the two countries under study; albeit, more real in Nigeria.

2. Similar notion of groups' mistrust was apparent in the two countries, between the resource rich Western Canada and the federal government of Canada on one hand, and between the resource rich Niger Delta and the federal government of Nigeria on the other hand.

3. Effective institutional programs for handling the re-distribution and creation of revenues poses a huge challenge in both countries (Equalization program in Canada and Revenue Sharing system in Nigeria).

4. The perceptions in both countries suggest that institutional structure impacts so much on the nature and outcome of the conflict, in addition, that

federalism is the most appropriate institutional form to address resource conflict.

5. Experience in the two countries shows that federalism has worked better in mitigating the resource conflict in Canada than in Nigeria; as attested by the higher intensity, severity, and prevalence of the conflict in Nigeria.

6. The constitution is very explicit about provincial ownership of onshore resources and federal ownership of offshore resources in Canada, whereas in Nigeria, there is a fusion of central ownership of resources and special rights to resource bearing States (based on derivation) for both offshore and onshore resources, to the chagrin of the oil producing and non-oil producing States alike.

7. The majority of Nigerian participants support the continuous tinkering of the derivation percentage in the current system, notwithstanding further agitations that remain relentless, instead of attempts to split ownership structure along onshore and offshore basis.

8. There is the strong notion that oil and gas sector plays a major prominent role in the Nigerian economy more than it does in Canada.

9. There is a huge fiscal decentralization and consequent provincial autonomy in Canada against the fiscal centralization and State's dependence on federal transfers in Nigeria.

10. Differing levels of certain variables including; economic development and income distribution, poverty, corruption, rule of law, political culture of non-violent approaches to issues, and the level of intergroup mobility or integration in the two countries are noted and could be contributing to the impact of the conflict in each case.

8.6 Concluding Remarks

This chapter has focused on the presentation of findings. It accounts for how the primary data was generated from the interviews and provides analysis. In addition, it has shown that ethical considerations were taken with participants fully aware of their rights and indemnity before the commencement of the interviews. The analysis

of the data has been conducted in a very transparent style in order that comprehension is not obscured. Anchored to the main research questions of the thesis presented in Chapter one, the analysis explored all the interview questions on the basis of what particular research question they reinforced. In the process, various answers emerged which were further interpreted and re-analyzed, mostly looking back at similar viewpoints to extrapolate meaning that accounts for the majority's opinion on an issue.

Pursuant to the main focus of this study, which assesses the potential and real impact of federalism in mitigating natural resource induced conflict in countries, especially Nigeria and Canada, interesting findings have emerged. There were some similarities in the two countries including the prevalence of resource revenue conflict; and the fact that institutional structures are deemed to be very important, as well as federalism, in addressing the conflict. There was also found, a real challenge on how to re-distribute resource benefits across the units in both federations. A surprising observation was the mistrust and acrimony found to exist between resource rich regions and the federal government in both countries. The major contrasting findings relate to the fact that federalism has yet to produce the much expected result in quelling resource revenue conflict in Nigeria, as it has relatively done in Canada. Certain factors have been identified to account for this including: the constitutional prescription on property rights, different levels of economic development, poverty, corruption, intergroup mobility or integration, and political culture with respect to violence. These and other issues will be further explored in the next chapter under the comparison and discussion of findings.

CHAPTER NINE.
NIGERIA AND CANADA: A COMPARISON

9.1 Introduction

Proceeding from the analysis and findings in the last chapter, this chapter further dissects and compares those findings, focusing on the areas of similarity and difference in the two countries. This process aligns with the 'Most Similar System Design' (MSSD) chosen, in Chapter one, as the appropriate comparative analytical tool for this study. Therefore, the applicable 'method of difference' required for an MSSD study entails emphasis in the discussion will be placed on the areas of differences from the findings between Nigeria and Canada. The approach is based on the premise that in two similar systems, significant degrees of differences contribute to differing outcomes.[241]

Meanwhile, in the first instance, the primary assumption on which the study is founded must be remembered: federalism remains an appropriate system for governing a country that presents deep diversities for peaceful and harmonious coexistence. It suffices to dig deep into the findings in order to understand the intricacies by interpreting what might be the causes, and consequences of the specific case's results. Secondly, there is the need to compare the findings across the two countries in light of other literature (theoretical and empirical research). By doing this, we will enhance the understanding of why federalism, despite high expectations on its potentials to curb resource revenue conflict, has not fared very well in Nigeria (with the conflict remaining ever strident) as it has done in Canada.

9.2 Discussion of the Key Findings

The essence of the analysis of the findings here is not merely to present the findings a second time, but to offer further interpretations in light of the problem and purpose of the study. Therefore, in order to ease comprehension, a snapshot of the findings is assembled here in a tabular format to precede the interpretive discussion.

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[241] See detailed explanation of MSSD in chapter one.

Table 9. Juxtaposition of the findings

S/n	Findings	Nigeria's Case	Canada's Case
1	Potentials for oil & gas to cause conflict	Strong evidence	Strong evidence
2	Similar notion of groups' mistrust/resentment	Strong evidence	Strong evidence
3	Difficulty in redistributing resource benefits	Strong evidence	Strong evidence
4	Perception on the essentiality of institutional structure and federalism as most appropriate	Strong evidence	Strong evidence
5	Concrete impact(s) of federalism mitigating the conflict	Weak evidence	Strong evidence
6	Intensity or severity of the conflict	Strong evidence	Weak evidence
7	Clarity and general acceptance of 'ownership'	Weak evidence	Strong evidence
8	Complexity and disputes over ownership issue	Strong evidence	Weak evidence
9	Influence of the oil and gas on the economy	Strong evidence	Weak evidence
10	Fiscal decentralization and subnational autonomy	Low	High
11	Fiscal Centralization	High	Low
12	Economic Development/ income distribution	Low	High
13	Poverty level	High	Low
14	Level of Corruption	High	Low
15	History and Tradition of non-violence	Low	High
16	Integration and Inter-group mobility	Low	High
17	Adherence to the Rule of Law	Weak	Strong

The table above shows clearly how the findings relate to each of the countries; i.e., the level of manifestation of a specific finding in a particular federation. Note that the purpose of this study aims at assessing how federalism has contributed in addressing resource revenue conflict, particularly in Nigeria and Canada. Hence,

while there are areas of similarities across the two countries as seen in the items 1, 2, 3, and 4 above, the other significant contrasting findings, indicate that federalism has impacted more positively in Canada than in Nigeria, in view of conflict. Items 5, 6, 8, and, to an extent including, item 1 on the table above specifically provide a clear illustration that supports this assertion. Interestingly, the tabular snapshot makes it very easy to spot the contributing factors that might have some links with this fundamentally contrasting result. In this regard, certain major factors are identified as follows:

1. The question of ownership of natural resources—see items 7 and 8 on the table.
2. Influence of oil and gas on the economy—see items 9, 10, and 11 above.
3. Level of socio-economic development—see items 12 and 13 above.
4. Level of corruption—see specific item 14 above.
5. Adherence to the rule of law—see specific item 17 above.
6. History and tradition of (non)-violence—see specific item 15 above.
7. Integration and inter-group mobility—see specific item 16 above.

9.2.1 The Question of Ownership

The question of ownership is no doubt central to the conflict over resource revenues. Due to the fact that the conflict is usually between the central government and subnational government in charge of the territory where the resources are found, the constitutional provision for ownership rights impacts on the conflict in no small measure. The findings in the two countries provide clear illustration that: there is an explicitness in the Canadian constitution concerning federal ownership of offshore resources and provincial ownership of onshore resources.[242] Consequently, the prevalence of the conflict in Canada is found to be less intense. On the contrary, the Nigerian constitution is not as explicit in this regard because of the provision for the central ownership of resources, and the mandate for special benefits to be given to resource bearing States (based on derivation) for both offshore and onshore

[242] Few exceptions apply to this rule, as Plourde (2012, p. 88) clearly shows.

resources. The high intensity and prevalence of the conflict in Nigeria is testimony to a lack of explicitness on questions of ownership.

To start with, the confusion creates room for subjectivity, giving all parties grounds to subjectively interpret the provision as they deem suitable. The non-oil producing States, especially the North, are keen to highlight the aspect of the provision that mentions "central ownership—that all natural resources belong to the federal government," whereas the oil producing States are quick to stress the part that entrenches special benefits due them as an allusion to their ownership rights. For instance, a typical Northern position over the issue is well expressed by Alhaji Usman Bugaje (a Northern elder Statesman) who, in a reaction to the incessant agitations from the oil producing States for an increase in the derivation percentage, felt embittered. He regrets that there was even a provision for special derivation due those States instead of earmarking them for the Northern States which make up 72% of the total landmass of the country. According to him, the mileage a country gets in the offshore—continental shelf in the UN Law of the Sea—is a measure of the landmass that the country possesses.[243] Evidently, the assertion is premised on article 76 of the UN law of the Sea which states that:

> The continental shelf of a '**coastal State**'[244] comprises the seabed and subsoil of the submarine area that extends beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical mile from the baselines from which the breadth of the territorial sea is measured where the outer limit of the continental margin does not extend up to that distance (UNCLOS, 1982 article 76).

Regrettably, the above assertion is a stark reflection of the subjectivity that underpins resource revenue and ownership struggles in Nigeria, which is being discussed in this section. Persons like Alhaji Bugaje are quick to emphasize the aspect that shows the Maritime boundary of a country to reflect the natural

[243] See Channels Television (2014).
[244] Emphasis has been added to this quote, e.g., the bold and the underline, because of the importance of those parts to the resource conflict in Nigeria which this thesis confronts.

prolongation of where its land territory reaches the coast, without noticing the fact that being a coastal state (country) precedes every other determination. This other aspect apparently is very attractive to the oil producing States who are aware of their importance by virtue of their land territories extending into the sea, without which Nigeria cannot be deemed a 'coastal' state. More so, being a coastal nation-state automatically entitles a state a specific distance of 200 nautical miles into the sea regardless of how small the landmass is, whereas a limit of 350 nautical miles extension from the baseline had been fixed irrespective of how large a coastal country is, otherwise a prior approval is sought from the UN.[245]

The acclaimed benefit of the vast land mass which the North contributes can be ascertained after determining the amount of offshore resources which are exploited beyond the 200 nautical miles into the territorial sea. Exclusive data from the Federation Account Allocation Committee reveals that, currently only little above a quarter of overall oil production in Nigeria emerges from offshore locations beyond 200 nautical miles.[246] The data, showing oil production on a field basis for the year 2013, revealed that out of a grand total of 724,153, 286 million barrels of oil produced from January to October, only 240, 286, 892 million barrels were produced from deep sea drilling outside 350 km from the territorial baseline (DPR, 2014). That constitute about 30%, which implies that the remaining 70% or 483, 866, 394 million barrels produced during the same period under review, all emanated from either onshore or offshore fields that involved shallow waters within 200 nautical miles. With this exposition, the question would be whether, or not, to let the excess benefits from beyond the stipulated limits accrue to the federation (with no deduction based on derivation at all) and leave the rest to go to the sub-national coastal states in the South on the basis of where they originate.

Let us not forget that since the inception of oil and gas production in Nigeria, onshore and shallow water fields have robustly sustained the Nigerian Petro-State. Nowadays, deep water projects are coming on stream, gradually leading to the abandonment of the onshore operations in some places as a result of the militant

[245] See Article 76, s. 5 of UNCLOS (1982).
[246] See DPR (2014).

disturbances and insecurity of the staff and properties of the oil companies.[247] This means that if peace is restored and ownership is properly negotiated and divided along onshore and offshore basis, the following would be possible. Each constituent government would have specific onshore mineral resources to manage. As a result, the abandoned exploration programs and production on the onshore fields would be revitalized. The states would have more revenues accruing from the onshore production which would possibly not be hindered by local disturbances as the control is in their hand. Similarly, the federal government and the non-oil producing States would receive greater benefits from the unhindered larger offshore production, where the proceeds would not be subject to further deductions for derivation purposes.

In the meantime, although the basis of the Northern argument is to claim an equal, or even a more prominent, position on offshore resource revenues against the coastal States which may not be justifiable, there is, however, a vital message in their argument. Truly, the UN International law confers the rights to the territorial seas—including all offshore resources within a stipulated limit—to Nigeria as a nation-state, and not to the individual sub-national states within the federation. But, it has to be understood that the UN relates to nation-states and does not take to cognizance if a certain nation-state is federally structured, which means there are 'dual governments' in the country. The difficulty that results in the case of a federation is that, at the national level, both governments would have a claim onto the territorial sea. For example in the case of Nigeria, south of some constituent governments borders the sea (Atlantic Ocean), which is the same as south of Nigeria. The limit to which a particular subnational state's jurisdiction can extend southwards into the territorial sea to give way to a larger continental shelf for the entire country, does not fall under the purview of the UN convention on the Law of the Sea. This can be negotiated and determined between the federal government and subnational governments in the particular country.

For instance, in some of the resource rich federations the term 'offshore' for the purpose of dividing the jurisdiction between central and subnational governments,

[247] Iledare and Suberu (2012, p. 230).

has been set to exclude some near-shore zones up to 3 to 10 nautical miles into the territorial sea, like in the United States (Anderson, 2012, p. 379). This means that any resource found within the mentioned limits in the territorial waters is treated as onshore and falls under the jurisdiction of the constituent unit government. Another pattern of negotiated solutions is exemplified in Canada by the grant of joint ownership status of the offshore resources to a few provinces, based on political grounds, while the federal government retains the constitutional ownership rights. However, in the event that the central government is reluctant to concede any part of the ownership as is the case in Nigeria, then, offshore resources should be, as it currently is, a property of the federal government. On this note, should there be any question of special rewards to the coastal states as a result of offshore production, it could be negotiated by all parts of the country in the federal spirit of 'give and take'. While this is so for the offshore, treating onshore resources as a central government's property in a federal state is akin to subjugating the subnational government in charge of the territory.

To illustrate this point, it can be understood when the property rights of a given country grants ownership of property to private individuals, but with an overriding clause that enables the government to reclaim the property when valuable natural resources are found.[248] However, the grounds on which a central government intervenes to dispossess a subnational government rights over property it had hitherto held, can hardly be justified. For one, they are both government entities and in the federal principle, there is the 'supposed' notion of equality, balance, or non-subordination between the two governments. Unfortunately, this is the situation in Nigeria, whereas "in most other federations onshore resources are owned by the subnational governments" (Anderson, 2012, p. 377). The fact that it has equally been a subject brought before the Supreme Court of Nigeria by some Niger-delta oil producing states demonstrates clearly the tension it has created in the federation (Dafinone, 2002).

[248] The Canadian case is illustrative; see Ikporukpo (2004, p. 345).

To understand the impact of ownership and its link to the prevalence and severity of resource conflict in Nigeria, one needs to consider the findings from Canada which stand opposite. First, there is consistency in the property rights over all resources; no clause exists that denies a province the ownership rights over certain special resources that the federal government needs (which could cause great resentment and, also, fuel conflict). Secondly, there is a general understanding of the constitutional provisions over ownership splits along onshore and offshore lines, between the provinces and the federal government respectively. Acceptance is unanimous and there is no contention or any room for misinterpretation of that provision by any party. With this situation, the conflict no longer appears localized; therefore, it reduces drastically in intensity. What this means is that, the conflict is exempt from direct confrontations between oil bearing regions and the rest of the country. Instead, the resource revenue acrimony is diffused into a general re-distributional dispute which is similar to the ever-present horizontal fiscal imbalance which all government faces.

9.2.2 Influence of Oil and Gas on the Economy

The influence of oil and gas on the economy, or otherwise the contribution of the resources in question to the general economy of a nation, significantly affects the nature of the conflict; its intensity and the feasibility of negotiating a fair solution. Implicitly, George Anderson, in his recent work on Oil and Gas in Federal Systems, found that conflict over petroleum resource revenues is largely influenced by "the size of the sector relative to the national economy" (Anderson, 2012, p. 372). In a nutshell, his findings are suggestive that the intervention of the federal government in the management and control of the petroleum sector increases and decreases in direct proportion to the size of the sector in the economy; likewise the potential for severe conflict. His findings find support from the findings in this study which presents, on one hand, a Nigerian economy dominated by petroleum which results in a Nigerian society fraught with protracted resource conflict, and a diversified Canadian economy with minimal conflict, on the other hand.

In Nigeria, there is a general notion that petroleum contributes significantly to the country's GDP, even though the actual percentage it contributes remains controversial, especially with the recent rebasing of the country's GDP. For

instance, Ushie claims that petroleum contributes as high as about 40% to the country's GDP,[249] while Iledare and Suberu show that the contribution of the sector to GDP is a relatively low 28.4 percent.[250] What is not contested, however, is the decisiveness of the oil sector in the Nigerian economy. Firstly, it is the major source of foreign exchange for the country by contributing "about 95 percent to the country's foreign exchange earnings" (Leke et al., 2014, p. 12; Soludo et al., 2003, p. 39). Secondly, it is by far the largest source of revenue to the government. Between January 2011 and December 2013, the Federation Account received a total sum of N27.776 Trillion, for which N23.875 Trillion (i.e., 85.95%) resulted from oil and gas,[251] as shown in the chart below.

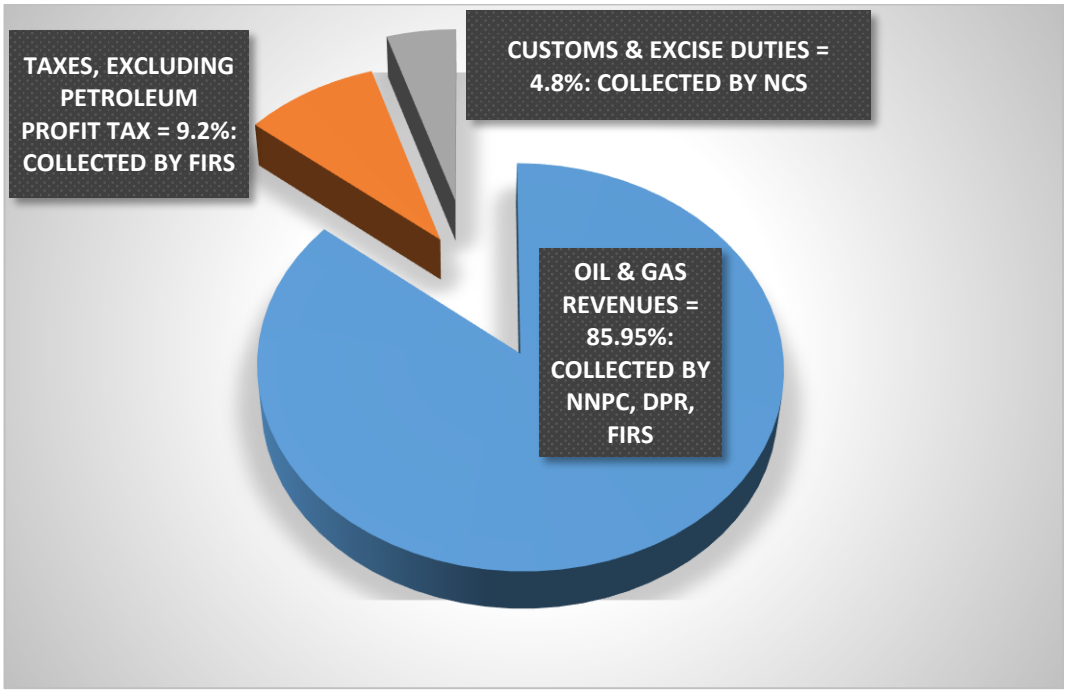

Figure 7. Revenue accruals to the federation account from Jan. 2011- Dec. 2013

From the chart (Fig. 7) above, with over 85% contribution, oil and gas revenues fundamentally sustains the Federation Account which supports the Federal government, States, and Local governments, through the monthly sharing of the pool account. To buttress, in the month of October 2013, a total of about N539

[249] See Ushie (2012, p. 1).
[250] Iledare and Suberu (2012, p. 229)
[251] See FAAC (2013, pp. 51-64).

billion accrued to the Federation Account, comprising of N443.052 billion of oil minerals earnings and N96.501 billion of non-oil mineral revenues.[252] After some deductions,[253] N453.006 billion was left for sharing between the tiers of governments. From this figure, the sum of N47.112 billion, constituting 13% of oil revenues (not including oil taxes), was distributed exclusively to the oil producing States based on derivation principle. The remaining was generally shared between the levels of government, applying the current vertical revenue sharing formula. Thus, the Federal Government got N213.825 billion, being the 52.68%; the sum of N108.455 billion, representing a 26.72% was shared between the States using certain prescribed horizontal revenue sharing principles as described in chapter six, and similarly N83.614 billion (20.60%) was shared between the local governments respectively.[254]

It is important to refer to the Appendix entitled 'Federal Ministry of Finance – Summary of gross revenue allocation' which shows the figures each individual state received after the total sharing exercises for the month of October, 2013. From that appendix, it can be seen that the least amount a state got was over N6 billion; every other state got more than this and the highest a State got was almost N33 billion for the single month of October. The ridiculous fact is that, for the entire year 2013, each of about 40% of the States generated less than N6 billion that was the least monthly allocation a State government received.[255] That means at a minimum, every state received above N72 billion for the year but could hardly generate ten percent of the amount, aside from a few States. Meanwhile, the recurrent expenses in the States' budget for same year ranged from a whooping amount of N 40 billion upward;[256] leaving a lesser percentage set apart for capital expenses. From this revelation, it is clear that most of the States would literally go bankrupt if any

[252] FMF Nigeria (2013); see also, Udo (2013).
[253] Including N80.651 billion transferred to the Excess Crude Account, and other deductions as for the cost of collections paid to the Federal Inland Revenue Service (FIRS) of N2.097 billion and Nigerian Customs Service (NCS) of N3.085 billion (plus a further N0.713 billion refund; see Appendix: Federal Ministry of Finance.
[254] Detail of the FMF Statutory Allocation for October 2013 has been provided in the appendix.
[255] See Appendix: Internally Generated Revenue by States – column showing figures for 2013.
[256] Punch (2013) for specific figures.

component of oil revenues, e.g., Royalties, Oil and Gas taxes, and Crude Oil Sales, was to be removed from the reach of every state as permitted in the current system.

As a result, the federal government assumes a sense of responsibility to get deeply involved in the sector in order to insure that all governments are sustained through assured access to oil revenues. By so doing, the States have lost every sense of autonomy and fiscal independence to the supposed protective and domineering federal government. Hence, the fiscal system becomes extremely centralized. Meanwhile, the earlier constitutions of Nigeria (between independence and the first military take-over), provided for a 50% derivation payment by the Federation to each region in respect of any mineral extracted from the region, and also stipulated that the continental shelf of a region shall be part of the region. The increase in the importance and contribution of the oil sector to the economy led the "Nigeria's centrist military rulers" and subsequent civilian leaders to gradually slash derivation percentage and, also, unseat the constituent units from the offshore jurisdiction (Iledare & Suberu, 2012, p. 239). This is just one example of how rich resource discovery can lead to distortions in the practice of federalism.

With the extraordinary importance of the oil sector as the live-wire of all levels of government in Nigeria, it should not be surprising that the conflict which oil revenues generate in Nigeria has significantly intensified. In addition, the high influence of oil and gas on the Nigerian economy, has resulted in fiscal centralization, which has contributed immensely to the severity of the conflict in Nigeria. A comparison with findings from Canada shows a glaring contrast. Firstly, the petroleum sector remains a small part of the national economy (Anderson, 2012, p. 373). As at 2008, oil and gas extraction industry still accounted for a paltry 3.2 percent of Canada's GDP (Plourde, 2012, p. 97). Likewise, the sector contributed about 20.5 percent to the country's exports for foreign exchange earnings in 2008, Plourde asserts. Secondly, there is an admirable degree of fiscal decentralization, while federal transfers are relatively less important as the lifeline for the survival of each province. All the Provinces generate over 60 percent of their revenues, which means that the federal transfers only constitute about one-third of provincial total revenues or less (Lazar, 2000, pp. 12-13; Makarenko, 2009; Rushton, 2001, p. 254). With this situation, conflict over resource revenues becomes mostly confined

between a resource-rich province and the federal government over policy issues; which hardly drags all parts of the country into a heated political uprising.

9.2.3 Level of Socio-Economic Development

A very broad definition of the term 'economic development' refers to the concerted actions of various levels of governments and the society at large to "improve the standard of living of the people through the creation of jobs, the support of innovation and new ideas, the creation of higher wealth, and the creation of an overall better quality of life" (Hill, 2015). Business dictionary refers to it as a progress in an economy or any qualitative measure of this—adoption of new technologies, transition from agriculture-based to industry-based economy, and general improvement in the living standard. Deducing from the above, the term 'socio-economic' is concerned with how economic activities affect the social well-being of people. In more particular terms, the nature and pattern of economic activities, pattern of income distribution, and the general quality of life expressed in terms of poverty in a given society are all viable means to ascertain a given level of socio-economic development. Meanwhile, similar terms appear in the findings regarding the contrasting observations in the two countries, in which case Nigeria sits low in every desirable index like good standard of living, and high in every undesirable ones like poverty and corruption, whereas Canada takes the opposite position in each single instance.

To illustrate, it has been acknowledged that petroleum has transformed Nigeria from the diversified agro-based economy that it was up until the 1960s, to the mono-resource petroleum based economy it has become since the 1970s (Iledare & Suberu, 2012, p. 241). In the pre-independence Nigeria, all constituent units of government were deeply involved as the drivers of the national economy. In the East, there was robust economic activity driven by Palm Oil which yielded extensive export earnings. The Northern region was equally buoyant with economic activities centered on Groundnuts, Cotton, Herds and Skin productions. The Western region was not left out because there was a flourishing economic activity buoyed by cocoa produce. Sagay (2014) argued that derivation was strongly emphasized then and constituent governments strived to improve their economic efforts in order to earn more, but this changed by the time petroleum became the

major resource in terms of total income and foreign exchange earnings. Constituent governments left regional economic activities to gradually die off as petroleum, with its windfall became the 'national cake' which sharing would almost ignore derivation.

The situation explained above does not show economic progress; neither does it indicate any transition to industry-based economy or innovation of new ideas to create higher wealth. It is rather unfortunate that economic progress has been stymied instead of being nurtured in Nigeria, by focusing on one resource commodity to sustain the economy of the country. Consequently, this dependence of the economy on oil has led to steep disparities in the per capita fiscal capacity of the constituent units. For example, in October 2013, out of about N400 billion (majorly boosted by the petroleum resource revenues) shared out to the constituent units of government, four major oil producing States (Akwa-Ibom, Delta, Bayelsa, and Rivers States) received about N100 billion between them, even though they constitute just about a tenth of the States; as entities and in population.[257] As a result, there is the resentment that the lopsided share of revenue receipts has equally led to a wide disparity in the income distribution among citizens in various locations. This again impacts on the intensity of the conflict as individuals support their constituent units to articulate different sense of grievances against each other due to their reliance on the revenues from oil for survival.

Concomitantly, the general quality of life in Nigeria is well perceived to be pitiable considering the vast natural resources. Nigeria consistently ranks very low in all indicators related to good quality of life and standard of living. In the current UNDP Human Development Report, out of 187 countries ranked, Nigeria sits within the last 20 percent at the bottom (UNDP, 2015). In another instance, a recent research conducted by McKinsey Global Institute found that about 74 percent of the country's population live below a given 'empowerment line'—defined as the level of income required to fulfil eight basic household needs[258]—at a level sufficient to achieve a decent, if modest, standard of living (Leke et al., 2014, p. 2). Similarly,

[257] See FMF Nigeria (2013).
[258] They include: food, energy, housing, drinking water, sanitation, health care, education, and social security.

they found labour productivity in Nigeria to be appalling with an average output per worker swinging below $10, 300 per year, and a staggering low ratio of employment to population at a paltry 29 percent (Leke et al., 2014, p. 13). This implies that unemployment is about 71 percent in Nigeria.

As a result, Nigeria is viewed very highly in terms of poverty which is justifiable considering the realities of high levels of unemployment, infrastructural neglects, dysfunctional social services and socio-economic inequality. A newly elected Senator in Nigeria—Ben Bruce—rightly questions how "some people would be extremely rich and flagrantly use their stolen wealth to intimidate the masses, yet expect not to become a target of irate impoverished masses that are turning to hoodlums by the day" (Silverbird Television, 2015). He added; "poverty breeds hunger; hunger breeds anger; and anger breeds violence which is not easily controlled."[259] There is no doubt the above observation explains why conflict over resource revenues, and any other issue, turns to violence at the slightest opportunity. Because, the living conditions of the poor masses have made them cheap and willing tools to be used in perpetuating violence in the country.

From the above, there appears to be a strong link between the level of economic development and the intensity of resource revenue conflict. A comparison of the realities between Nigeria and Canada reinforces this observation. For instance, major economic activities in Canada do not revolve around oil and gas alone. Every province is preoccupied with particular activities as follows: agriculture, fishery, and tourism in PEI; resources-based economy, defense and aerospace sectors in Nova Scotia; strong service-based economy, mining, fishing and forestry in New Brunswick; hydroelectric power resource, aerospace, biotechnology, information and communication, and pharmaceutical industries in Quebec; strong agricultural sector in Manitoba; resource-based and booming maritime sector in British Columbia; manufacturing industry base in Ontario; service industry and resource based economy in Newfoundland and Labrador; potash, uranium, and oil and gas

[259] See Silverbird Television (2015).

production in Saskatchewan; and, finally, a huge resource-based economy in Alberta.[260]

Consequently, all provinces in Canada are capable of sustaining themselves without reliance on accessing resource revenues outside their jurisdictions. In the opinion of Anderson "Canada has smaller regional disparities…The fiscal advantage of petroleum rich provinces, notably Alberta, has normally not been so great to cause a major political issue" (Anderson, 2012, p. 391). By implication, Anderson surmises that it should not lead to violent conflict. Consequently, Canada sits within the top 10 in all indices of socio-economic development; including position number 8 in the UNDP Human Development Index of 2014 (UNDP, 2015). Unemployment in Canada is relatively minimal, with 6.8 percent as the national average. This is so, because diverse provincial economic activities absorb most of the workforce. Likewise, the standard of living in Canada is rated as one of the best across the globe. All these are made possible because the level of economic development is improved by diversification of the Canadian economy, as against a petroleum dominated Nigerian economy.

Regrettably, Nigeria, too, has the potential to diversify her economy to reduce the low level of socio-economic development in the country, but has failed to proactively focus on that goal. A visit to the Nigerian Geological Survey Agency by the researcher revealed government's awareness of scores of mineral resources that have been discovered in significant quantities across the country including; Bitumen, Assorted Clay types, Coal, Copper, Columbite, Emerald, Gold, Granite, Iron ore, Limestone, Oil Condensate, Oil and Gas, Rock Salt, Silver, Tin, Uranium, Zinc, among others (NGSA, 2006).[261] Aside from mineral resources, an assessment of agricultural and industrial potentials that abound in Nigeria have been repeatedly conducted even though the government is yet to make public an up to date list of these potentials.

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[260] A For further detail, see Said (2013).

[261] See mineral resource map http://www.mineafrica.com/documents/A5%20-%20Nigeria.pdf

Evidence from the NGSA survey shows there is no State in Nigeria without viable natural resource(s) other than oil and gas to form their economic base, if they had no assurance of heavy transfers from the FG to support them. On the contrary, the States are rest assured of enormous federal transfers and can afford to do nothing. As a consequence, Iledare and Suberu (2012, p. 241), argue that the "petroleum economy has made the federation more like a unitary state than a federation in a fiscal sense or at least in terms of revenue generation." Similarly, Ushie (2012, p. 2) found that Nigeria's dependence on oil rents is partly responsible for the persistence of conflict and insurgency in the oil-rich Niger Delta among other consequences.

9.2.4 Level of Corruption

The global integrity group—Transparency International—which spearheads the publicity of the prevalence of corruption in the public sector defines corruption, simply, as "abuse of entrusted power for private gain" (Transparency International, 2015). It would be instructive to employ more specific terms beyond 'abuse' in order to understand different facets of corruption that may possibly escape if corruption were only based on abuse of office. The terms include; impairment of integrity, virtue, or moral principle; and wrong-doing by those in a special position of trust, regardless of whether it was meant for private gain, (sectional) public gains, or self-benefiting. In any case, the prevalence of corruption in Nigeria is widely acknowledged. While no country is 100 percent devoid of corruption, the rate in Nigeria is alarming with an abysmal 27/100 points scored by the Transparency International, while Canada obtains 81/100 points scorecard.

In Nigeria, corruption is multifarious. For instance, it can be viewed from the angle of abuse (gross misconduct) of official position; favoring of inefficient options compared to more efficient alternatives; recklessness in dealings involving public affairs; and outright plundering or diversion of public goods and wealth. The World Bank has on record that Nigeria has lost over $300 billion dollars in the last decade through corruption (Village Square, 2009). According to the Human Rights Watch, corruption in Nigeria is "perhaps most spectacularly demonstrated around the oil industry itself, where large commissions and percentage cuts of contracts have enabled individual soldiers and politicians to amass huge fortunes" (Manby, 1999,

p. 6). This is a truism and one does not need to engage in a deep investigation to notice it. Corruption in the oil and gas sector is widespread and can be located, principally, at three different levels. The details of the levels and the scale which corruption manifests itself at each of them is discussed below.

Firstly, large scale corruption starts from the top of government and is played out in the award of contracts and the determination of terms and conditions. It involves prospective and current oil and gas industry players, National Assembly law makers, and the presidency. This is the level where competent companies should be legitimately granted permission to do business that will be profitable, not only to the company but, to the Nigerian government and the people, through properly negotiated business terms and conditions that are fair. Unfortunately, corruption sets in through bribery, and government officials sell out the national interest for company's interest, having been individually settled.

The KBR-Halliburton case is illustrative—it is on record that approximately $180 million was paid in bribe by this US multinational company over a period of time to top Nigerian government officials in order to secure (and retain) the Liquefied Natural Gas (LNG) Project in the Niger Delta (Smith & Reuters, 2010). This was a typically shoddy deal instigated to influence the award of the contract by side-lining other competing MNCs, irrespective of the possibility that their terms of operation could have benefited the Nigerian people in the long run or not. It is very likely there are many more similar cases, yet to be exposed, where companies bribe top executive officers and National Assembly members in respective committees in order to be granted operation rights.

The next level down the line consists of corrupt practices that are noticed in the daily operations of the industry. The accomplices include petroleum industry agents and marketers, civil servants in the related government ministries, departments and agencies (MDAs), and respective political appointees in the executive branch; particularly the Ministry for Petroleum Resources and the Central Bank of Nigeria. Of course the President of the country, as the head of the executive arm, cannot be exonerated of corruption taking place at these areas which are supposedly under his watch. Basically, this is the level where proceeds from the oil and gas industry are supposed to be guarded and collated for the Nigerian government; ensuring that

specific terms are complied with in order to produce the necessary results for which they were purposed. With corruption enthroned, proceeds from the industry are plundered; terms are deliberately misapplied to permit looting which ultimately defeats policy goals. The fuel subsidy conundrum readily comes to mind as a typical example of corruption at this particular level.

Subsidy is money given by government to companies that provide certain goods or services in order to reduce the cost for the consumers, in the case of Nigeria, this was made available for oil and gas industry operators until the end 2011. As such, the 2012 New Year announcement for the removal of subsidy was greeted with ambivalence. Many Nigerians expected that petroleum products should remain subsidized as an insurance for living in the oil-rich country, while many others argued that it caused market distortions as well as created channels for fraud. From the Nigerian Extractive Industry Transparency Initiative (NEITI) industry audit report of the oil and gas sector, it was discovered that a total subsidy payment of N3 Trillion naira was made in three years between 2009 and 2011 (NEITI, 2013, p. 14). The amount is equivalent to $20 Billion at the then exchange rate. The problem is not only with the huge amount spent, which has hardly benefitted the people,[262] but the obscure nature with which the subsidy program has been conducted by the agents involved. For instance, in the said NEITI report, a lot of discrepancies were noted in the records of different agents of government including NNPC, PPPRA, Auditor General of the Federation, and the Central Bank of Nigeria (CBN).

Particularly, the office of the Accountant General of the Federation reported to NEITI auditors that a total subsidy payment of N2.825 Trillion was made, whereas in the records of the PPPRA, N3 Trillion was disbursed to marketers as subsidy payments in the period.[263] This shows a sum of N175 Billion naira (equivalent of about $1.2 billion at the time) which was not properly accounted for; an indication of how corruption is manifested. More so, the NEITI report found that some marketers disagree with the amount and volume ascribed to them by the Petroleum Product Pricing Regulatory Agency (PPPRA). Similarly, a different investigation

[262] Note that the people continued to pay for products with higher prices than the subsidized rate all over Nigeria.
[263] See NEITI (2013, p. 14).

by a Presidential Commission, according to the US Energy Information and Administration, put the revenue losses associated with embezzlement and mismanagement of the fuel subsidy program at about $1.1 billion (US EIA, 2015, p. 12).

The investigation led to the arrest of several marketers and the suspension of companies that were accused of siphoning funds and inflating prices. More painful is the fact that the poor masses rely primarily on public transportation where fare has incrementally been on the rise due to an incessant fuel scarcity in the country. Note that the scarcity is brought about because some marketers shun the Nigerian market and prefer to smuggle allocated products to neighboring countries where they can sell above the subsidized cost; thereby making further gains and still collecting subsidy payments from the Nigerian government without helping the poor masses for whom the subsidy was granted.

The last level down the line comprises the kinds of corruption that surface in the sharing of the proceeds from the oil and gas sector between levels of government; and the subsequent utilization of the shared 'oil money' received by each government. This is the level where the good fortune of oil endowment is supposed to translate into benefits and dividends to the masses in various forms, but corruption at all levels of government has made this goal a 'wishful thinking'. To start with, the federal government controls an illegal special account (Excess Crude Account), where parts of the proceeds from oil and gas are channelled. Arguably, this act reduces what should have been made available for other levels of government, which indirectly would have boosted their chances of implementing more developmental goals to the people. The rationale behind its existence, to save excess proceeds resulting from higher than budgeted oil prices in order to insulate the government of shortfalls due to price volatility, seems laudable. However, as an outlet for corruption, it has been drawn intermittently by the federal government for purposes that do not align with its establishment; most of which are not accounted for in any given record.[264]

[264] See Nigerian Eye (2015).

The State Governments for their part take the cyclical corrupt practice further by doing little to justify the large amount of money they receive every month from the federal allocations; especially the oil derivation recipient Niger-Delta States. In the opinion of Iledare and Suberu, the oil-based funding of constituent States and Local Governments in Nigeria, through constitutionally and statutorily guaranteed central financial transfers, has been a powerful inducement to corruption at the subnational level.[265] The investigation of many State governors, leading to the successful conviction of two former governors from the Niger-Delta States, by the Economic and Financial Crimes Commission (EFCC) attests to the enthronement of corruption at State levels (Human Rights Watch, 2008). In an interview, the ex-boss of EFCC—Nuhu Ribadu—disclosed that one of the governors from the Niger-Delta States took close to 75 percent of his State's allocation for personal use; i.e., transferred to personal account—allocation that was up to $1 Billion dollars.[266] Regrettably, this has almost become a tradition as most States in Nigeria hardly pay salaries to workers as and when due; as attested to by the incessant industrial actions by workers over non-payment of salaries.[267]

In a similar vein, local governments inflict the last assault on the remnant of oil money that might possibly reach the most remote rural areas in the country. Being the last tier of government, established for grass-root development, corruption at this level denies the majority of people the most basic of goods and services that can be expected from a government; e.g., primary health care, primary education, and rural road construction. In research conducted by the Human Rights Watch into the impact of local government corruption and mismanagement in Rivers State Nigeria, it was found that local administrations have failed to make more than nominal investments into health care and education; because much of the money that could have gone into improving these services had been squandered or outright stolen (Albin-Lackey, 2007, pp. 1-3). More precisely, the said research found that one local government chairman routinely deposited his government's money into his own private bank account, whereas, another had siphoned off money by

[265] Iledare and Suberu (2012, p. 248).
[266] See Village Square (2009).
[267] For evidence, see Punch (2015).

allocating it towards a 'football academy' that he had yet to build.[268] Arguably, this reflects the trend in most local governments in other States in Nigeria.

At this juncture, one may wish to understand in clear terms how corruption in the oil and gas industry impacts on the nature and intensity of the conflict under study. The link is glaring because oil is the mainstay of the Nigerian economy at the moment. This means that corruption in the sector is akin to a gradual castration of the Nigerian economy which ultimately affects people's livelihood. Note that according to the World Bank, Nigeria lost over $300 billion to corruption in the oil sector alone in the last three decades (Village Square, 2009). As Transparency International posits, corruption hurts everyone who depends on the integrity of people in positions of authority (Transparency International, 2015). This means that everyone should react. However, in the case of Nigeria, the response by the majority of the people that are hurt has been to find access to any outlet in the system that would permit receipts of their share of the corrupt system, in order to engage in a flamboyant lifestyle like their leaders. When there is 'access denial' probably due to lack of the wherewithal—necessary connections, skills, or the sophistication—then hooliganism is resorted to by some youths. They join any movement that promises continued pay-cheques to them, thereby becoming tools to fuel violence across the country. The insurgency in the Niger-Delta region as well as the Boko-Haram quagmire in the Northern part of the country are all cases in point.

Furthermore, understanding how corruption, corrupt practice, and a corrupt public officer is perceived in Nigeria is essential. In fact, it would seem justifiable to say that corruption does not evoke any genuine negative sentiment in Nigeria anymore among the elites, the people, and within the political circle, other than a relative indifference induced by this notion that 'no one is a saint'. At best, government officials can give public lectures and grant compelling interviews in which case they would rhapsodize how corruption should not be condoned in the system because "it is cancerous and destroys the nation."[269] Not only would they possibly lead exemplary lives, which they never did, but when eventually one of them is

[268] See Albin-Lackey (2007, p. 3).
[269] See Village Square (2009).

inextricably caught through a combination of forces, including those external from the country, they all rally round to save the person. If rescues prove impossible, they show solidarity and support when the penalty is completed. Often times these convicts are granted executive pardon. In addition, offer of new political appointments would be made to provide them the needed access to recoup, through corruption again, whatever they had lost during their trials.

A typical illustration is provided in the heroic welcome organized by the then ruling party—PDP—for Chief Bode George, at the completion of his term in jail, and lends credence to the indifferent perception of corruption by Nigerian elites. It should be noted that Chief George was sent to jail in 2009 on corruption charges—contract splitting, and award of about N100 Billion contracts without due process; yet this is a man the party's stalwarts, including former president of the country and serving ministers, had to celebrate (Vanguard, 2011). Similarly, Senator Chris Adighije was, later on, offered a juicy political appointment into the board of the Revenue Mobilization, Allocation and fiscal commission (RMAFC), after being involved in a N55 million naira education ministry bribe scandal in 2005.[270] A more recent example is the case of the minister of petroleum resources—Mrs Allison Madueke—who has been accused of corruption at various times, including the failure of the national oil company (NNPC), under her watch, to remit about $20 Billion oil revenues owed the state (Cocks & Brock, 2015; Premium Times, 2014). In addition, she has been linked with cases of reckless spending of public funds (Okonkwo, 2015; Sahara Reporters, 2012). Yet, she remains at her job as the 'honorable minister' which further illustrates how issues of corruption are ignored in Nigeria.

Conversely, in Canada, corruption is genuinely frowned upon. Consider the recent case of the Premier of Alberta—Allison Redford—who, on 19th of March, 2014, announced her resignation as the Premier (also to resign as a Member of the Legislative Assembly months later) following a controversy over her travel spending to Mandela's funeral. It was alleged and proven that the Alberta government had covered the approximately $45,000 cost of her trip, including

[270] See Ribadu (2005); Sanusi (2005); This Day (2010).

roughly $10,000 for a privately chartered flight to return to Alberta from South Africa for a swearing-in of the new Alberta Cabinet (CBC News, 2014). However, her concession and repayment was not enough to save her position. Regrettably, a counterpart in Nigeria—Allison Madueke—allegedly has flown private jets with her family with the costs dwarfing the figure that led to the resignation of Canadian Allison Redford,[271] yet Madueke seems to be immune from resignation or removal until the end of the administration she serves in. Thus, it is obvious that the level of corruption in Nigeria is astronomical and has contributed to the resultant heightened conflict as found in this study.

9.2.5 Adherence to the Rule of Law

A broad definition of 'rule of law' can be given as the supremacy of the law; in which case, the law rules regardless of whose interest is at stake and, ultimately, no individual is above, or can manipulate, the law. The World Justice Project offers a more concrete description that would help to make the term less abstract and unambiguous. Accordingly, the rule of law is a system where the following four universal principles are upheld:

1. The government and its officials and agents as well as individuals and private entities are accountable under the law.

2. The laws are clear, publicized, stable, and just; are applied evenly; and protect fundamental rights, including the security of persons and property.

3. The process by which the laws are enacted, administered, and enforced is accessible, fair, and efficient.

4. Justice is delivered timely by competent, ethical, and independent representatives and neutrals who are of sufficient number, have adequate resources, and reflect the makeup of the communities they serve (World Justice Project, 2015, p. 10).

In the latest global ranking with respect to rule of law, Nigeria received a low score of 0.41 as against Canada's 0.78.[272] The points are calculated in consideration of the following factors: constraints on government powers, absence of corruption,

[271] See Ikeji (2015); Ogbuefi (2012).

[272] See World Justice Project (2015, p. 6).

open government, fundamental rights, order and security, regulatory enforcement, civil justice, criminal justice, and informal justice (World Justice Project, 2015, p. 9). Consequently, Nigeria is ranked 96 out of 102 countries, while Canada occupies the 14th position. What this means is that, the rule of law is weak in Nigeria. By implication, laws are applied unequally across the society, often times based on the whims and caprices of those in charge. When the rule of law is flagrantly subverted, chaos and conflict arises in the society and grievances increase tensions.

The evidence of violations of the rule of law in Nigeria abounds, as shown in the section on corruption: public officials are not accountable, while laws are made unnecessarily cumbersome such that enforcement becomes a mirage. Of course, corruption deals the most forceful blow on the rule of law, because, when corruption reigns supreme, the laws are flouted. A typical example that embodies the overall indices confirming an assault on the rule of law, was the case between Lagos State and the Federal Government of Nigeria in 2003, over the former's statutory allocations. The then President of Nigeria—Olusegun Obasanjo—had directed the appropriate authorities to withhold all allocations due local government councils in Lagos State as punishment for the former's creation of additional councils without the approval of the National Assembly (Adediji, 2013, p. 97). Despite the Supreme Court ruling that the President had no power vested in him to suspend or withhold the payments, and that he should instruct all outstanding sums be paid to Lagos State, the federal government neglected, ignored, and totally refused to show respect for the Court order.[273]

This situation illustrates how unconstrained the powers of the federal government have become in relation to that of the constituent units. Similarly, there is a stark reflection of impunity on the part of an unaccountable president, which as well typifies high levels of abuse of office and corruption. If a state government cannot successfully obtain a redress from the court when in dispute with another level of government, what would be the expectation when the dispute involves individual persons. Whereas the court, expectedly, should protect people from injustices and dangers, they have become toothless bulldogs that cannot deliver. In sum, the

[273] Adediji (2013, p. 97).

judicial process has even become highly complex, inaccessible, and unreliable in Nigeria. Given the situation, most people, directly or indirectly, take laws into their hands which is akin to anarchy. For instance, the youths of the Niger-delta, while claiming to be aggrieved as a result of neglect and the damages they suffered due to oil and gas exploitation, take to arms and violently attack oil industry installations since the rule of law is ineffective in the country.

9.2.6 History and Tradition of (Non)-Violence

Unlike the findings already discussed, all of which have other related researches implicitly making similar observations, the history and tradition of (non)-violence appears to have relatively slipped the attention of earlier researches. Evidently, this is a new finding from this research, especially in respect of its impact on the nature of resource revenue conflict. Fundamentally, what this finding suggests is that there is a significant relationship between the history of violence in a society and the intensification of resource conflict. The history affects the way people approach issues and it ultimately becomes a tradition or a political culture over time, and as well, is extended to the resource revenue struggles.

On this, Canada and Nigeria stand in direct contrast. Note that Canadian respondents in the interviews proudly reckoned that one of the contributing factors for the relatively mild resource conflict in their country relies on the fact that they do not have a history and, or, tradition of violence in their country. Phrased differently, Canadians do not settle issues through violent means. Evidence exists in this regard with the former British colonies in present day Canada not joining their fellow British North American colonies in the US in a violent revolutionary war for independence. Instead, Canada provided settlements for those peace-loving American colonists who resisted the pursuit of independence through violence.

Can Nigerians make the same claim to the tradition of non-violence? They cannot and if they do, perhaps, not with a comparable vigor and assertiveness. Because histories of violent clashes among different groups and interests abound in Nigeria. This has been the case in the pre-colonial, colonial, and even into the post-colonial Nigeria. Dominic Okereke (2012) offers an interesting insight, thus:

> Tribes had always been at each other's throat even before the arrival of the European explorers in the fifteenth century. Land

> ownership was always determined by warfare, hence one tribe was always attacking the other and making use of the prisoners as slaves. The White slave traders arrived in the eighteenth century; that exploited the situation. They merely waited in their boats by the seashore while the warriors from tribes, to whose chiefs the traders had paid with goods, such as rum, trinkets, muskets and gay cloth in return for slaves, traveled miles after miles of deep forest to raid other tribes and capture…" (Okereke, 2012, p. 403).

The above quote provides the necessary background to how violence has been etched in the people's way of life. Necessitated by the need for self-expansion, or self-preservation against encroachment, tribes strived to groom warriors in anticipation for war, with the hope that it remained the only means through which they could decimate their enemies and settle whatever conflict that emerges. As a matter of fact, in some cultures across Nigeria, there are compulsory but informal training of male youths in the art of combat, as a recognition to being a worthy adult the community can be proud of. Although emphasis on them nowadays are waning, these practices are still maintained in some places exemplified by the Hausa-Fulani warriors, Ekwo-mgba in the Igbo land, Oyo as the dominant military power in the West, Idoma people, Tiv, Ijaw, Aro, and Abiriba warriors. There is this implicit belief that a man should fight his aggressors, be they human or spiritual, to the best of his ability. Hence, at the group level, no tribe is ever willing to be perceived as a weakling, even though some are more boastful or famous for being great warriors—an enviable status.

In order to prove their worth, every little disagreement becomes a contest; providing the opportunity to violently display full strength until one party breaks the other. In case the parties had fought in the past, new clashes would be an opportunity for the vanquished to re-write the history in their favour. For the victor, it is an opportunity to consolidate dominance. Moreover, if the parties have not directly fought in the past, a history of their fights with other groups provides the motivation to fight resolutely in order to join the rank of feared tribes, by continually winning battles. All in all, every conflict becomes fiercely contested. Osaghae and Suberu (2005)

Osaghae and Suberu (2005) provide a chronicle of intergroup conflicts in the post-independent Nigeria outside the fierce civil war:

> The major cases of inter-ethnic violence in Nigeria since the late eighties have included the Tiv-Jukun conflicts in Taraba and Benue states, the three-cornered Urhobo-Ijaw-Itsekiri clashes in Warri, Delta state, the Hausa-Fulani and Yoruba clashes in Lagos, Ogun, Oyo and Kano states, and the recurrent clashes between Hausa-Fulani and Igbo groups in Kano state, which have acquired an ethno-religious complexion since the Hausa-Fulani are Muslims and the Igbos are mainly Christians. While the Tiv-Jukun, Urhobo-Ijaw-Itsekiri, and Hausa/Fulani-Igbo clashes are long-running conflicts that have erupted periodically during the eighties up until the present moment, the Hausa/Fulani-Yoruba clashes took place mainly in 1999-2000 in the wake of the transition from northern-dominated military rule to a Yoruba-led civilian administration (Osaghae & Suberu, 2005, p. 19).

As shown, much of the conflict has historical roots but are recurrent. The trend suggests that recent violent conflicts will possibly continue into the future. This unfortunate circumstance implies that violence in Nigeria is not only confined in the past, rather, it has taken up the status of a tradition. Anecdotally, it is not hard to find friends and foes alike boasting to each other about how many wars their people have fought, how indomitable they were, and how they had conquered others. The view is to show that the blood of warfare still runs in them, suggesting an eagerness to replicate same if the opportunity presents itself.[274] This might be shocking as some observers think that modernism would have meant violence has given way to civility. For example, Nnanna (2001) had observed, thus: "Tribes and ethnic groups, which usually pride themselves in being warrior races, have started realizing that in modern times, it has come to avail very little dividends…Being a warlike tribe no longer pays…the quest for acquisition of new territories or

[274] See, for example, NB NewsBytes (2013).

appropriation of other people's territories by settler war-mongering tribes no longer yields any fruitful results."

On the contrary, the reality suggests that political issues are, to date, vigorously – some would say violently – contested along the lines of complex ethnic, religious, and regional divisions in the country (Osaghae & Suberu, 2005, p. 4). This supports the finding that history and traditions of violence impact on the nature of resource revenue conflict in Nigeria. Similarly, primordial resistance occurs as a means of ensuring self-preservation within groups in the resource struggle, especially in the Niger-delta minority States, who implicitly view others as oppressors. Therefore, they prepare to battle their alleged oppressors with the best of their strength, regardless of how violently it gets. Other groups, especially the Northern States, view any concessions as a mark of weakness and also a means of relinquishing to the South the political sways they hold over the country—a status they claim to be exclusively the North's judging from historical antecedents. Hence, there remains threats and counter threats of war coming from each other over the issue of petroleum resource revenues. Thus, it can be argued, if it was not for such a history and tradition of violence, parties might compromise instead of resorting to conflict.

9.2.7 Integration and Inter-Group Mobility

Integration is usually a primary suspect as a major challenge to federalism, even though the core understandings of the specific measures to adopt in order to enhance it remains opaque. The impact of integration problems on resource conflicts has hardly been identified in previous research. It does not readily come to mind as a contributor because resource conflict presumably is over a definite target, which is a share of resource revenues, whereas integration is a means to multitudes of other goals, as well as an end. This research establishes a new link which uniquely identifies problems of integration as an influencing factor to the intensity of resource conflict. This arises from a specific finding which shows that in Canada there is a high level of integration among Canadians from different backgrounds, while in Nigeria a very low level is reported for the same index. For example, the Aboriginals (FNMI) were at the onset seen as distinct people with unique culture and languages. They lived in remote areas and engaged in certain occupations like hunting and fishing which didn't help them much to deal with the problem of

poverty. Today, a large number of them have integrated very well with the larger Canadian society, matching up with other Canadians in industrial pursuits. Most have acquired the English and French languages as well as left the remote areas they were brought up to urban cities where they have mixed up with other Canadians.

Fundamentally, integration and diversity are a matching pair, and also, ironically synonymous. This is because without diversity, there would be no need for integration. As can be found from scholarly works as cited below, there are numerous terms used to signify integration, including "coming or binding together; uniting into one entity; combining into one; developing an escalating sequence of contact, cooperation, consensus and community; feeling of togetherness or solidarity; sense of belonging; creating a homogenous political community; and attainment of a sense of community within a society" (Ake, 1967, p. 3; Binder, 1964, p. 630; Coleman & Rosberg, 1964, p. 9; Deutsch & Foltz, 1966, p. 2; Morrison, Mitchell, & Paden, 1972, p. 385). All the phrases suggests the reality of difference and the need for harmonization at the core of integration. A succinct explanation from Arisi illuminates this: "integration suggests that various peoples of a country, in pursuing their daily lives, are actually interpenetrating into each other (morphing), in the course of which a new nation is being born" (Arisi, 2011, p. 579).

While it is possible to view integration as abstract, judging by the various phrases used by scholars to define it, the particular term 'interpenetration' may serve as a useful guide to concretize it. Interpenetration implies shifting towards another in order to mix. Therefore discussions about integration remain largely abstract and unrealistic until emphasis is placed on the process of interpenetration through inter-group mobility. Consequently, integration upholds mutual tolerance especially regarding the differences that exist in a society along territorial boundaries including linguistic, tribal, communal, racial, and caste divisions among others. It aims at ensuring peaceful coexistence or unity through diversity in spite of the primordial differences. While Canada meets this goal to a large extent, as Canadians outside their home provinces receive uninhibitedly the same entitlements due them as Canadian citizens regardless of their province of birth, in Nigeria, the story is

different. There, integration remains a mirage as a person is constantly discriminated against on the basis of one's State of origin; even if the person had resided in a particular State from birth.

There is an overarching sentiment based on indigeneity in almost every issue of interest to the people of Nigeria including, social, economic, political, and, even, religious matters. Subsequent Nigerian governments have been aware of the problem which lack of integration poses to the corporate existence of one united Nigeria, and have devised different strategies that would enable integration. The establishment of the National Youth Service Corps Scheme (NYSC), through Decree No. 24 of May 22, 1973, is illustrative. The premise for setting up the NYSC was to ensure that the emergent elite class interacts with the environment outside their natural milieu to gain better understanding of the Nigerian state. Therefore "the scheme conscripts all young graduates for a year mandatory national service" outside their home States (Ojo, 2009, p. 392). However, instead of achieving any meaningful result with respect to its purpose, the clutch of indigeneity has again made the scheme futile. Hardly ever do significant number of graduates secure jobs in the States they served, and they have to leave just at the completion of the one year's service. Meanwhile, what is desired is to have people from different States mingle, get established, and become or form a large part of another State, in order to bring about such multiculturalism that cannot be easily put aside.

The absence of reasonable intergroup mobility across the Nigerian States leads to the frequent invigoration of tribal differences, manipulated by political gladiators seeking to cause violent attacks on non-natives in a given location. This is made possible because non-natives constitute an insignificant percentage of a State's population and are unable to resist the onslaughts from elements in the host State. For instance, there were brutal killings of Southern youth corps members (especially the Igbos who can be distinguished easily as they are predominantly Christians as well as dress differently) serving in the North. This followed the presidential elections in 2011 in which a Northerner lost against a Southerner (Onifade & Imhonopi, 2013, p. 78). Similarly, in the just concluded 2015 Governorship election, a traditional ruler in Lagos State (one of the Yoruba Ethnic States) threatened Igbo residents that if any of them voted against the ruler's

candidate, and he eventually loses the election, then all of them would drown in Lagos Lagoon.[275] He vowed to launch attacks on the Igbos within seven days, should his candidate lose the election to another candidate who is equally a Yoruba son.

As a result, heated debates in all social media outlets erupted, with some Yoruba people criticizing the utterances of their leader. However, an assessment of the emerging lines of arguments from the threads shows strong resentment towards the increasing Igbo population in Lagos State.[276] Most Yoruba commentators questioned "in which State in Igbo land can you see non-Igbos with such a large population base to legitimately cause a change in the State government with their voting power, not to think of contesting elective posts in the State?" In essence, they are saying "this has got to stop" in spite of the fact that the Constitution does not bar any Nigerian from exercising their franchise regardless of where they resides. The debate further accentuates the importance of inter-group mobility as a more practical means of achieving national integration. For instance, if many other tribes inter-penetrate with other ethnic groups by way of long term residence and the ownership of valuable properties in states outside their home states like the Igbos do, they probably would have restraints against the pulses of launching attacks on non-natives within their abodes. The Igbos have been continually assaulted for leading an exemplary lifestyle that would enable possible national integration in Nigeria instead of being commended and emulated.

To understand the link between integration, inter-group mobility and resource conflict which this study addresses, the assertion of Amitai Etzioni has resonance: "one of the ways to identify a community that is cohesive [integrated] is when it has effective control over the use of the means of violence" (Etzioni, 1965, p. 4). Likewise, Deutsch and Foltz (1966, p. 2) opined that "the belief on the part of individuals in a group…that common social problems must and can be resolved on processes of peaceful change," is what typifies the "sense of community [integration]". Ojo adds that "peaceful change…means the resolution of social

[275] See SaharaTV (2015).
[276] For example, view the thread in this link- OlisaTV Staff (2015).

problems without resort to large scale physical force" (Ojo, 2009, p. 386). All of these statements suggest that greater integration inhibits violent conflict. Indeed, the persistence of severe conflict in Nigeria over resource revenues are, to a large extent, enabled by a lack of integration. Some ethnic or tribal groups are relatively less mobile, remaining within their primary geographical territories. Therefore, they can uninhibitedly launch attacks on non-natives within their territories, while reveling in the notion that their own kin's men are not resident in their victim's territory to warrant retaliation.

9.3 Interlinkages: Evaluating the key issues

A total of seven major factors which contribute to making resource conflict in Nigeria protracted have been raised and discussed. In this section, they will be analysed to identify the most pressing criteria in eliminating or addressing resource conflict in Nigeria. Furthermore, this section illustrates how federalism can help to nurture the corrective mechanisms to mitigate resource revenue conflict in countries that reflects deep rooted diversities.

The first issue discussed is the complexity over resource ownership through which the federal government intervenes in the management and control of the resources for all. This results into centralization, and the resource producing regions feel highly undermined by it. In effect, it brings them in conflict with the federal government and the rest of the country who benefit more from the resource revenues when the ownership is centralized. The second issue concerns the enormous influence of oil and gas on the economy. This was the very key factor that instigated the earlier military rulers who began pruning down the sub-national governments' jurisdiction, to the point that centralization has eroded sub-national autonomy. The federal government believes that vital natural resources like petroleum, which brings windfalls to sustain the economy, cannot be left under the jurisdiction of subnational governments; hence, it engages in battles with the oil producing regions.

Thirdly, the issue of low socio-economic development, expressed in terms of high poverty levels are indicated by how poor the Nigerian people are in spite of huge proceeds to the federal government from oil and gas. This is linked to the previous issues discussed—total dependence on oil and gas as against other resources that

abound across every other region in Nigeria. As a result, the poor Niger-delta people vent their grievances widely, employing the worst violent means possible. Corruption is the fourth contributing factor to the violent resource conflict in Nigeria. The level of corruption is enhanced by the huge amount of resources that are available at the centre resulting from centralization. These are easily embezzled by the politicians, while the poor masses watch haplessly. The rule of law also suffers as the corrupt leaders bend the rules to go free. As the corruption-crippled rule of law can do nothing to assuage their hope, the mases are incited to resort to all sorts of violence. This tradition of violence ultimately poses a major threat to the corporate existence which is equally affected by the level of inter-group mobility in Nigeria and lack of integration.

From the connections established above, one can easily deduce the problem of 'centralization' at the source of the conflict over resource revenues. For instance, centralization makes the federal government too strong and unconstrained, as well as able to flout the rule of law, resulting in corrupt practices which go unchecked. Meanwhile, centralization in Nigeria is a product of excessive reliance on one resource commodity to drive the economy. Therefore, tackling the issue of centralization requires an initial focus on diversifying the Nigerian economy to reduce dependence on this very commodity. If the two (de/centralization and diversification) are achieved, then the rest of the contributing factors to the resource conflict, as identified in this thesis, would be addressed without the need for violence. To illustrate this point, diversification, on one hand, would help to reduce poverty and also the salience attached to oil and gas revenue disputes. Decentralization (non-centralization), on the other hand, would reduce cash concentrations at the centre; concomitantly reduce the rate of embezzlement and other corrupt practices, as well as the lure to violate the rule of law. The causative interlinkages are diagrammatically illustrated in Figure 8 below.

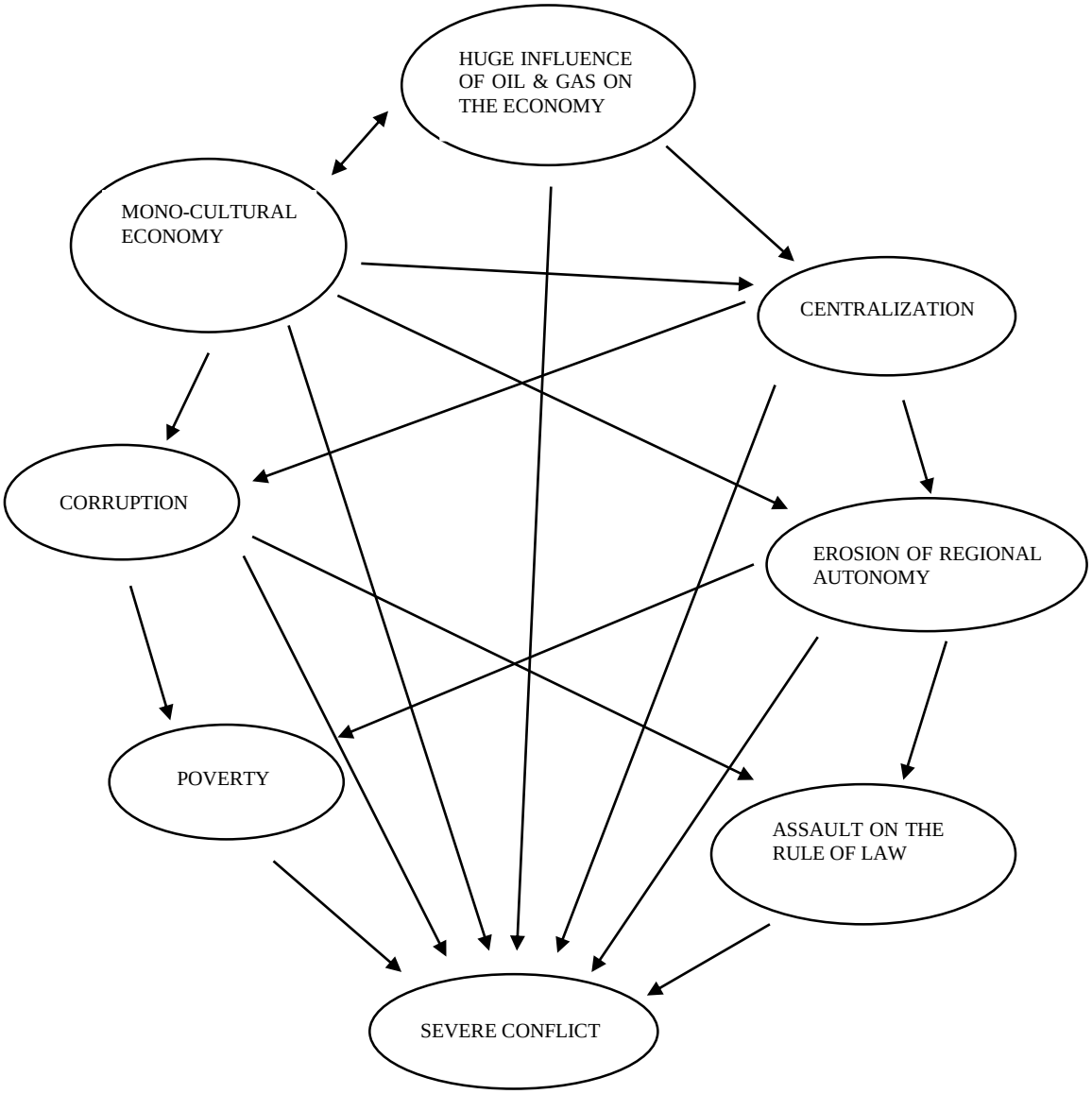

Figure 8. Interlinkages of factors contributing to resource conflict as they manifest in Nigeria

The diagram illustrates the complex interlinkages of issues, all of which point down to 'severe conflict' explaining why the conflict over resource revenues in Nigeria remains intractable. To begin with, the 'influence of oil and gas' on the economy has been enormous. This led to the tinkering of the ownership structure to strengthen centralization. The by-product is the gradual erosion of subnational fiscal autonomy—an end that required corruption and the breach of the rule of law to thrive. The plundering of public resources increased the poverty level and the

possibility of aggrieved masses to turn to violence. Thus, grievances linked to the issue of resource exploitation intensifies and unsurprisingly gets extremely violent.

9.4 Policy Implication: Contributions of Federalism

As seen from the interlinkages above, the main factor accounting for why resource conflict in Nigeria remains intransigent is centralization, which is occasioned by the huge influence of oil and gas on the economy; being a mono-cultural economy. The challenge is, therefore, on how diversification can be fast-tracked in order to reduce the dependence on petroleum which has become the bane of the protracted resource conflict in Nigeria. This is where the importance of federalism can be stressed with regard to mitigating violent resource conflict. The hallmark of federalism is the notion of subnational fiscal autonomy in a society which reinforces the principle of non-subordination of each level of government. The case of Canada shows how the reinforcement of subnational fiscal autonomy helped to create a generally diversified Canadian economy; one not merely dependent on a particular commodity or sector to thrive.

The Nigerian case shows how difficult, an attempt to diversify an economy could be in a system where subnational fiscal autonomy is sacrificed for centralization. Clearly, the need for diversification is well acknowledged and the funds to achieve this goal are not wanting. As shown in Chapter six of this thesis, scores of natural resources and agricultural potentials exist in different locations across the country; each of which is capable of driving the economy of a subnational government. Then why has the goal of diversification remained elusive? The answer is not hard to come by when you consider the fact that people generally avoid risky ventures when there is a risk-free profitable alternative. Successive Nigerian leaders have paid lip service to diversification projects as 'oil money' continues to fund their budgets, as well as yield excess of wealth that can be embezzled; much more than any new economic activity could potentially permit in their estimation. Investing in a new activity would in reality dwindle what is left in the booty for loot, whereas, there is no assurance the new investment could start yielding returns while they are still in power.

This thesis argues that the story would not be the same if there was subnational fiscal autonomy which reduces centralization, and the possibility for cashing into

proceeds from economic activities outside each government's primary jurisdiction. With subnational fiscal autonomy, states, receiving minimal transfers from the federal government, are forced to develop a sector or resource to drive their economies regardless of the risk involved. Similarly, the federal government would not have a free-riding occupation on economic activity that is being occupied by a state government. Instead, the federal government should look properly into its own jurisdiction to see what areas can be developed to boost its revenues. By so doing, there would be financial responsibility on the part of all governments as against recklessness. Embezzlement and corruption would abate, which would subsequently ameliorate the socio-economic conditions of the people at large. Most importantly, because a bit of effort is required from the subnational governments, as against mere dependence on the centre for financial transfers, all leaders would have to insist on strong adherence to the rule of law in order to secure healthy competition. These interlinkages are diagrammatically illustrated in figure 9.

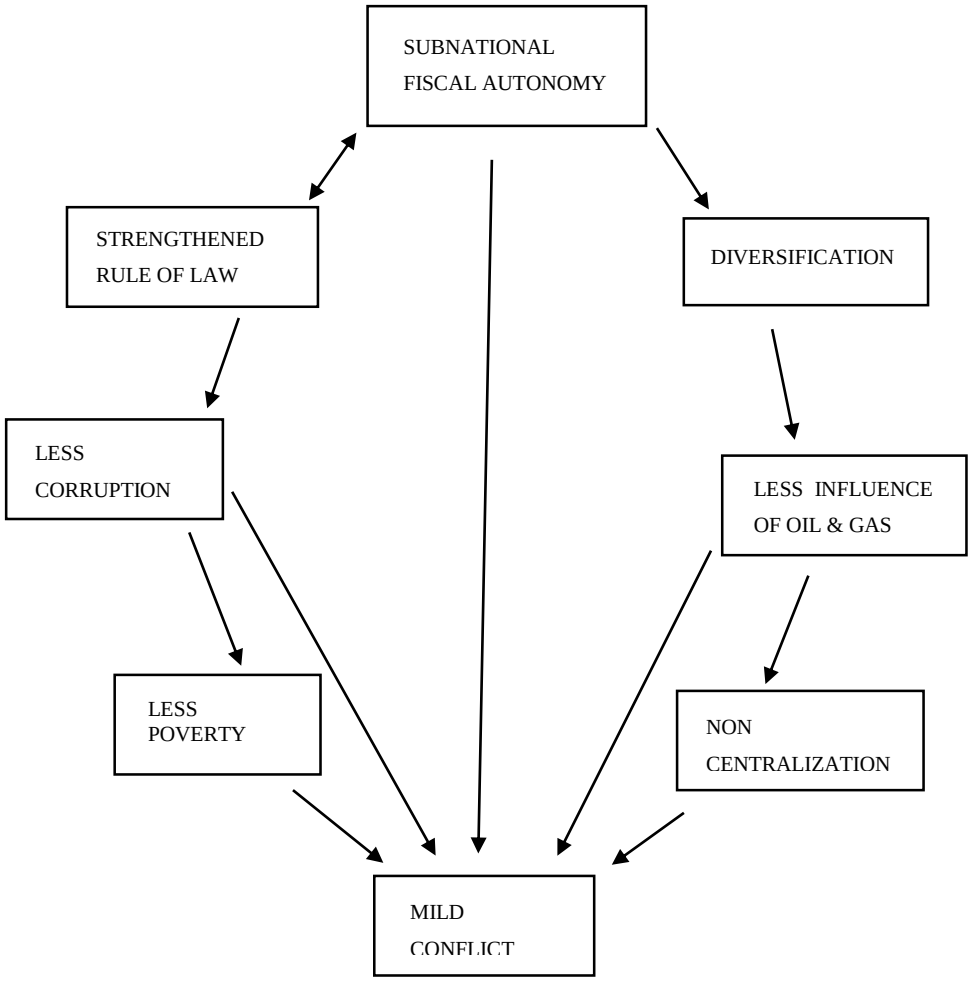

Figure 9. Interlinkages of mitigating factors to resource conflict as seen from Canada

In the diagram above, there is 'subnational fiscal autonomy' which brings with it various economic activities (diversification). In effect, the influence of one resource commodity (oil and gas) on the national economy drastically reduces. Alongside poverty is reduced, corruption is lessened, and the rule of law is strengthened. The possibility of resorting to violence is ruled out of the equation when one party can obtain a redress through the effective application of the law. In the end, the chances for conflict over resource revenues becomes slim and loses its intensity. These explanations illustrate why the conflict over resource revenues in Canada is mild.

Clearly, federalism—with its remarkable notion of subnational fiscal autonomy and non-subordination—is best poised to deal with the problems of resource revenue conflict. Aside the notion of subnational autonomy or self-rule, federalism equally emphasizes on 'sharing' which ensures that the central government has a means of tapping into revenues arising from economic activities in all constituent units, by

way of specific tax instruments. From this singular means, the general government is buoyant to help poor regions from own sources (federal spending power), in order to support them raise their economic well-being. However laudable, institutional principles associated with federalism do not always produce the necessary results aimed at as they cannot guarantee their own enforcement.[277] According to Filippov, Ordeshook, and Shvetsova (2004, p. 4), federal institutional principles need to be fortified by direct incentives for political participants to uphold, (being deemed legitimate and beneficial) in which case every one finds it in their best interest to abide by them. Otherwise, they simply become mere 'parchment barriers' and irrelevant to actual political processes.[278] To this end, this section has shown that federalism encourages constituent governments to assume more fiscal responsibilities, which is an incentive to drive home the quest for diversification. As well, it has shown that several benefits result when subnational fiscal autonomy is reinforced, which make it an effort in the best interest of the people to uphold. The benefits include: improved levels of socio-economic development, reduction in poverty and corruption, strengthening of the rule of law, and finally, the mitigation of violent conflict between different parties.

9.5 Concluding Remarks

The focus of this chapter has been on the analysis of the findings ensuing from the comparison of Nigeria and Canada in light of resource conflict and the contribution of federalism. Starting with the areas of similarities, the findings suggest that the notion of federalism as a veritable political system for governing countries facing resource revenue conflicts was widely held in both Nigeria and Canada. From the findings, federalism in Canada has largely impacted to drastically reduce the prevalence of the conflict. On the contrary, in spite of the high expectation from federalism, its impact on resource conflict in Nigeria appeared to have been battered by certain factors which are, interestingly, not present in the Canadian case.

[277] The case of Nigeria provides the typical example for this assertion, which, despite being a so-called federation, yet dumps the very cardinal principle that distinguishes a federation, while tilting more to Unitarianism

[278] See Filippov et al. (2004).

The major factors in this regard, constituting the key findings that inhibit Nigerian federalism from properly addressing resource revenue conflict, include the contention over resource ownership; strong dependence on oil and gas as the economic live wire in the country; minimal level of socio-economic development and the consequent high level of poverty; in addition to an endemic corruption that has eaten deep into the fabrics of the Nigerian state. Like a cancer, corruption and centralization have jointly destroyed the rule of law in Nigeria. In a new turn of event, the history and tradition of violence in Nigeria emerges as a major contributor to the persistence of resource conflict in the country. Finally, lack of integration, explained in terms of inter-group mobility, is found to contribute as well to the violent manifestation of resource conflict in Nigeria.

After the discussion of the various contributing factors to the severe resource conflict in Nigeria, this chapter took a further step to analyze them in relation to each other, in order to determine the appropriate weight for each, as well as unearthing which one is the most salient. On this note, 'centralization' which is a corollary of the huge influence of oil and gas on the economy was seen to influence the other factors. Hence, the viable solution can only be achieved by reducing the dependence on oil & gas and centralization. The section on the contributions of federalism clearly shows how federalism leads to the realization of the double goals of diversification and decentralization. The interlinkages of the various factors imply that once the double objectives are attained, other contributing factors gradually resolve as by-products of the former. In summary, this chapter has presented compelling cases to justify that federalism is the key to address resource revenue conflicts.

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CHAPTER TEN.
CONCLUSION AND RECOMMENDATIONS

10.1 Introduction

Nigeria has been plagued by a protracted conflict over natural resource revenues. Similar conflict has been evident in some other resource rich countries, which exposes them to socio-economic challenges and, even, the possibility of civil war. This study set out to explore the potential and impact of federalism in addressing resource conflict. The study has followed a systematic approach to address the questions. At this stage, a recap of the chapters is presented in order to retrace the arguments and revisit the general findings—from both the secondary and primary data analyses. This will show the highlights of the various chapters, as well as the contributions of the study. Other items in this chapter include the study's limitations and recommendations.

10.2 Analysis of the Research

The rationale for this study was borne out of the desire to seek a 'solution' for resource conflict, because previous researches have focused on the 'causes' and 'intensity' of resource conflict, as exemplified by the greed and grievance theoretical debates among others. While institutions are generally believed to shape behaviors and expectations, it is rather unfortunate that little attempt had been made to investigate the problem of resource conflict from the angle of how political institutions impact, or aid, in resolving the conflict. This was the missing link, as well as the gap, that this research set out to bridge. Hence, the fundamental argument of the study is that the institution of federalism yields significant dividends in mitigating resource conflict.

Challenging this argument is the main research question – to what extent does the institution of federalism contribute to mitigate resource conflict? In order to answer this question, the study employed a comparative case study design; using two resource rich federal countries—Nigeria and Canada—for its analysis. The task was to examine federalism as one of the political institutional models, to determine its potential for addressing resource conflict. Beyond its potential, the concrete impact

of federalism in addressing resource conflict in the two chosen countries was also sought. This meant that the study was going to contain a substantial amount of general theoretical explorations of concepts, and country-specific empirical analyses. Thus, in addition to secondary sources of data that formed the basis of the theoretical assessments, the researcher had to travel to the two countries to conduct interviews. All in all, a qualitative approach was found to be very appropriate to accommodate the complexity of issues around conflict over resource revenues which this study addresses.

With the focus on successfully answering the research questions in order to reinforce the study's basic argument, a conceptual framework was designed to guide the scope and progression of the study (see Chapter two). The framework built concepts around certain important factors to this study, including: resource conflict, political institutions or structural forms of government, federalism, and resource allocation. These have been addressed in each of the chapters and also discussed at the theoretical and empirical levels in this research. Resource conflict is discussed in Chapter two which reviews the relevant literature, analyzes debates over its causes, and explores factors that increase its intensity—all of which were supported by specific theories. The chapter reveals that there is a paucity of theories on how to address the problem, as against a number of theories that explain the causes and reasons for its protraction. After a thorough analysis of competing theories, the chapter submitted the bargaining theory of institutionalism as providing the most succinct explanation of how federalism fits as a tool for resolving resource-based conflicts. The tenet of this theory is perfectly consistent with the ideas of federalism as explored in Chapter four.

The concept of federalism from its historical foundations is comprehensively explored in Chapter three, which surveys the contributions from political philosophers and early church leaders; such that led to the emergence of the federal idea. The analysis of the literature reveals that, at the onset, the idea of federalism came about due to tensions that existed in given societies, as people, leaders, and distinct groups, struggled for influence over resources, space, and power; which is similar to the problem this study confronts—conflict over resource revenues. In

other words, the chapter shows how general conflict in society brought the term ‘federalism’ into the political, religious, and academic lexicon.

Investigation of federalism from a theoretical point of view in Chapter four, provided by an extensive review of literature on federalism, unearths features that make it capable of mitigating conflicts. From the review, the study observed persistence of a definitional problem as scholars have struggled to come up with a uniform definition that would bridge the theory and practice of federalism in countries that adopt this kind of political institution. The study found a key contributing factor to the definitional problems to be connected with the origin of federalism from the Latin word ‘foedus’ in which other political institutions—federations, decentralized unitary states, and confederacies—are all rooted. As such, no definitive propositions exist in the extant literature on whether the practice of federalism is exclusive or applies in all; because most scholars categorize several other institutions as types of federal political institutions.

In an attempt to resolve the confusions, the researcher developed a table and diagrams to illustrate the concrete relationships between federalism and the so-called federal institutional forms. This was aided by the analysis of various political institutions which showed that the distinctive tenet of federalism is not merely the duality of demands for union and regional autonomy, or presence of two levels of government. Those criteria are possible in any of the institutions. Instead, the relative balance or equilibrium between the conflicting forces for unity and diversity, and the instrumentalities to safeguard this, is the hallmark of federalism. This implies that federalism, in its truest sense, relates primarily to federation, which is the particular institution that aims at balance and equilibrium between the forces of unity and diversity. Such forces include those which manifest between diverse territorial governments against each other, as well as against the central government over limited resources. The provision of legal-political instruments to manage these tensions makes federalism capable of mitigating different kinds of conflicts, including conflict over resource revenues.

The issue of resource allocation is the focus of Chapter five, and provides a bridge to link the theoretical and empirical aspects of the concepts under study. The connection between conflict over natural resources and the system of allocation in

a given country is logical. System of allocation in governance is a topic that comes under the broad area of fiscal federalism. Therefore investigations in this chapter considered different theories of fiscal federalism and postulations about divisions of expenditure responsibilities and tax assignments. It identified contentions over what particular functions can be assigned or allocated to each level of government, rationale for the choices, and the resultant vertical and horizontal fiscal imbalance associated with each given choice. The chapter provides evidence that the receipt of natural resource revenues is central to the contention between the levels of government. This point is similar to Watts' observation that financial resource is an extremely important and controversial tool which enables or constrains each level of government with respect to achieving their responsibilities.[279]

Chapter six and seven brought down the investigation fully to the empirical level. In Chapter six the problem was explored in the context of Nigeria. The literature indicates that there is indeed an intractable conflict over resource revenues in Nigeria, which supports the initial warrant and claim that informs this research. The chapter traced the origin of federalism in Nigeria, the onset of commercial oil exploration, the system of resource allocation, and the battle for the proceeds from petroleum resource revenues. In addition to problems identified from the constitutional provisions over ownership of natural resources, the researcher found a number of fundamental problems with the process of revenue sharing in Nigeria to be contributing to the severity of the resource conflict in the country. These problems include: the process of running the federation account, ambiguity or lack of clarity in the idea behind the revenue sharing, and also problems with the principles included in the formula for revenue sharing and their respective weights. Regardless, the chapter finds federalism to contribute, even though minimally, in reducing the violent nature of the conflict in Nigeria.

The case of Canada is the focus in Chapter seven with efforts made to investigate the nature of resource conflict in that specific context. As a counterpart to Chapter six on Nigeria, this chapter began with the history of federalism in Canada; beginning prior to the BNA Act of 1867. The chapter identified a system of

[279] See Watts (1970; 2008, p. 95)

allocation of expenditure and revenue responsibilities in Canada, which is clearly divided in the constitution between the levels of government, which minimizes areas of friction. Interestingly, the system of provincial ownership of natural resources is in stark contrast to what is found in Nigeria. Yet, from the literature, there had been (during the global energy crisis' induced NEP), and there remains the potential for, a grave conflict over petroleum resource revenues between the federal government and the oil and gas bearing provinces in Canada. The chapter locates federalism as necessary to successfully shape the resolution of resource conflict, and also to continually checkmate recurrences.

The primary research process is presented in Chapter eight. It explains how the interviews were conducted, what questions were asked in order to answer the research questions, and it also assessed responses generated from the respondents. In addition, the background information on the respondents, which is shrouded in anonymity, was provided to justify their suitability and informed the quality of the findings. The research questions were restated and answered based on the data. The analysis of responses aided the extrapolation of vital findings, most of which were similar (and confirmatory) to those earlier found in the analysis of secondary data analysis.

To begin with, natural resource endowment, in the form of oil and gas, was confirmed as having the potential to influence conflict in the countries studied. The major reason for this is the enormous proceeds it generates, and the high level of resentment shown by oil bearing regions towards co-sharing of benefits with the other regions and vice versa. This hugely influences conflict as the oil bearing regions consider the fact that their own region bear the brunt of the negative effects of resource exploitations. Furthermore, political institution was confirmed to have the adequate potential adequate to mitigate conflict based on the following concrete reasons: institutions set down the guidelines for political intercourse in the society; and also, institutions influence the way conflicts are carried out and the possible outcomes. Outside of the institutional process, conflict is highly unwieldy with parties not able to recognize any solution as binding, once it does not favour them; but, through the institutions, the standard of practice is negotiated and legitimized.

In relation to the above, the institution of federalism was deemed highly effective in addressing resource conflict. The rationale advanced resonates with the findings in the literature analyzed in Chapter four. To mention a few, the notion of non-subordination of each level of government by the other in federalism was first factored. The second is the availability of instrumentalities in federalism that recognize different rival groups, and also provides them with room to come together to negotiate and decide on issues where there are conflict of interest. This captures the essence of the bargaining theory of institutionalism as the theoretical framework on which this research is anchored.

In terms of determining the actual impact of federalism in the two countries, it was found that it has been more effective in dealing with resource conflict in Canada than in Nigeria, where the conflict remains relatively intense. Providing a clear illustration of how federalism has specifically shaped the resolution of resource conflict in Canada, the NEP and offshore deals involving Nova Scotia – federal government, and NFL - federal government, are testaments of success. The conflict in Canada was only aggravated when the federal (central) government flouted the constitutional provisions for provincial ownership of natural resources, by intruding into the area of resource management and regulation. However, this study revealed how the conflict was subsequently resolved as the federal government vacated the area for the provinces.

Key issues were identified on which the two countries differ, all of which contribute to the differing outcomes of resource conflict in the countries as the MSSD method of analysis for this study suggested. Contention over ownership was found to be critical in Nigeria. Giordano et al had equally found the question of ownership vital, when they argued that "a primary challenge to the prevention of international resource conflict is devising rules and institutions to allocate resource use and other rights between states."[280] Interestingly, the Canadian constitution is very explicit about provincial ownership of onshore resources and federal ownership of offshore resources (with some qualifications). Whereas, in the Nigerian constitution, there

[280] Giordano et al. (2005, p. 59).

is a fusion of central ownership of resources and special rights to resource bearing States (based on derivation) for both offshore and onshore resources.

The other key issues include the influence of oil and gas on the economy, levels of socio-economic development, the prevalence of corruption, and adherence to the rule of law. In analyzing the issues, 'centralization', which is a corollary of the huge influence of oil and gas on the economy, was seen to influence the other factors. Hence, a viable solution to resource conflict can only be achieved by reducing the dependence on oil and gas, which will also enhance efforts at reducing centralization. The section on the contributions of federalism, presented in chapter nine, clearly shows how federalism leads to the realization of the twin-goal of diversification and non-centralization. The interlinkages of the various factors imply that once this double objectives are attained, other factors would subsequently be positively addressed.

Meanwhile, a couple of other findings emerged from the interviews which were substantially different and new from all that had been found in previous researches related to resource conflict. The first one found the history and tradition of violence (or non-violence) in a country to impact on the intensity of resource conflict in the country. The second linked the level of integration and intergroup mobility in a society as key contributors to an increasing intensity of resource conflict; even with a great potential of turning small tensions into violent conflict. They both reinforce the originality of the arguments within this thesis. Detailed discussions on each of these findings are presented in Chapter nine of this study.

10.3 Contributions of the Study

There are good evidence to justify the contribution of this study in advancing scholarship. The findings enrich both theoretical and empirical insights into the problems of resource conflict, as well as federalism. At the outset, the chief contribution of this study can be found in its originality to approach resource conflict from the angle of how political institutions in a society influence it. Exposing the nexus between political institution and resource conflict is unique; and linking a solution to resource conflict from the institution of federalism is distinctive of this research. They do indeed provide a new way from which researchers can approach the problem.

At the general theoretical level, this study contributes specifically by providing strong evidence to conclude that federalism addresses the problem of resource conflict in a society. A couple of reasons are illustrative. Firstly, the idea of federalism presupposes that a society, especially one comprising diverse people, is divided along territorial lines, empowered with government status. Secondly, federalism, as a negotiated form of government, requires that different groups come together to design how they will be governed by the two orders of government. This implies setting up jurisdictions for functions and revenue sources for the two orders of government to run their own affairs. In this case, the people can decide where, for instance, ownership of natural resources can be placed, between the two levels of government.

Thirdly, a constitution is set up to embody whatever institutional design has been constructed by the people, ensuring some areas of genuine autonomy for each order of government. Most importantly, there is a provision for the designated representation of distinct groups within the federal policy-making institutions, to ensure every decision is constructively negotiated by all. Lastly, an umpire exists in the form of a Supreme Court to rule on interpretation or valid application of the constitution in case of dispute. All these points suggest that federalism is ideally poised to deal with the problem of resource revenue conflicts.

Whereas, it can be argued that institutional provisions are often dumped whenever operators do not find them beneficial, as some so-called federations, like Nigeria, appear to be more unitary than formal unitary states, this study has concretely shown how federalism is genuinely capable of benefiting all in order to safeguard it. Federalism enables governments at all levels to target prosperity and shun fiscal irresponsibility, as the Canadian case has demonstrated. This results from its emphasis on subnational fiscal autonomy which creates a basis for healthy competition, alongside reducing dependence on one commodity from only a section of the entire country. This situation has been the most potent trigger of conflict. The benefits which include improved level of socio-economic development among others, become self-rewarding such that operators see it in their best interest to uphold, instead of side-lining the institutional provisions of federalism.

In a nutshell, this study makes valuable contributions at the empirical level by unearthing factors which inhibit federalism from successfully addressing resource conflict and by extrapolating how federalism can counteract the effects of those factors in order to consistently contribute positively to mitigating resource conflict. Other secondary contributions include: the establishment of the impacts of the earlier philosophers and religious leaders to the emergence of federalism; tracing the etymology of federalism; effort to distinguish between the federal kindred terms as supported with a tabular and diagrammatical illustrations, and the discovery of the fundamental problems with the institutions for the revenue allocation and sharing system in Nigeria which impact on the intensity of the resource conflict.

10.4 Limitations

It is important to acknowledge the limitations that confront this study. Firstly, there are many other resource rich federal countries apart from Nigeria and Canada; but, the empirical evidence used for this study has been garnered only from the two countries. It might be argued that the situation in other countries could possibly be different which could affect the findings of this study. A second limitation identified is the non-inclusion of a formal unitary state as one of the cases investigated. This means that the research relied only on theoretical assumptions about unitary states whereas there was a triangulation of theoretical and empirical data on federal states in relation to their impact in addressing resource conflict.

Considering the impact of the limitations on the quality of the findings, it is instructive to point out that, there is a high degree of consistency between findings from existing literature and the country-specific investigations in the study. This suggests the likelihood of the same trend of findings emerging, even when other federal countries are considered. Similarly, there is the possibility that unitary states may not vary significantly in practice than what is revealed in the literature about unitary forms of government. Regardless, the purpose of a qualitative research, as this, is not primarily to generalize or test a hypothesis, but to lead to a deeper understanding of a specific phenomenon and investigate the complex web operating in any given context. In this regard, the study remains consistent with its goals. Thus, the quality of its findings is more or less, not affected by the few limitations.

For example, the inhibiting factors that limit federalism from addressing resource conflict and the means by which federalism counteract those factors remain robust.

10.5 Recommendations

Arising from the various findings so far explained and the limitations identified, some key recommendations suffice which can be applied to further ameliorate resource conflict through the institution of federalism. They will be framed under two parts to showcase the practical and theoretical implications of the study. One aspect of the recommendations targets policy makers and practitioners, and the other aspect targets future researches.

10.5.1 For policy-makers and practitioners

There seems to be an ambivalence on how far independent research (non-sponsored researches) can directly cause a major policy change given the high level of politicking that is involved in national decision making at country level. In spite of that, it is clear they can gradually influence perceptions on given problems, which gradually are fed into the policy cycle. With this in mind, the study proceeds to recommend as follows:

1. Respective policy makers should begin to consider federalism as a better alternative political institution to adopt in their quest for a solution to an intractable resource conflict.

2. Practitioners need to draw from the lessons of this study and guard against increasing centralizing tendencies by the central government; especially in cases where federalism has been adopted already like Nigeria and Canada.

3. There is need for clarity in the design of resource regimes, in respect to ownership and allocation of benefits and sharing.

4. Efforts to diversify the economy to reduce the overarching influence of oil and gas on a particular economy should be pursued, which is made easier through federalism.

5. The issue of corruption needs to be fought squarely in order to cut plundering of public treasure, raise the level of socio-economic

development in a society, and also to reassert the supremacy of the rule of law.

6. Attention needs to be channelled to policies that fast-track the genuine integration of various nationality groups in a country through interpenetration of persons, ideas, and cultures; otherwise, federal tolerance would remain elusive which heightens the potential for territorial conflicts (such as conflict over natural resources), and the possibility for civil war.

10.5.2 For future research

To strengthen the theoretical value of this work through further research, this study recommends the following:

1. More research needs to be conducted using a similar methodology, but including a greater number of resource rich federal countries, to observe in detail the situation in each country regarding resource conflict and the impact of federalism.

2. There is the need for further comparative studies of resource rich unitary states and their federal counterparts in respect to the prevalence of resource conflict, its intensity, and impact of each institution on the conflict in each given case.

10.6 Final Conclusion

Pursuant to the stated objectives in Chapter one, this study has successfully determined and concluded that natural resources revenue struggle (especially over petroleum), greatly impacts on the prevalence of territorial conflict in societies. Secondly, it has shown that an effective way of managing, if not eliminating, resource conflict is through the institution of federalism—a concept that the study has explored in great depth to determine its suitability. Thirdly, the study has garnered empirical evidence on how federalism has practically contributed to curb resource conflict in specific countries (Nigeria and Canada), and also the difficulties it encountered which impeded its success in some instances. Fourthly, the study has unearthed some interesting findings on areas to look out for and to address in order to enhance the capacity of federalism to reduce conflict over resource revenues.

In conclusion, this study has shown good evidence with the case of Canada that resource conflict, with its attendant socio-economic and developmental problems, can be addressed through the institution of federalism. However, a difficult challenge remains in the sense that rich resource endowments can potentially lead to a distorted version of federalism as the Nigerian case suggests. This can be manifested by way of excessive centralization of expenditure and revenue responsibilities; and, also, the suppression of the federating units, as has been seen in the case of Nigeria. If this is not checked, federalism struggles to mitigate resource conflict, contrary to what was argued in this thesis, which becomes intense and protracted in the country. How federalism would adequately be checked against over centralization becomes a new question that future research might address.

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APPENDICES

ETHICS STATEMENTS FOR THE CONDUCT OF INTERVIEWS

Due to the sensitivity of the issues involved in the discussion, ethical concerns were taken into consideration as required by the Human Research Ethics Committee of the University of Waikato; also, approval was successfully obtained.

PARTICIPANT'S CONSENT

Participants were notified of the purpose of the interviews and their rights, all of which were contained in the information sheet they read before granting their permission to participate; by signing a consent form (See Appendix). The interviews, each of which took between 60 to 120 minutes, were audio taped to enable me to capture all expressed opinions without forgetting any during analysis.

RIGHT TO PARTICIPATION AND WITHDRAWAL

Participants that accepted to be in the study were informed of their rights as follows

- ✓ Refuse to be identified in the report in case there was going to be any conflict of interest (This could be in acknowledgement, reference based on the interview, etc).
- ✓ Withdraw your comments, adjust or provide more insights at any time before 30 days after the interview.
- ✓ Request any clarification of any kind during the interview.
- ✓ Refuse to answer any questions you do not wish to answer.
- ✓ Decline to be audio taped or request that recorder be turned off at any time during the interview.

CONFIDENTIALITY

All participants were duly informed about the confidentiality of the process, such that all information obtained in connection with this study remains confidential and secure by me until after the analysis. Tapes and other printed materials resulting from this study will be stored, and subsequently discarded at the completion of the study.

ETHICAL APPROVAL

Participants were assured that their participation in the research was not going to expose them to potential harm, as adequate effort had been taken to preempt that. In addition, the research project has been approved by the Human Research Ethics Committee of the Faculty of Arts and Social Sciences; thus, any questions about the ethical conduct of this research may be sent to the Secretary of the Committee, email fass-ethics@waikato.ac.nz, postal address, Faculty of Arts and Social Sciences, Te Kura Kete Aronui, University of Waikato, Te Whare Wananga o Waikato, Private Bag 3105, Hamilton 3240.

FINANCIAL FLOWS FROM OIL AND GAS

	Table Ref.	2009	2010	2011	Grand Total
		US$ '000	US$ '000	US$ '000	US$ '000
Sales of Crude Oil and Gas					
Export Crude	5.1	10,133,931	17,693,065	24,760,831	52,587,827
Domestic Crude	5.1	9,903,033	13,228,942	18,363,100	41,495,075
Gas	5.1	351,357	456,284	610,857	1,418,498
Feed Stock	5.1	415,328	1,320,043	1,825,617	3,560,988
Sales of Crude Oil and Gas		**20,803,649**	**32,698,334**	**45,560,405**	**99,062,388**
Less: PSC In Kind Payments					
Petroleum Profit Tax (PPT)	5.2	2,854,787	4,861,801	8,234,874	15,951,462
Royalty (Oil)	5.2	337,916	201,512	601,413	1,140,841
PSC In Kind Payments		**3,192,703**	**5,063,313**	**8,836,287**	**17,092,303**
Sub-Total- A		**17,610,946**	**27,635,021**	**36,724,118**	**81,970,085**
Other Specific Financial Flows					
Petroleum Profit Tax (PPT)	8.2	5,399,508	8,590,183	18,763,688	32,753,379
Royalty (Oil)	8.3	2,578,360	3,853,835	6,041,396	12,473,591
Royalty Gas	8.5	30,658	75,327	90,076	196,061
Signature Bonus	8.11	5,000	0	216,146	221,146
Gas Flaring Penalties	8.7	19,300	17,873	22,487	59,660
Concession Rentals	8.9	1,446	1,151	2,225	4,822
Total Confirmed Flows		**8,034,272**	**12,538,369**	**25,136,018**	**45,708,659**
Other Flows to Federation Account					
Companies Income Tax (CIT)	8.24	236,347	367,998	273,481	877,826
Value Added Tax	8.24	1,289,346	910,620	1,005,030	3,204,996
Total of Other Flows to Federation Account		**1,525,693**	**1,278,618**	**1,278,511**	**4,082,822**
Sub-Total- B		**9,559,965**	**13,816,987**	**26,414,529**	**49,791,481**
Total Flows to the Federation Account (A+B)		**27,170,911**	**41,452,008**	**63,138,647**	**131,761,566**
Other Flows					
Dividends & Repayment of Loans by NLNG	8.23	879,839	1,427,512	2,537,503	4,844,854
PAYE	8.24	9,111	3,510	13,120	25,741
Witholding Tax	8.24	550,543	604,181	918,685	2,073,409
Total Other Flows		**1,439,493**	**2,035,203**	**3,469,308**	**6,944,004**
Flows to States					
Withholding Taxes	8.25	10,544	12,771	12,045	35,360
PAYE	8.25	471,758	476,516	586,001	1,534,274
Total Flows to States		**482,302**	**489,287**	**598,046**	**1,569,635**
Flows to other Entities					
Contributions to NDDC	8.17	398,416	561,390	703,292	1,663,098
Education Tax	8.25	638,364	407,107	533,035	1,578,506
Total Flows to other Entities		**1,036,780**	**968,497**	**1,236,327**	**3,241,604**
Grand Total		**30,129,486**	**44,944,995**	**68,442,328**	**143,516,809**

Source: Oil &Gas Industry Audit Report 2009-2011 (NEITI, 2013, p. 49)

CONTRIBUTION OF OIL REVENUE AND NON-OIL REVENUE TO THE FEDERATION ACCOUNT

S/NO	ITEMS	BUDGET			ACTUAL				VARIANCE					
		Annual	Quarterly	3QTRS	First Quarter	Second Quarter	Third Quarter	3QTRS	3RD Quarter Actual Vs Quarterly Budget		3RD Quarter Vs 2ND Quarter (Actual)		Actual Vs Budget (3QTRS)	
A	OIL REVENUE	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	N'bn	%	N'bn	%	N'bn	%
1	Crude Oil Sales	4,243.90	1,060.98	3,182.93	724.84	764.52	719.35	2,208.71	(341.63)	(32.20)	(45.17)	(5.91)	(974.22)	(30.61)
2	Gas Sales (NLNG Feedstock sales & Upstream Liquid Gas)	359.58	89.90	269.69	64.00	74.75	61.84	200.59	(28.06)	(31.21)	(12.91)	(17.27)	(69.10)	(25.62)
3	Royalties Oil & Gas	761.08	190.27	570.81	216.01	247.48	220.96	684.45	30.69	16.13	(26.53)	(10.72)	113.64	19.91
4	Rent	0.88	0.22	0.66	0.10	0.03	0.03	0.15	(0.19)	(87.49)	(0.00)	(7.91)	(0.51)	(76.91)
5	Gas Flared Penalty	2.48	0.62	1.86	1.12	1.05	0.55	2.72	(0.07)	(10.64)	(0.50)	(47.19)	0.86	46.14
6	PPT & Gas Tax @CITA	2,363.15	590.79	1,772.36	814.22	725.57	619.41	2,159.21	28.62	4.85	(106.16)	(14.63)	386.84	21.83
7	Other Oil and Gas Revenue	3.07	0.77	2.30	0.38	0.36	0.65	1.39	(0.12)	(15.07)	0.29	82.27	(0.92)	(39.88)
8	Sub-Total	7,734.15	1,933.54	5,800.61	1,820.65	1,813.76	1,622.79	5,257.21	(310.74)	(16.07)	(190.97)	(10.53)	(543.40)	(9.37)
9	Joint Venture Cash Calls	1,182.33	295.58	886.75	284.92	286.51	285.91	857.34	(9.67)	(3.27)	(0.60)	(0.21)	(29.41)	(3.32)
10	Domestic Fuel Subsidy (NNPC) and Marketers	971.14	242.78	728.35	-	-	-	-	(242.78)	(100.00)	-		(728.35)	(100.00)
11	Under Remittance of Funds by NNPC		-	-	-	-	-	-	-		-		-	
12	Oil Excess Revenue		-	-	22.35	-	-	22.35	-		-		22.35	
13	Subt-Total	5,580.68	1,395.17	4,185.51	1,513.39	1,527.25	1,336.88	4,377.52	(58.29)	(4.18)	(190.37)	(12.46)	192.01	4.59
14	Transfer to Excess Crude Account		-	-	400.92	273.15	181.34	855.40	181.34		(91.81)	(33.61)	855.40	
15	Balance of Oil Revenue	5,580.68	1,395.17	4,185.51	1,112.46	1,254.11	1,155.55	3,522.12	(239.62)	(17.18)	(98.56)	(7.86)	(663.39)	(15.85)
16	13% Derivation of Net Oil Revenue	725.49	181.37	544.12	144.62	163.03	150.22	457.88	(31.15)	(17.18)	(12.81)	(7.86)	(86.24)	(15.85)
17	TO FEDERATION ACCOUNT	4,855.19	1,213.80	3,641.39	967.84	1,091.07	1,005.33	3,064.24	(208.47)	(17.18)	(85.75)	(7.86)	(577.15)	(15.85)
B	NON-OIL REVENUE		-	-	-	-	-	-	-		-		-	
18	Value Added Tax (VAT)	945.28	236.32	708.96	185.53	193.64	194.41	573.58	(41.91)	(17.74)	0.76	0.39	(135.38)	(19.10)
19	Corporate Tax, CIT, Stamp Duties & CGT	992.04	248.01	744.03	158.33	183.04	475.08	816.45	227.07	91.56	292.04	159.55	72.42	9.73
20	Customs: Import, Excise & Fees	792.95	198.24	594.71	109.94	97.26	97.44	304.64	(100.80)	(50.85)	0.19	0.19	(290.07)	(48.78)
21	Special Levies (Federation Account)	121.42	30.35	91.06	-	-	-	-	(30.35)	(100.00)	-		(91.06)	(100.00)
22	Sub-Total	2,851.68	712.92	2,138.76	453.80	473.94	766.93	1,694.66	54.01	7.58	292.99	61.82	(444.10)	(20.76)
23	Cost of Collection and Other Deductions	151.50	37.87	113.62	21.45	21.87	33.60	76.92	(4.27)	(11.28)	11.73	53.63	(36.70)	(32.30)
24	Cost of Collection (VAT)	37.81	9.45	28.36	7.42	7.75	7.78	22.94	(1.68)	(17.73)	0.03	0.41	(5.42)	(19.10)
25	4% Cost of Collection (CIT)	39.68	9.92	29.76	6.33	7.32	19.00	32.66	9.08	91.56	11.68	159.60	2.90	9.73
26	7% Cost of Collection (Customs and Special Levies)	64.01	16.00	48.00	7.70	6.81	6.82	21.32	(9.18)	(57.37)	0.01	0.21	(26.68)	(55.58)
27	FIRS Tax Refunds	10.00	2.50	7.50	-	-	-	-	(2.50)	(100.00)	-		(7.50)	(100.00)
28	TO FEDERATION ACCOUNT (NON-OIL)	1,792.72	448.18	1,344.54	254.24	266.17	546.70	1,067.11	98.52	21.98	280.53	105.39	(277.43)	(20.63)
29	Total VAT Pool	907.47	226.87	680.60	178.11	185.90	186.63	550.64	(40.24)	(17.74)	0.73	0.39	(129.96)	(19.10)
30	Net Non-Oil Revenue	2,700.18	675.05	2,025.14	432.35	452.07	733.33	1,617.74	58.28	8.63	281.26	62.22	(407.39)	(20.12)
31	Sub-Total: FEDERATION ACCOUNT	6,647.91	1,661.98	4,985.93	1,222.08	1,357.24	1,552.02	4,131.35	(109.95)	(6.62)	194.78	14.35	(854.58)	(17.14)
32	Balances in Special Account End of Previous Year 2012	8.13	2.03	6.10	-	-	-	-	(2.03)	(100.00)	-		(6.10)	(100.00)
33	TOTAL FEDERATION ACCOUNT	6,656.03	1,664.01	4,992.03	1,222.08	1,357.24	1,552.02	4,131.35	(111.98)	(6.73)	194.78	14.35	(860.68)	(17.24)
C	TOTAL DISTRIBUTION		-	-	-	-	-	-	-		-		-	
1	Federation Account	6,656.03	1,664.01	4,992.03	1,222.08	1,357.24	1,552.02	4,131.35	(111.98)	(6.73)	194.78	14.35	(860.68)	(17.24)
2	VAT Pool Account	907.47	226.87	680.60	178.11	185.90	186.63	550.64	(40.24)	(17.74)	0.73	0.39	(129.96)	(19.10)
3	GRAND TOTAL	7,563.50	1,890.88	5,672.63	1,400.19	1,543.14	1,738.65	4,681.99	(152.22)	(8.05)	195.51	12.67	(990.64)	(17.46)

Source: OAGF and Budget Office of the Federation (BOF Nigeria, 2013, p. 15)

PROPORTION OF OIL REVENUE TO NON-OIL REVENUE

Revenue Items	2012	2013	Variance	
	3rd Quarter Actual	3rd Quarter Actual	3rd Quarter 2013 Vs 3rd Quarter 2012	
Oil Revenue	N bns	N bns	N bns	%
Crude Oil Sales	741.92	719.35	-22.57	-3.04
Petroleum Profit Tax (PPT	824.82	619.41	-205.41	-24.90
Royalties	276.45	220.96	-55.49	-20.07
Gross Oil Revenue	1,913.30	1,622.79	-290.51	-15.18
Net Oil Receipts	868.39	1,005.33	136.94	15.77
Non-Oil Revenue				
Value Added Tax (VAT)	173.57	194.41	20.84	12.01
Company Income Tax (CI	398.65	475.08	76.43	19.17
Customs & Excise Duties	126.94	97.44	-29.50	-23.24
Gross Non-Oil Revenue	699.16	766.93	67.77	9.69
Net Non-Oil Receipts	667.39	733.33	65.94	9.88

Source: OAGF and Budget Office of the Federation (BOF Nigeria, 2013, p. 17)

INTERNALLY GENERATED REVENUE BY STATES

S/N	STATE	2010	2011	2012	2013	2014
1	ABIA	11,124,643,033.22	11,763,510,585.86	16,751,700,375.58		
2	ADAMAWA	4,208,037,781.45	4,149,550,775.70	4,615,407,803.00	4,149,550,775.70	
3	AKWA IBOM	10,133,958,927.00	11,678,520,984.00	13,516,810,150.00	15,398,828,428.00	
4	ANAMBRA	7,655,785,733.05	6,148,922,395.00	7,601,585,012.15	8,731,599,921.43	
5	BAUCHI	3,402,848,015.39	4,463,780,451.92	4,064,710,425.23	4,937,242,874.83	
6	BAYELSA	4,710,021,000.00	10,500,936,262.88	4,958,806,727.00	10,500,936,262.88	10,958,263,688.00
7	BENUE	6,877,690,630.00	11,131,343,534.58	8,436,560,608.98	8,373,720,592.15	
8	BORNO	2,108,612,985.25	2,282,102,699.76	2,444,613,205.37	2,132,815,258.00	
9	CROSS RIVER	7,870,941,915.00	9,159,651,948.00	12,734,560,333.00	12,002,167,999.57	
10	DELTA	26,087,346,526.00	34,750,081,881.93	45,566,897,481.00	50,208,229,986.91	
11	EBONYI	12,998,269,207.69	----------			
12	EDO	10,651,999,356.60	14,764,018,237.44	18,880,055,380.83	18,899,322,710.47	
13	EKITI	1,554,020,325.64	2,489,797,191.33	3,787,607,515.35	2,339,670,199.77	3,462,341,448.32
14	ENUGU	13,795,511,815.00	7,287,161,299	12,209,587,683.00	20,203,801,863.00	
15	GOMBE	2,954,868,571.34	3,153,362,788.35	3,717,188,863.22	3,870,998,757.79	
16	IMO	5,714,554,547.72	5,806,462,989.22	6,810,221,957.04	7,583,501,933.27	
17	JIGAWA	1,241,956,756.54	1,482,918,912.88			
18	KADUNA	11,564,414,063.48	9,781,946,157.96	11,531,795,961.69	10,932,071,462.59	
19	KANO	6,618,936,565.04	6,618,936,565.04	11,051,971,481.61	17,142,211,079.94	
20	KATSINA	3,151,689,985.00	4,239,692,674.00	5,029,720,846.00	6,852,511,585.00	
21	KEBBI	3,807,258,812.42	4,472,397,621.47	5,424,015,848.65	3,732,343,145.11	
22	KOGI	2,217,504,390.25	2,848,556,782.15	3,185,459,549.72	5,020,349,740.18	
23	KWARA	7,295,348,963.22	8,816,657,944.50	11,317,269,584.36	13,838,085,972.51	
24	LAGOS	149,966,383,196.47	202,761,061,679.60	219,202,426,843.89	384,259,410,959.19	
25	NASARAWA	1,850,541,963.18	4,132,282,812.68	4,132,282,812.68	4,012,291,835.93	4,085,127,585.70
26	NIGER	3,257,215,894.60	4,115,777,679.30	3,782,827,634.99	4,115,777,679.30	
27	OGUN	7,917,662,341.92	10,838,698,403.20	12,438,765,025.22	13,777,026,969.63	
28	ONDO	6,480,372,918.69	8,015,725,375.26	10,153,042,597.01	10,498,697,469.99	
29	OSUN	3,376,735,645.43	7,398,572,036.48	5,020,250,633.94	7,284,225,003.77	
30	OYO	10,488,362,233.80	8,915,603,182.50	14,598,808,723.10	15,251,369,563.24	16,307,233,700.20
31	PLATEAU	3,398,815,261.07	4,520,622,617.37	6,927,858,653.07	8,486,806,640.08	
32	RIVERS	49,632,280,280.92	52,711,985,543.27	66,275,698,676.01	87,914,415,268.80	
33	SOKOTO	3,888,400,925.16	4,185,153,701.13	4,313,699,006.03	5,509,132,929.43	5,617,763,260.35
34	TARABA	1,284,745,422.40	2,869,031,498.92	3,418,289,991.33	3,344,006,052.45	
35	YOBE	5,960,502,339.45	2,385,653,776.94	1,785,221,060.95	3,072,005,109.88	
36	ZAMFARA	2,068,729,575.95	1,714,432,462.63	2,592,935,139.95	3,039,396,601.83	

Source: National Bureau of Statistics (2014). Retrieved from www.nigerianstat.gov.ng/pages/download/279

Federal Ministry of Finance, Abuja

Table I

Summary of Gross Revenue Allocation by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	Beneficiaries	Statutory	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Exchange Gain Difference	VAT	Total
		=N=	=N=	=N=	=N=	=N=	=N=	=N=
1	FGN (see Table II)	213,825,164,629.81		16,292,783,505.15	70,901,485,200.00	-	9,553,852,978.48	310,573,286,313.44
2	State (see Table III)	108,454,980,996.74	3,742,443,973.13	8,263,917,525.77	35,962,180,800.00	-	31,846,176,594.94	188,269,699,890.58
3	LGCs (see Table IV)	83,614,244,331.32	2,884,721,214.38	6,371,134,020.62	27,725,334,000.00	-	22,292,323,616.46	142,887,757,182.77
4	13% Derivation Fund	47,112,055,490.36	990,266,062.50	4,621,400,639.89	20,111,000,000.00	-	-	72,834,722,192.74
5	**Cost of Collection - NCS**	3,085,383,583.47	-		-	-		3,085,383,583.47
6	**Transfer to Excess Crude**	80,651,098,688.15	-		-	-	-	80,651,098,688.15
7	Deductions: Cost of Collections - FIRS	2,096,980,398.77	-		-	-	2,653,848,049.58	4,750,828,448.35
8	ADD TRANSFER TO EXCESS REVENUE and SUBSIDY ACCTS		-		-	-	-	-
9	Total	538,839,908,118.62	7,617,431,250.00	35,549,235,691.43	154,700,000,000.00	-	66,346,201,239.45	803,052,776,299.50
	Check!!	-						

261,104,422,083.32

Table II

Distribution of Revenue Allocation to FGN by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

1	2	3	4	5	6=3-4-5	7	8	9	10	11=6+7+8+9+10
S/n	Beneficiaries	Gross Statutory Allocation	Less External Debt Deduction	Less Deductions(1% Police Reform Fund)	Net Statutory Allocation	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for October, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Exchange Gain Difference	VAT	Total Net Amount
		=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
1	FGN (CRF Account)	196,858,779,129.57	4,004,578,519.25	1,968,587,791.30	190,885,612,819.02	15,000,000,000.00	65,275,665,000.00	-	8,916,929,446.58	280,078,207,265.60
2	Share of Derivation & Ecology	4,058,943,899.58	-		4,058,943,899.58	309,278,350.52	1,345,890,000.00	-	-	5,714,112,250.09
3	Stabilization	2,029,471,949.79	-	-	2,029,471,949.79	154,639,175.26	672,945,000.00	-	-	2,857,056,125.05
4	Development of Natural Resources	6,819,025,751.29		-	6,819,025,751.29	519,587,628.87	2,261,095,200.00	-	-	9,599,708,580.16
5	FCT-Abuja	4,058,943,899.58	18,407,225.02	40,589,439.00	3,999,947,235.56	309,278,350.52	1,345,890,000.00	-	636,923,531.90	6,292,039,117.98
	Sub-total	**213,825,164,629.81**	**4,022,985,744.27**	**2,009,177,230.29**	**207,793,001,655.25**	**16,292,783,505.15**	**70,901,485,200.00**	**-**	**9,553,852,978.48**	**304,541,123,338.88**

Source: **Office of the Accountant-General of the Federation**

The above information is also available on the Federal Ministry of Finance website www.fmf.gov.ng and Office of Accountant-General of the Federation website www.oagf.gov.ng. In addition, you would find on these websites details of the Capital and Recurrent allocations to all arms of Government including Federal Ministries and Agencies. The Budget Office website www.budgetoffice.gov.ng also contains information about the Budget.

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Dr. Yerima, Lawal Ngama
Hon. Minister of State for Finance
Abuja. Nigeria.

Federal Ministry of Finance, Abuja

Table III

Distribution of Revenue Allocation to State Governments by Federation Account Allocation Committee for the month of October, 2013 Shared in November, 2013

1	2	3	4	5	6=4+5	7	8	9	10=6-(7+8+9)	11	12	13	14	15=6+11+12+13+14	16=10+11+12+13+14	
S/n	Beneficiaries	No. of LGCs	Gross Statutory Allocation	13% Share of Derivation (Net)	Gross Total	Deductions			Net Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for Nov, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Net VAT Allocation	Total Gross Amount	Total Net Amount	S/n
						External Debt	Contractual Obligation (ISPO)	Other Deductions (see Note)								
			=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	
1	ABIA	17	2,678,115,206.00	525,537,927.53	3,203,653,133.52	14,215,058.37	-	76,746,251.02	**3,112,691,824.13**	101,545,397.76	255,989,743.59	1,113,993,383.05	**650,048,073.05**	**5,325,229,730.97**	5,234,268,421.57	1
2	ADAMAWA	21	2,849,054,033.39	-	2,849,054,033.39	6,311,648.32	-	28,490,540.33	**2,814,251,844.74**	100,627,139.57	217,088,669.81	944,707,152.37	**677,680,790.01**	**4,789,157,785.15**	4,754,355,596.50	2
3	AKWA IBOM	31	2,875,530,068.62	15,212,787,402.68	18,088,317,471.30	72,934,781.24	-	427,410,812.52	**17,587,971,877.54**	328,196,241.20	1,718,094,326.51	7,476,649,979.69	**927,644,239.23**	**28,538,902,257.93**	28,038,556,664.18	3
4	ANAMBRA	21	2,843,716,666.08	-	2,843,716,666.08	7,314,215.90	10,000,000.00	45,486,173.13	**2,780,916,277.05**	101,789,591.12	216,681,979.74	942,937,354.74	**766,244,116.88**	**4,871,369,708.55**	4,808,569,319.52	4
5	BAUCHI	20	3,421,086,424.98	-	3,421,086,424.98	16,361,524.75	56,879,023.19	348,284,295.23	**2,999,561,581.81**	117,402,160.57	260,675,681.33	1,134,385,229.86	**788,712,301.16**	**5,722,261,797.90**	5,300,736,954.73	5
6	BAYELSA	8	2,530,631,571.40	8,718,719,758.70	11,249,351,330.10	12,649,905.68	1,241,107,428.57	817,985,325.36	**9,177,608,670.50**	233,297,694.49	1,043,390,078.12	4,540,532,080.23	**611,090,281.78**	**17,677,661,464.72**	15,605,918,805.12	6
7	BENUE	23	3,207,489,676.24	-	3,207,489,676.24	8,891,312.31	368,391,464.15	54,574,896.76	**2,775,632,003.01**	108,372,794.30	244,400,302.37	1,063,559,484.23	**750,167,655.39**	**5,373,989,912.53**	4,942,132,239.30	7
8	BORNO	27	3,553,438,883.04	-	3,553,438,883.04	8,908,333.72	-	35,534,388.83	**3,508,996,160.49**	119,659,186.73	270,760,509.04	1,178,271,485.55	**773,282,060.40**	**5,895,412,124.77**	5,850,969,402.22	8
9	CROSS RIVER	18	2,876,020,465.45	-	2,876,020,465.45	126,593,756.50	-	117,401,425.15	**2,632,025,283.80**	114,240,294.21	219,143,424.40	953,648,850.54	**664,421,407.08**	**4,827,474,441.68**	4,583,479,260.03	9
10	DELTA	25	2,903,978,172.46	10,137,194,103.59	13,041,172,276.05	10,817,381.73	-	1,440,060,738.98	**11,590,294,155.34**	240,152,696.97	1,216,607,873.74	5,294,325,866.86	**854,504,894.15**	**20,646,763,607.78**	19,195,885,487.07	10
11	EBONYI	13	2,558,729,375.99	-	2,558,729,375.99	16,916,726.69	566,756,099.00	25,587,293.76	**1,949,469,256.54**	82,656,704.51	194,966,873.26	848,439,486.98	**615,750,571.47**	**4,300,543,012.21**	3,691,282,892.76	11
12	EDO	18	2,674,282,283.96	1,058,980,740.71	3,733,263,024.67	18,201,408.32	520,000,000.00	250,058,700.31	**2,945,002,916.04**	97,814,915.40	307,517,452.74	1,338,227,081.79	**692,549,964.44**	**6,169,372,439.05**	5,381,112,330.42	12
13	EKITI	16	2,557,285,499.92	-	2,557,285,499.92	20,711,541.96	397,196,807.99	48,692,856.44	**2,090,684,293.53**	84,271,268.49	194,856,854.59	847,960,717.53	**617,639,064.62**	**4,302,013,405.14**	3,835,412,198.75	13
14	ENUGU	17	2,876,268,685.43	-	2,876,268,685.43	11,497,677.74	-	118,675,378.15	**2,746,095,629.54**	95,335,937.34	219,162,337.96	953,731,156.88	**697,816,077.85**	**4,842,314,195.47**	4,712,141,139.57	14
15	GOMBE	11	2,693,941,512.64	-	2,693,941,512.64	6,461,320.65	398,470,967.13	26,939,415.13	**2,262,069,809.74**	89,195,216.79	205,269,599.19	893,273,972.78	**693,674,808.01**	**4,575,355,109.41**	4,143,483,406.51	15
16	IMO	27	2,973,638,350.53	470,879,147.74	3,444,517,498.27	19,238,358.11	358,424,768.53	117,450,583.14	**2,949,403,788.49**	116,330,189.01	272,259,514.32	1,184,794,723.31	**797,072,520.68**	**5,814,974,445.59**	5,319,860,735.80	16
17	JIGAWA	27	3,198,423,893.21	-	3,198,423,893.21	12,206,599.47	-	31,984,238.93	**3,154,233,054.81**	111,190,794.08	243,709,519.13	1,060,553,395.20	**745,375,389.43**	**5,359,252,991.06**	5,315,062,152.65	17
18	KADUNA	23	3,747,325,600.99	-	3,747,325,600.99	72,364,343.14	248,394,513.80	37,473,256.01	**3,389,093,488.04**	128,466,650.46	285,534,047.62	1,242,561,655.91	**959,447,979.71**	**6,363,335,934.70**	6,005,103,821.75	18
19	KANO	44	4,536,554,829.30	-	4,536,554,829.30	24,069,455.42	-	103,823,649.41	**4,408,661,724.47**	158,328,075.74	345,670,753.12	1,504,259,218.72	**1,217,671,790.81**	**7,762,484,667.68**	7,634,591,562.85	19
20	KATSINA	34	3,515,700,882.57	-	3,515,700,882.57	53,295,675.36	-	35,157,008.83	**3,427,248,198.38**	121,366,124.36	267,884,995.89	1,165,758,083.36	**869,218,368.49**	**5,939,928,454.68**	5,851,475,770.49	20
21	KEBBI	21	3,020,004,598.14	-	3,020,004,598.14	18,467,891.48	-	30,200,045.98	**2,971,336,660.67**	101,133,582.15	230,114,547.96	1,001,392,009.63	**683,210,543.49**	**5,035,855,281.38**	4,987,187,343.92	21
22	KOGI	21	3,161,033,103.84	-	3,161,033,103.84	13,838,370.33	-	31,610,331.04	**3,115,584,402.47**	100,249,240.98	240,860,462.34	1,048,155,123.45	**695,601,872.93**	**5,245,899,803.53**	5,200,451,102.16	22
23	KWARA	16	2,545,884,132.84	-	2,545,884,132.84	13,718,707.19	-	70,686,132.79	**2,461,479,292.87**	92,621,040.33	193,988,107.42	844,180,180.94	**429,896,566.59**	**4,106,570,028.12**	4,022,165,188.14	23
24	LAGOS	20	3,831,414,852.90	-	3,831,414,852.90	207,990,011.14	500,000,000.00	1,038,314,148.53	**2,085,110,693.23**	145,032,397.17	291,941,375.68	1,270,444,495.90	**5,814,383,909.33**	**11,353,217,030.98**	9,606,912,871.31	24
25	NASSARAWA	13	2,637,541,432.11	-	2,637,541,432.11	12,649,095.45	-	236,329,784.20	**2,388,562,552.46**	86,027,197.29	200,972,096.12	874,572,481.39	**588,038,849.74**	**4,387,152,056.64**	4,138,173,176.99	25
26	NIGER	25	3,387,804,535.60	-	3,387,804,535.60	6,986,727.49	142,377,502.73	834,430,232.36	**2,404,010,073.03**	118,213,910.61	258,139,709.38	1,123,349,412.86	**727,792,394.36**	**5,615,299,962.82**	4,631,505,500.24	26
27	OGUN	20	2,657,130,456.98	-	2,657,130,456.98	16,410,899.35	-	26,571,304.57	**2,614,148,253.06**	98,947,504.30	202,464,716.23	881,067,932.75	**728,457,856.09**	**4,568,068,466.34**	4,525,086,262.42	27
28	ONDO	18	2,662,394,529.99	1,826,810,172.90	4,489,204,702.90	27,608,432.02	-	910,359,123.66	**3,551,237,147.22**	152,501,002.70	383,169,767.48	1,667,444,092.00	**694,046,522.72**	**7,386,366,087.80**	6,448,398,532.12	28
29	OSUN	30	2,608,419,974.17	-	2,608,419,974.17	47,370,175.27	164,934,256.00	780,244,960.29	**1,615,870,582.61**	94,169,615.23	198,753,135.55	864,916,206.26	**705,706,509.82**	**4,471,965,441.03**	3,479,416,049.47	29
30	OYO	33	3,207,844,065.65	-	3,207,844,065.65	54,074,057.14	-	91,897,224.85	**3,061,872,783.66**	118,194,032.95	244,427,305.69	1,063,676,994.89	**864,618,909.53**	**5,498,761,308.71**	5,352,790,026.72	30
31	PLATEAU	17	2,986,608,536.05	-	2,986,608,536.05	9,619,682.67	-	71,179,387.19	**2,905,809,466.19**	98,235,864.90	227,569,876.43	990,318,334.53	**680,605,599.25**	**4,983,338,211.17**	4,902,539,141.31	31
32	RIVERS	23	3,084,459,916.35	9,161,146,236.52	12,245,606,152.87	22,343,449.67	-	1,388,997,961.18	**10,834,264,742.02**	476,379,087.71	1,129,886,125.50	4,916,937,881.11	**1,044,045,627.64**	**19,812,854,874.84**	18,401,513,463.99	32
33	SOKOTO	23	3,152,038,018.86	-	3,152,038,018.86	18,283,904.67	-	31,520,380.19	**3,102,233,734.00**	104,966,039.54	240,175,066.06	1,045,172,476.92	**711,858,610.39**	**5,254,210,211.77**	5,204,405,926.92	33
34	TARABA	16	2,755,012,923.52	-	2,755,012,923.52	7,338,125.18	-	39,412,472.99	**2,708,262,325.35**	98,343,826.31	209,923,042.47	913,524,413.09	**609,023,941.12**	**4,585,828,146.51**	4,539,077,548.34	34
35	YOBE	17	2,840,064,664.54	-	2,840,064,664.54	12,392,667.82	-	28,400,646.65	**2,799,271,350.08**	97,335,032.15	216,403,709.08	941,726,401.23	**627,736,837.71**	**4,723,266,644.72**	4,682,473,330.25	35
36	ZAMFARA	14	2,846,113,172.99	-	2,846,113,172.99	11,000,720.04	-	28,461,131.73	**2,806,651,321.22**	100,121,588.19	216,864,585.79	943,732,003.49	**671,139,689.55**	**4,777,971,040.01**	4,738,509,188.24	36
37	Soku Disputed Funds		-	-	-		-		**-**		-	-	**-**	**-**	-	37
38	Ona/Asaboro Disputed Fund		-	-	-	-	-	-	**-**		-	-	**-**			38
	Total (States/LGCs)		**108,454,980,996.74**	**47,112,055,490.36**	**155,567,036,487.10**	**1,040,053,942.29**	**4,972,932,831.09**	**9,826,432,495.60**	**139,727,617,218.12**	**4,732,710,035.63**	**12,885,318,165.66**	**56,073,180,800.00**	**31,646,176,594.94**	**260,904,422,083.32**	**245,065,002,814.34**	
	CHECK!!		-	-						-	-	-	-	200,000,000.00		

Note : KWARA VAT DEDUCTION

* Other Deductions cover; **National Water Rehabilitation Projects, National Agricultural Technology Support Programme, Payment for Fertilizer, State Water Supply Project, State Agricultural Project and National Fadama Project**

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
1	ABIA	1	ABA NORTH	88,911,668.99	2,919,311.36	(889,116.69)	6,774,780.59	29,481,887.20	19,949,751.87	147,148,283.31
		2	ABA SOUTH	148,337,537.12	5,006,659.22	(1,483,375.37)	11,302,838.85	49,186,688.16	35,065,084.17	247,415,432.14
		3	AROCHUKWU	104,371,789.50	3,760,042.22	(1,043,717.89)	7,952,791.59	34,608,250.63	22,946,310.93	172,595,466.97
		4	BENDE	106,343,549.44	3,769,730.58	(1,063,435.49)	8,103,033.29	35,262,059.12	23,992,894.47	176,407,831.42
		5	IKWUANO	96,793,457.39	3,302,560.64	(967,934.57)	7,375,347.28	32,095,379.88	21,407,228.74	160,006,039.35
		6	ISIALA NGWA NORTH	99,962,622.34	3,394,147.22	(999,626.22)	7,616,827.36	33,146,231.41	22,159,306.87	165,279,508.98
		7	ISIALA NGWA SOUTH	96,990,518.20	3,308,564.35	(969,905.18)	7,390,362.67	32,160,722.53	21,252,857.07	160,133,119.64
		8	ISUIKWUATO	94,571,803.23	3,482,817.84	(945,718.03)	7,206,064.44	31,358,709.90	20,282,002.13	155,955,679.50
		9	UMU-NNEOCHI	102,029,508.13	3,430,499.53	(1,020,295.08)	7,774,317.35	33,831,582.33	22,646,358.80	168,691,971.05
		10	OBI NGWA	103,539,305.95	3,636,457.88	(1,035,393.06)	7,889,359.04	34,332,210.53	23,483,004.51	171,844,944.86
		11	OHAFIA	113,228,513.02	4,056,246.14	(1,132,285.13)	8,627,645.17	37,545,018.40	26,526,720.75	188,851,858.36
		12	OSISIOMA NGWA	109,018,929.49	3,713,851.97	(1,090,189.29)	8,306,888.57	36,149,178.37	25,307,800.91	181,406,460.02
		13	UGWUNAGBO	83,249,259.24	2,892,543.74	(832,492.59)	6,343,323.34	27,604,309.96	18,761,505.69	138,018,449.39
		14	UKWA EAST	78,659,179.01	2,678,149.86	(786,591.79)	5,993,574.13	26,082,302.45	17,626,627.86	130,253,241.52
		15	UKWA WEST	81,907,245.74	2,839,909.51	(819,072.46)	6,241,066.27	27,159,316.73	19,045,165.42	136,373,631.21
		16	UMUAHIA NORTH	122,097,290.17	4,098,759.84	(1,220,972.90)	9,303,417.20	40,485,782.99	25,356,916.99	200,121,194.29
		17	UMUAHIA SOUTH	105,499,221.19	3,270,410.63	(1,054,992.21)	8,038,698.22	34,982,091.48	21,434,796.81	172,170,226.12
	ABIA Total			**1,735,511,398.16**	**59,560,662.54**	(17,355,113.98)	132,240,335.37	575,471,722.07	**387,244,333.98**	2,872,673,338.13
		1	DEMSA	108,192,894.48	3,833,250.20	(1,081,928.94)	8,243,947.38	35,875,276.51	23,472,138.04	178,535,577.67
		2	FURORE	132,173,568.09	4,708,533.48	(1,321,735.68)	10,071,196.88	43,826,938.23	24,763,872.00	214,222,372.99
		3	GANYE	112,545,830.18	3,957,403.71	(1,125,458.30)	8,575,626.96	37,318,650.15	22,699,849.69	183,971,902.39
		4	GIREI	98,535,496.03	3,632,670.85	(985,354.96)	7,508,084.97	32,673,015.95	21,070,992.08	162,434,904.91
		5	GOMBI	97,504,404.03	3,496,422.30	(975,044.04)	7,429,519.10	32,331,120.01	21,856,180.57	161,642,601.98
		6	GUYUK	104,246,258.22	3,712,999.34	(1,042,462.58)	7,943,226.51	34,566,626.18	23,354,316.76	172,780,964.43
		7	HONG	113,549,170.04	4,045,219.41	(1,135,491.70)	8,652,078.20	37,651,343.86	22,940,604.51	185,702,924.31
		8	JADA	118,781,904.07	4,056,138.80	(1,187,819.04)	9,050,795.54	39,386,446.53	22,909,405.29	192,996,871.18
		9	YOLA NORTH	99,693,544.96	3,631,846.18	(996,935.45)	7,596,324.54	33,057,009.05	24,331,956.22	167,313,745.50
		10	LAMURDE	92,469,140.78	3,350,747.75	(924,691.41)	7,045,848.39	30,661,495.94	20,249,587.64	152,852,129.09
2	ADAMAWA	11	MADAGALI	93,969,322.93	3,314,122.40	(939,693.23)	7,160,157.40	31,158,935.72	21,301,856.79	155,964,702.02
		12	MAIHA	92,002,016.75	3,323,162.04	(920,020.17)	7,010,255.05	30,506,604.03	20,173,715.71	152,095,733.41
		13	MAYO-BELWA	106,678,316.47	3,741,797.55	(1,066,783.16)	8,128,541.46	35,373,063.26	22,176,295.14	175,031,230.71
		14	MICHIKA	103,418,309.69	3,587,904.69	(1,034,183.10)	7,880,139.52	34,292,089.83	22,280,117.37	170,424,378.00
		15	MUBI NORTH	98,685,950.82	3,476,153.50	(986,859.51)	7,519,549.14	32,722,904.69	22,078,015.19	163,495,713.82
		16	MUBI SOUTH	91,938,296.50	3,279,722.60	(919,382.97)	7,005,399.78	30,485,475.27	21,020,442.64	152,809,953.83
		17	NUMAN	87,374,205.19	3,076,525.78	(873,742.05)	6,657,630.83	28,972,085.33	19,194,642.90	144,401,347.99
		18	SHELLENG	98,980,590.48	3,472,153.87	(989,805.90)	7,541,999.72	32,820,603.14	21,982,315.26	163,807,856.57
		19	SONG	124,588,642.72	4,414,834.74	(1,245,886.43)	9,493,250.18	41,311,881.24	24,066,786.69	202,629,509.15
		20	TOUNGO	106,745,165.47	3,658,607.90	(1,067,451.65)	8,133,635.13	35,395,229.47	17,346,435.14	170,211,621.46
		21	YOLA SOUTH	107,025,526.82	3,887,075.07	(1,070,255.27)	8,154,997.76	35,488,193.44	24,158,043.23	177,643,581.05
	ADAMAWA Total			**2,189,098,554.71**	**77,657,292.17**	(21,890,985.55)	166,802,204.43	725,874,987.85	**463,427,568.85**	3,600,969,622.46
		1	ABAK	99,330,806.61	3,358,943.42	(993,308.07)	7,568,685.05	32,936,730.00	24,995,788.49	167,197,645.50
		2	EASTERN OBOLO	77,557,342.77	2,677,020.49	(775,573.43)	5,909,617.78	25,716,948.70	21,242,946.80	132,328,303.11
		3	EKET	102,397,664.17	3,540,602.19	(1,023,976.64)	7,802,369.64	33,953,657.81	26,594,784.66	173,265,101.83
		4	NSIT ATAI	78,499,440.24	2,827,861.88	(784,994.40)	5,981,402.55	26,029,335.28	21,914,327.39	134,467,372.94
		5	ESSIEN UDIM	105,490,357.71	3,626,685.43	(1,054,903.58)	8,038,022.85	34,979,152.47	27,555,653.94	178,634,968.82
		6	ETIM EKPO	91,946,729.89	3,079,461.48	(919,467.30)	7,006,042.37	30,488,271.67	23,386,997.76	154,988,035.88
		7	ETINAN	104,283,605.57	3,508,972.42	(1,042,836.06)	7,946,072.26	34,579,010.05	26,438,406.30	175,713,230.55

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
19	KANO	26	KUNCHI	94,124,779.23	2,829,003.46	(941,247.79)	7,172,002.66	31,210,482.89	21,366,267.02	155,761,287.46
		27	KURA	92,179,567.90	3,039,191.91	(921,795.68)	7,023,783.88	30,565,477.55	22,970,805.47	154,857,031.04
		28	MADOBI	92,263,010.95	2,909,293.55	(922,630.11)	7,030,141.96	30,593,146.12	22,589,630.24	154,462,592.72
		29	MAKODA	109,346,979.19	3,531,723.83	(1,093,469.79)	8,331,884.89	36,257,955.14	26,687,861.21	183,062,934.48
		30	MINJIBIR	110,202,398.16	3,544,826.85	(1,102,023.98)	8,397,065.04	36,541,600.31	26,276,728.99	183,860,595.37
		31	NASSARAWA	190,537,025.63	6,175,512.76	(1,905,370.26)	14,518,302.90	63,179,458.44	44,569,843.42	317,074,772.91
		32	RANO	95,435,789.24	3,052,076.64	(954,357.89)	7,271,897.37	31,645,195.79	23,010,843.68	159,461,444.83
		33	RIMIN GADO	94,450,037.46	2,972,113.46	(944,500.37)	7,196,786.29	31,318,334.05	21,068,703.80	156,061,474.68
		34	ROGO	113,059,087.18	3,690,973.68	(1,130,590.87)	8,614,735.47	37,488,839.12	26,943,140.64	188,666,185.23
		35	SHANONO	93,284,644.25	3,050,408.75	(932,846.44)	7,107,987.11	30,931,905.68	22,779,978.97	156,222,078.30
		36	SUMAILA	118,068,770.30	3,834,070.71	(1,180,687.70)	8,996,457.07	39,149,981.18	28,181,506.25	197,050,097.80
		37	TAKAI	103,683,307.98	3,405,326.08	(1,036,833.08)	7,900,331.53	34,379,959.62	25,748,731.06	174,080,823.20
		38	TARAUNI	107,815,464.19	3,432,571.21	(1,078,154.64)	8,215,188.42	35,750,125.82	26,638,554.01	180,773,749.01
		39	TOFA	84,878,103.94	2,838,858.40	(848,781.04)	6,467,436.02	28,144,412.47	20,731,580.15	142,211,609.94
		40	TSANYAWA	93,581,123.97	3,120,109.01	(935,811.24)	7,130,577.90	31,030,214.28	23,595,697.78	157,521,911.70
		41	TUDUN WADA	115,388,849.54	3,656,589.38	(1,153,888.50)	8,792,255.80	38,261,356.29	27,134,253.82	192,079,416.34
		42	UNGOGO	134,909,375.48	4,382,736.73	(1,349,093.75)	10,279,656.52	44,734,094.35	33,723,597.28	226,680,366.61
		43	WARAWA	88,042,124.52	2,876,802.73	(880,421.25)	6,708,524.12	29,193,558.20	22,215,239.53	148,155,827.86
		44	WUDIL	103,525,282.63	3,315,443.11	(1,035,252.83)	7,888,290.51	34,327,560.59	24,910,030.88	172,931,354.89
	KANO Total			**4,778,562,858.76**	**153,575,895.59**	(47,785,628.59)	364,110,979.45	1,584,505,754.47	**1,155,065,039.18**	7,988,034,898.86
20	KATSINA	1	BAKORI	105,196,836.62	3,399,378.09	(1,051,968.37)	8,015,657.50	34,881,824.91	21,998,420.82	172,440,149.58
		2	BATAGARAWA	108,399,172.69	3,579,228.54	(1,083,991.73)	8,259,665.11	35,943,675.53	23,680,407.89	178,778,158.04
		3	BATSARI	117,928,059.39	3,848,750.57	(1,179,280.59)	8,985,735.35	39,103,323.37	24,846,341.61	193,532,929.70
		4	BAURE	110,569,283.84	3,686,532.35	(1,105,692.84)	8,425,020.54	36,663,254.56	24,294,358.98	182,532,757.43
		5	BINDAWA	103,406,406.14	3,245,945.88	(1,034,064.06)	7,879,232.51	34,288,142.78	22,141,039.03	169,926,702.28
		6	CHARANCHI	96,724,772.57	3,202,715.95	(967,247.73)	7,370,113.72	32,072,604.94	21,436,643.64	159,839,603.08
		7	DAN-MUSA	97,041,307.50	3,033,773.22	(970,413.08)	7,394,232.65	32,177,563.57	20,293,691.28	158,970,155.15
		8	DANDUME	103,902,114.32	3,389,912.04	(1,039,021.14)	7,917,003.86	34,452,512.80	21,824,890.06	170,447,411.93
		9	DANJA	97,455,243.13	3,114,725.97	(974,552.43)	7,425,773.20	32,314,818.93	20,867,604.15	160,203,612.96
		10	DAURA	117,501,157.90	3,700,162.41	(1,175,011.58)	8,953,206.84	38,961,768.71	25,359,623.83	193,300,908.10
		11	DUTSI	96,975,715.68	3,147,795.06	(969,757.16)	7,389,234.77	32,155,814.22	20,596,223.44	159,295,026.01
		12	DUTSINMA	107,708,205.85	3,474,507.91	(1,077,082.06)	8,207,015.68	35,714,560.43	22,968,320.20	176,995,528.01
		13	FASKARI	117,377,527.04	3,852,574.59	(1,173,775.27)	8,943,786.57	38,920,774.41	24,227,947.15	192,148,834.49
		14	FUNTUA	117,103,073.66	3,823,980.02	(1,171,030.74)	8,922,874.12	38,829,769.44	25,639,126.85	193,147,793.35
		15	INGAWA	102,260,890.72	3,453,403.64	(1,022,608.91)	7,791,947.95	33,908,305.61	22,972,238.02	169,364,177.02
		16	JIBIA	115,204,593.87	3,612,346.75	(1,152,045.94)	8,778,216.12	38,200,259.64	22,971,999.12	187,615,369.58
		17	KAFUR	118,924,109.75	3,845,491.47	(1,189,241.10)	9,061,631.16	39,433,599.98	24,555,180.68	194,630,771.94
		18	KAITA	113,843,069.29	3,636,863.81	(1,138,430.69)	8,674,472.36	37,748,796.81	23,672,094.47	186,436,866.05
		19	KANKARA	124,841,910.58	4,076,004.66	(1,248,419.11)	9,512,548.37	41,395,861.38	26,602,719.49	205,180,625.37
		20	KANKIA	99,414,421.21	3,453,263.90	(994,144.21)	7,575,056.21	32,964,455.45	22,096,987.44	164,510,040.01
		21	KATSINA	136,919,931.64	4,475,556.66	(1,369,199.32)	10,432,854.37	45,400,767.13	30,077,157.05	225,937,067.54
		22	KURFI	96,342,749.19	3,061,279.59	(963,427.49)	7,341,004.78	31,945,931.24	20,479,548.84	158,207,086.14
		23	KUSADA	91,018,358.62	2,922,333.10	(910,183.59)	6,935,303.50	30,180,436.52	19,604,537.16	149,750,785.32
		24	MAI'ADUA	110,722,469.02	3,705,746.95	(1,107,224.69)	8,436,692.75	36,714,048.66	24,473,670.91	182,945,403.61
		25	MALUMFASHI	110,182,152.62	3,534,771.14	(1,101,821.53)	8,395,522.40	36,534,887.17	23,601,334.82	181,146,846.61
		26	MANI	104,515,689.96	3,528,606.42	(1,045,156.90)	7,963,756.33	34,655,966.04	23,316,862.85	172,935,724.71
		27	MASHI	106,710,757.07	3,523,490.16	(1,067,107.57)	8,131,013.32	35,383,820.12	23,133,776.43	175,815,749.54

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
3	AKWA IBOM	8	IBENO	83,557,140.80	2,767,348.36	(835,571.41)	6,366,782.92	27,706,399.25	21,951,833.36	141,513,933.28
		9	IBESIKPO ASUTAN	96,970,952.99	3,341,796.76	(969,709.53)	7,388,871.87	32,154,234.98	24,900,757.46	163,786,904.53
		10	IBIONO IBOM	105,499,907.66	3,600,544.09	(1,054,999.08)	8,038,750.53	34,982,319.10	27,410,981.26	178,477,503.57
		11	IKA	81,195,650.24	2,732,810.45	(811,956.50)	6,186,845.00	26,923,361.45	21,835,206.54	138,061,917.18
		12	IKONO	96,039,863.95	3,306,533.38	(960,398.64)	7,317,925.90	31,845,498.65	24,652,453.66	162,201,876.92
		13	IKOT ABASI	96,066,941.77	3,289,055.46	(960,669.42)	7,319,989.15	31,854,477.29	24,658,139.28	162,227,933.52
		14	IKOT EKPENE	99,078,759.34	3,277,648.04	(990,787.59)	7,549,479.87	32,853,154.59	25,186,280.55	166,954,534.80
		15	INI	90,518,156.37	2,914,605.63	(905,181.56)	6,897,189.71	30,014,576.33	23,089,721.21	152,529,067.69
		16	ITU	92,423,597.50	3,147,454.74	(924,235.97)	7,042,378.14	30,646,394.41	24,419,725.59	156,755,314.40
		17	MBO	86,271,934.38	3,047,832.49	(862,719.34)	6,573,641.38	28,606,587.48	23,319,821.48	146,957,097.86
		18	MKPAT ENIN	107,184,648.05	3,509,376.50	(1,071,846.48)	8,167,122.28	35,540,955.86	26,856,561.94	180,186,818.14
		19	NSIT IBOM	89,437,652.83	3,056,110.18	(894,376.53)	6,814,858.85	29,656,296.20	23,539,553.85	151,610,095.39
		20	NSIT UBIUM	94,103,322.96	3,221,326.70	(941,033.23)	7,170,367.77	31,203,368.28	24,476,963.99	159,234,316.48
		21	OBOT AKARA	97,881,123.82	3,383,835.12	(978,811.24)	7,458,223.93	32,456,035.12	25,434,918.79	165,635,325.54
		22	OKOBO	84,131,387.82	2,972,073.36	(841,313.88)	6,410,538.68	27,896,811.67	23,321,971.50	143,891,469.15
		23	ONNA	87,849,535.11	3,117,392.95	(878,495.35)	6,693,849.43	29,129,698.20	24,244,857.03	150,156,837.37
		24	ORON	89,982,631.18	2,888,933.47	(899,826.31)	6,856,384.43	29,837,003.53	22,529,042.93	151,194,169.23
		25	ORUK ANAM	106,019,473.21	3,582,413.75	(1,060,194.73)	8,078,339.74	35,154,599.90	26,599,419.16	178,374,051.02
		26	UDUNG UKO	78,974,616.67	2,719,291.49	(789,746.17)	6,017,609.45	26,186,897.25	20,895,837.49	134,004,506.20
		27	UKANAFUN	96,902,499.66	3,237,576.06	(969,025.00)	7,383,655.95	32,131,536.80	24,419,725.59	163,105,969.06
		28	ESIT EKET	79,002,740.54	2,720,171.89	(790,027.41)	6,019,752.40	26,196,222.74	21,393,830.66	134,542,690.82
		29	URUAN	103,032,256.59	3,228,821.33	(1,030,322.57)	7,850,723.53	34,164,079.93	24,002,477.75	171,248,036.55
		30	URUE OFFONG/ORUK	85,254,120.10	2,659,539.85	(852,541.20)	6,496,087.23	28,269,094.26	21,750,161.18	143,576,461.42
		31	UYO	128,865,759.83	4,314,199.41	(1,288,657.60)	9,819,152.62	42,730,114.48	33,141,175.43	217,581,744.18
	AKWA IBOM Total			**2,915,750,620.34**	**98,656,238.79**	(29,157,506.20)	222,170,733.25	966,822,823.74	**756,160,323.01**	4,930,403,232.93
4	ANAMBRA	1	AGUATA	144,945,334.82	5,009,893.62	(1,449,453.35)	11,044,364.05	48,061,880.51	33,052,030.49	240,664,050.13
		2	ANAMBRA EAST	95,324,301.67	3,408,833.74	(953,243.02)	7,263,402.38	31,608,228.04	22,691,737.37	159,343,260.19
		3	ANAMBRA WEST	98,061,749.74	3,786,628.86	(980,617.50)	7,471,987.04	32,515,928.19	23,364,694.65	164,220,370.97
		4	ANAOCHA	118,526,754.69	4,497,863.61	(1,185,267.55)	9,031,353.99	39,301,842.50	28,982,753.16	199,155,300.41
		5	AWKA NORTH	90,017,214.19	3,293,906.95	(900,172.14)	6,859,019.54	29,848,470.79	20,746,061.89	149,864,501.21
		6	AWKA SOUTH	103,629,886.22	3,827,313.49	(1,036,298.86)	7,896,260.96	34,362,245.70	24,398,282.49	173,077,690.00
		7	AYAMELUM	96,041,527.07	3,511,847.69	(960,415.27)	7,318,052.63	31,846,050.12	22,934,403.33	160,691,465.56
		8	DUNUKOFIA	85,873,058.53	3,376,430.19	(858,730.59)	6,543,248.33	28,474,325.74	19,970,811.29	143,379,143.49
		9	EKWUSIGO	95,378,128.69	3,583,475.93	(953,781.29)	7,267,503.83	31,626,076.34	22,925,851.01	159,827,254.51
		10	IDEMILI NORTH	150,891,637.80	5,610,243.33	(1,508,916.38)	11,497,453.03	50,033,592.83	35,947,920.68	252,471,931.30
		11	IDEMILI SOUTH	104,869,870.52	3,705,342.08	(1,048,698.71)	7,990,743.74	34,773,407.45	25,288,583.22	175,579,248.31
		12	IHIALA	128,213,945.79	4,904,515.48	(1,282,139.46)	9,769,486.51	42,513,981.91	29,802,437.58	213,922,227.81
		13	NJIKOKA	94,204,524.37	3,656,623.71	(942,045.24)	7,178,078.99	31,236,925.28	22,459,248.19	157,793,355.29
		14	NNEWI NORTH	93,404,346.46	3,495,390.32	(934,043.46)	7,117,108.03	30,971,597.28	22,894,221.78	156,948,620.40
		15	NNEWI SOUTH	112,105,668.64	4,161,838.21	(1,121,056.69)	8,542,088.07	37,172,698.64	26,529,624.42	187,390,861.29
		16	OGBARU	107,120,138.79	3,837,275.39	(1,071,201.39)	8,162,206.88	35,519,565.47	25,966,843.89	179,534,829.03
		17	ONITSHA NORTH	89,737,087.94	3,342,879.16	(897,370.88)	6,837,674.83	29,755,584.77	21,335,359.37	150,111,215.20
		18	ONITSHA SOUTH	92,983,966.87	3,520,978.12	(929,839.67)	7,085,076.47	30,832,205.19	21,895,320.98	155,387,707.96
		19	ORUMBA NORTH	100,414,789.21	3,897,999.09	(1,004,147.89)	7,651,281.01	33,296,163.73	23,603,060.56	167,859,145.70
		20	ORUMBA SOUTH	101,617,227.67	3,839,784.88	(1,016,172.28)	7,742,902.92	33,694,875.79	24,309,844.86	170,188,463.85
		21	OYI	97,567,502.71	3,519,182.52	(975,675.03)	7,434,327.02	32,352,042.67	23,393,982.74	163,291,362.63
	ANAMBRA Total			**2,200,928,662.39**	**81,788,246.35**	(22,009,286.62)	167,703,620.24	729,797,688.93	**522,493,073.94**	3,680,702,005.23

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		28	MATAZU	89,884,026.56	2,996,139.59	(898,840.27)	6,848,871.08	29,804,307.60	20,371,761.01	149,006,265.57
		29	MUSAWA	107,551,924.61	3,474,560.39	(1,075,519.25)	8,195,107.56	35,662,739.72	23,065,931.25	176,874,744.29
		30	RIMI	97,018,309.33	3,246,189.00	(970,183.09)	7,392,480.27	32,169,937.69	22,207,355.30	161,064,088.50
		31	SABUWA	100,519,473.28	3,199,247.53	(1,005,194.73)	7,659,257.60	33,330,875.53	21,361,966.16	165,065,625.37
		32	SAFANA	107,855,331.16	3,450,724.32	(1,078,553.31)	8,218,226.15	35,763,345.16	23,642,376.37	177,851,449.85
		33	SANDAMU	104,532,133.62	3,394,037.69	(1,045,321.34)	7,965,009.29	34,661,418.54	21,421,067.91	170,928,345.71
		34	ZANGO	102,450,067.26	3,396,820.56	(1,024,500.67)	7,806,362.59	33,971,033.95	22,255,085.82	168,854,869.51
	KATSINA Total			**3,638,001,245.68**	**118,486,859.95**	(36,380,012.46)	277,203,886.60	1,206,311,202.54	**782,058,290.02**	5,985,681,472.33
21	KEBBI	1	ALIERU	82,028,064.51	2,541,244.37	(820,280.65)	6,250,272.27	27,199,378.58	18,030,217.22	135,228,896.29
		2	AREWA	134,030,610.46	4,198,710.95	(1,340,306.10)	10,212,697.48	44,442,707.95	23,670,779.31	215,215,200.05
		3	ARGUNGU	112,892,877.24	3,690,744.97	(1,128,928.77)	8,602,070.81	37,433,726.19	24,218,031.90	185,708,522.33
		4	AUGIE	93,212,082.10	3,082,520.46	(932,120.82)	7,102,458.11	30,907,845.07	20,481,912.62	153,854,697.53
		5	BAGUDO	124,140,322.99	3,921,236.65	(1,241,403.23)	9,459,089.67	41,163,224.58	26,240,630.43	203,683,101.10
		6	BIRNIN-KEBBI	151,878,176.85	4,844,896.85	(1,518,781.77)	11,572,624.11	50,360,715.62	27,702,789.57	244,840,421.23
		7	BUNZA	103,470,398.01	3,042,501.90	(1,034,703.98)	7,884,108.48	34,309,361.60	20,681,339.22	168,353,005.24
		8	DANDI KAMBA	109,922,270.97	3,473,999.03	(1,099,222.71)	8,375,720.26	36,448,713.98	21,771,257.67	178,892,739.20
		9	DANKO/WASAGU	136,557,965.44	4,248,812.77	(1,365,579.65)	10,405,273.72	45,280,744.12	27,549,086.80	222,676,303.19
		10	FAKAI	95,086,316.57	3,098,489.89	(950,863.17)	7,245,268.69	31,529,315.45	20,669,442.42	156,677,969.86
		11	GWANDU	100,435,966.32	3,218,858.61	(1,004,359.66)	7,652,894.64	33,303,185.77	22,093,570.04	165,700,115.72
		12	JEGA	110,802,702.03	3,640,836.21	(1,108,027.02)	8,442,806.25	36,740,652.82	24,116,168.57	182,635,138.87
		13	KALGO	92,212,050.95	3,025,374.62	(922,120.51)	7,026,258.98	30,576,248.48	18,958,549.48	150,876,362.01
		14	KOKO/BESSE	105,819,354.85	3,371,509.11	(1,058,193.55)	8,063,091.37	35,088,243.40	22,264,903.00	173,548,908.19
		15	MAIYAMA	122,422,974.18	3,804,253.22	(1,224,229.74)	9,328,233.27	40,593,775.33	23,272,117.23	198,197,123.48
		16	NGASKI	98,084,526.37	3,180,595.35	(980,845.26)	7,473,722.54	32,523,480.60	20,839,246.48	161,120,726.09
		17	SAKABA	96,659,242.19	3,042,448.29	(966,592.42)	7,365,120.52	32,050,875.96	19,175,176.27	157,326,270.80
		18	SHANGA	100,308,060.52	3,162,846.35	(1,003,080.61)	7,643,148.63	33,260,773.96	20,952,958.82	164,324,707.68
		19	SURU	121,359,335.07	3,873,451.33	(1,213,593.35)	9,247,187.42	40,241,087.22	22,055,872.97	195,563,340.66
		20	YAURI	93,256,258.25	2,981,651.26	(932,562.58)	7,105,824.19	30,922,493.27	19,645,314.68	152,978,979.07
		21	ZURU	111,389,738.40	3,293,863.93	(1,113,897.38)	8,487,536.51	36,935,306.01	22,787,693.10	181,780,240.58
	KEBBI Total			**2,295,969,294.28**	**72,738,846.13**	(22,959,692.94)	174,945,407.90	761,311,855.97	**467,177,057.79**	3,749,182,769.13
22	KOGI	1	ADAVI	118,980,231.17	3,614,552.22	(1,189,802.31)	9,065,907.43	39,452,209.07	24,800,065.19	194,723,162.77
		2	AJAOKUTA	105,205,374.35	3,380,421.39	(1,052,053.74)	8,016,308.05	34,884,655.91	20,983,869.49	171,418,575.44
		3	ANKPA	132,774,280.69	4,124,411.31	(1,327,742.81)	10,116,969.23	44,026,126.27	27,913,251.07	217,627,295.74
		4	BASSA	105,129,315.99	3,479,182.25	(1,051,293.16)	8,010,512.65	34,859,436.00	21,828,207.50	172,255,361.23
		5	DEKINA	143,744,428.93	4,523,214.14	(1,437,444.29)	10,952,858.91	47,663,676.62	27,576,844.10	233,023,578.41
		6	IBAJI	111,762,345.29	3,310,355.93	(1,117,623.45)	8,515,927.95	37,058,857.33	21,261,365.82	180,791,228.87
		7	IDAH	93,778,757.19	2,584,531.81	(937,787.57)	7,145,636.91	31,095,746.74	18,953,005.31	152,619,890.38
		8	IGALAMELA-ODOLU	109,890,102.87	3,477,628.37	(1,098,901.03)	8,373,269.15	36,438,047.49	22,211,723.87	179,291,870.73
		9	IJUMU	107,769,650.27	3,411,655.68	(1,077,696.50)	8,211,697.55	35,734,934.55	20,869,583.81	174,919,825.35
		10	KABBA/BUNU	113,936,971.34	3,687,552.53	(1,139,369.71)	8,681,627.40	37,779,933.44	22,088,742.54	185,035,457.53
		11	KOGI	100,297,419.24	3,152,912.76	(1,002,974.19)	7,642,337.80	33,257,245.46	20,677,085.06	164,024,026.12
		12	KOTON KARFE	128,050,445.81	4,112,653.34	(1,280,504.46)	9,757,028.34	42,459,767.56	24,468,818.27	207,568,208.86
		13	MOPA-MURO	84,520,936.01	2,656,648.92	(845,209.36)	6,440,220.98	28,025,980.50	17,243,593.50	138,042,170.55
		14	OFU	122,880,750.22	3,654,343.87	(1,228,807.50)	9,363,114.32	40,745,567.57	24,321,087.79	199,736,056.27
		15	OGORI/MAGONGO	82,054,894.87	2,529,936.07	(820,548.95)	6,252,316.65	27,208,275.15	17,032,652.33	134,257,526.12
		16	OKEHI	118,960,897.27	3,542,481.76	(1,189,608.97)	9,064,434.25	39,445,798.21	24,695,191.83	194,519,194.34
		17	OKENE	148,779,875.23	4,314,562.58	(1,487,798.75)	11,336,543.58	49,333,361.39	30,441,057.28	242,717,601.31

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
5	BAUCHI	1	ALKALERI	164,509,359.82	5,377,823.74	(1,645,093.60)	12,535,079.25	54,549,042.26	30,881,470.06	266,207,681.52
		2	BAUCHI	198,662,376.99	6,200,630.79	(1,986,623.77)	15,137,428.30	65,873,713.26	38,735,552.75	322,623,078.31
		3	BOGORO	86,884,288.33	2,926,285.57	(868,842.88)	6,620,300.76	28,809,635.64	19,165,802.29	143,537,469.70
		4	DAMBAN	102,683,033.11	3,311,080.68	(1,026,830.33)	7,824,113.83	34,048,282.22	22,352,948.97	169,192,628.48
		5	DARAZO	130,257,656.93	4,288,954.30	(1,302,576.57)	9,925,210.66	43,191,648.42	27,163,028.75	213,523,922.50
		6	DASS	86,254,634.99	2,831,518.77	(862,546.35)	6,572,323.22	28,600,851.25	19,439,476.36	142,836,258.23
		7	GAMAWA	137,608,223.45	4,511,323.28	(1,376,082.23)	10,485,299.97	45,628,995.24	28,825,283.38	225,683,043.09
		8	GANJUWA	138,911,491.92	4,660,258.53	(1,389,114.92)	10,584,604.80	46,061,141.14	27,109,087.05	225,937,468.53
		9	GIADE	97,708,858.14	3,250,337.64	(977,088.58)	7,445,097.84	32,398,914.18	22,641,864.31	162,467,983.54
		10	ITAS/GADAU	111,905,158.86	3,763,325.31	(1,119,051.59)	8,526,809.88	37,106,212.35	26,130,969.81	186,313,424.63
		11	JAMA'ARE	86,588,673.34	2,957,840.99	(865,886.73)	6,597,775.86	28,711,613.77	20,774,401.90	144,764,419.13
		12	KATAGUM	134,091,583.86	4,299,534.25	(1,340,915.84)	10,217,343.45	44,462,925.89	29,283,095.00	221,013,566.62
		13	KIRFI	110,283,928.86	3,479,955.11	(1,102,839.29)	8,403,277.42	36,568,634.77	22,195,089.48	179,828,046.36
		14	MISAU	128,776,951.13	4,022,745.59	(1,287,769.51)	9,812,385.69	42,700,666.74	27,731,112.67	211,756,092.29
		15	NINGI	165,024,815.77	5,458,349.60	(1,650,248.16)	12,574,355.32	54,719,960.36	33,641,526.56	269,768,759.47
		16	SHIRA	123,715,826.36	3,855,616.83	(1,237,158.26)	9,426,744.41	41,022,467.34	26,322,943.00	203,106,439.67
		17	TAFAWA BALEWA	121,684,001.81	4,080,016.35	(1,216,840.02)	9,271,925.97	40,348,742.25	25,652,804.64	199,820,651.01
		18	TORO	171,125,395.65	5,757,791.07	(1,711,253.96)	13,039,199.70	56,742,828.79	31,883,858.67	276,837,819.92
		19	WARJI	95,241,204.81	3,102,046.09	(952,412.05)	7,257,070.67	31,580,674.26	20,623,279.16	156,851,862.94
		20	ZAKI	106,572,120.91	3,588,275.02	(1,065,721.21)	8,120,449.70	35,337,850.28	24,289,642.13	176,842,616.83
	BAUCHI Total			**2,498,489,585.04**	**81,723,709.51**	(24,984,895.85)	190,376,796.71	828,464,800.40	**524,843,236.95**	4,098,913,232.75
6	BAYELSA	1	BRASS	121,020,556.69	4,303,568.66	(1,210,205.57)	9,221,373.61	40,128,752.96	26,895,876.58	200,359,922.94
		2	EKEREMOR	138,932,226.61	4,942,894.03	(1,389,322.27)	10,586,184.72	46,068,016.49	30,966,969.48	230,106,969.06
		3	KOLOKUMA/OPKUMA	92,459,544.06	3,366,285.13	(924,595.44)	7,045,117.15	30,658,313.80	21,747,430.92	154,352,095.62
		4	NEMBE	114,006,795.02	3,894,136.18	(1,140,067.95)	8,686,947.73	37,803,086.01	24,310,210.85	187,561,107.85
		5	OGBIA	119,811,201.95	4,292,115.14	(1,198,112.02)	9,129,224.70	39,727,747.56	26,651,108.38	198,413,285.71
		6	SAGBAMA	117,793,010.43	4,324,704.57	(1,177,930.10)	8,975,445.06	39,058,542.99	26,996,067.66	195,969,840.61
		7	SOUTHERN IJAW	162,739,101.75	5,880,093.95	(1,627,391.02)	12,400,191.33	53,962,049.02	33,315,559.32	266,669,604.35
		8	YENAGOA	150,214,273.48	5,261,143.76	(1,502,142.73)	11,445,840.07	49,808,988.14	34,936,724.62	250,164,827.33
	BAYELSA Total			**1,016,976,710.01**	36,264,941.42	(10,169,767.10)	77,490,324.37	337,215,496.96	**225,819,947.80**	1,683,597,653.47
7	BENUE	1	ADO	119,693,509.51	4,173,263.55	(1,196,935.10)	9,120,256.92	39,688,722.36	23,367,130.90	194,845,948.14
		2	AGATU	105,611,411.55	3,515,660.09	(1,056,114.12)	8,047,246.76	35,019,292.26	20,339,945.95	171,477,442.50
		3	APA	102,263,245.41	3,604,701.09	(1,022,632.45)	7,792,127.37	33,909,086.39	19,443,720.70	165,990,248.51
		4	BURUKU	121,231,740.75	4,085,022.75	(1,212,317.41)	9,237,465.15	40,198,778.70	24,553,895.95	198,094,585.89
		5	GBOKO	157,339,924.37	5,447,472.72	(1,573,399.24)	11,988,791.54	52,171,756.02	31,969,803.90	257,344,349.30
		6	GUMA	128,548,690.78	4,296,864.49	(1,285,486.91)	9,794,992.99	42,624,978.74	23,974,727.46	207,954,767.57
		7	GWER EAST	121,940,432.86	4,018,294.61	(1,219,404.33)	9,291,465.19	40,433,771.26	22,639,228.58	197,103,788.17
		8	GWER WEST	104,789,815.73	3,599,316.10	(1,047,898.16)	7,984,643.83	34,746,862.38	20,656,333.81	170,729,073.69
		9	KATSINA ALA	132,376,564.89	4,583,462.46	(1,323,765.65)	10,086,664.57	43,894,249.18	25,557,096.79	215,174,272.25
		10	KONSHISHA	125,243,236.96	4,300,162.07	(1,252,432.37)	9,543,128.14	41,528,935.70	25,602,677.29	204,965,707.78
		11	KWANDE	143,395,148.01	4,767,316.38	(1,433,951.48)	10,926,244.84	47,547,859.87	26,702,772.51	231,905,390.13
		12	LOGO	110,119,027.24	3,829,463.55	(1,101,190.27)	8,390,712.45	36,513,955.66	22,897,995.82	180,649,964.46
		13	MAKURDI	132,278,834.08	4,481,549.27	(1,322,788.34)	10,079,217.80	43,861,842.98	29,029,623.22	218,408,279.02
		14	OBI	97,714,903.96	3,138,093.02	(977,149.04)	7,445,558.52	32,400,918.90	19,543,577.34	159,265,902.70
		15	OGBADIBO	102,651,574.30	3,558,563.74	(1,026,515.74)	7,821,716.77	34,037,850.92	20,969,854.98	168,013,044.96
		16	OHIMINI	93,630,754.47	3,207,784.97	(936,307.54)	7,134,359.58	31,046,671.07	18,235,742.09	152,319,004.63
		17	OJU	118,471,507.63	4,068,959.95	(1,184,715.08)	9,027,144.34	39,283,523.34	22,954,039.76	192,620,459.94

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		18	OLAMABORO	112,384,822.99	3,429,023.82	(1,123,848.23)	8,563,358.73	37,265,262.38	22,791,370.14	183,309,989.83
		19	OMALA	106,411,114.05	3,299,782.76	(1,064,111.14)	8,108,181.50	35,284,462.62	20,318,843.41	172,358,273.19
		20	YAGBA EAST	114,098,440.86	3,457,590.95	(1,140,984.41)	8,693,930.85	37,833,474.51	22,259,645.50	185,202,098.26
		21	YAGBA WEST	111,641,383.78	3,315,327.40	(1,116,413.84)	8,506,711.08	37,018,748.16	21,835,708.70	181,201,465.27
	KOGI Total			**2,373,052,438.40**	**73,058,769.85**	(23,730,524.38)	180,818,893.29	786,871,566.93	**474,571,712.49**	3,864,642,856.58
23	KWARA	1	ASA	96,419,360.87	3,699,213.79	(964,193.61)	7,346,842.34	31,971,334.62	21,299,479.51	159,772,037.51
		2	BARUTEN	158,556,052.34	6,059,805.52	(1,585,560.52)	12,081,456.54	52,575,007.33	25,266,224.61	252,952,985.82
		3	EDU	121,523,259.51	4,616,698.03	(1,215,232.60)	9,259,677.93	40,295,442.31	24,884,476.04	199,364,321.23
		4	EKITI	74,004,961.18	3,042,554.95	(740,049.61)	5,638,937.83	24,539,027.80	17,879,270.31	124,364,702.46
		5	IFELODUN	128,406,331.68	4,796,240.72	(1,284,063.32)	9,784,145.69	42,577,774.42	25,102,966.18	209,383,395.37
		6	ILORIN EAST	110,363,608.03	4,077,946.14	(1,103,636.08)	8,409,348.71	36,595,055.29	25,020,214.18	183,362,536.26
		7	ILORIN SOUTH	111,553,020.65	3,927,822.62	(1,115,530.21)	8,499,978.09	36,989,448.16	25,229,530.88	185,084,270.19
		8	ILORIN WEST	131,545,485.67	5,056,739.64	(1,315,454.86)	10,023,339.03	43,618,674.73	32,681,750.34	221,610,534.55
		9	IREPODUN	95,098,762.13	3,747,549.15	(950,987.62)	7,246,217.00	31,533,442.23	22,358,963.18	159,033,946.06
		10	KAI AMA	126,464,911.82	4,918,799.00	(1,264,649.12)	9,636,215.80	41,934,026.28	21,190,975.00	202,880,278.78
		11	MORO	100,252,446.96	4,005,173.40	(1,002,524.47)	7,638,911.06	33,242,333.27	20,456,527.06	164,592,867.27
		12	OFFA	89,047,513.30	3,327,619.78	(890,475.13)	6,785,131.48	29,526,931.30	19,543,101.63	147,339,822.35
		13	OKE-ERO	74,507,553.51	2,949,110.36	(745,075.54)	5,677,233.74	24,705,680.51	18,011,568.41	125,106,070.99
		14	ISIN	74,191,605.70	3,087,929.78	(741,916.06)	5,653,159.54	24,600,916.56	18,112,810.61	124,904,506.14
		15	OYUN	84,714,471.36	3,426,473.39	(847,144.71)	6,454,967.75	28,090,154.16	19,761,878.44	141,600,800.38
		16	PATEGI	102,533,825.82	4,012,034.47	(1,025,338.26)	7,812,744.72	33,998,807.14	20,624,945.55	167,957,019.44
	KWARA Total			**1,679,183,170.50**	**64,751,710.72**	(16,791,831.71)	127,948,307.25	556,794,056.10	**357,424,681.94**	2,769,310,094.81
24	LAGOS	1	AGEGE	143,886,984.91	5,563,649.31	(1,438,869.85)	10,963,721.22	47,710,946.22	171,612,091.40	378,298,523.21
		2	AJEROMI/IFELODUN	184,947,701.71	7,297,722.02	(1,849,477.02)	14,092,414.56	61,326,115.46	182,322,360.52	448,136,837.26
		3	ALIMOSHO	298,263,437.80	10,849,356.55	(2,982,634.38)	22,726,705.85	98,900,055.84	210,683,986.03	638,440,907.68
		4	AMUWO-ODOFIN	116,574,327.72	4,727,574.44	(1,165,743.28)	8,882,585.39	38,654,444.56	164,838,419.28	332,511,608.11
		5	APAPA	98,009,407.33	3,968,615.60	(980,094.07)	7,467,998.72	32,498,572.16	160,022,176.10	300,986,675.84
		6	BADAGRY	109,570,901.65	4,413,099.28	(1,095,709.02)	8,348,947.06	36,332,204.75	161,156,002.81	318,725,446.52
		7	EPE	100,602,828.01	4,456,026.17	(1,006,028.28)	7,665,608.96	33,358,514.81	158,304,403.09	303,381,352.76
		8	ETI-OSA	121,366,608.92	4,566,323.28	(1,213,666.09)	9,247,741.66	40,243,499.13	163,386,866.92	337,597,373.82
		9	IBEJU-LEKKI	81,040,923.62	3,387,579.82	(810,409.24)	6,175,055.34	26,872,056.23	155,250,032.29	271,915,238.06
		10	IFAKO/IJAYE	138,182,933.90	5,320,174.17	(1,381,829.34)	10,529,091.05	45,819,561.32	170,080,271.51	368,550,202.61
		11	IKEJA	119,452,310.47	4,573,970.73	(1,194,523.10)	9,101,878.34	39,608,744.08	164,600,961.16	336,143,341.67
		12	IKORODU	164,241,002.28	6,294,736.11	(1,642,410.02)	12,514,631.28	54,460,058.58	175,227,952.71	411,095,970.94
		13	KOSOFE	177,698,151.97	6,692,021.88	(1,776,981.52)	13,540,022.40	58,922,264.43	181,428,333.08	436,503,812.25
		14	LAGOS ISLAND	95,657,662.75	4,051,020.42	(956,576.63)	7,288,803.41	31,718,765.99	159,643,533.12	297,403,209.06
		15	LAGOS MAINLAND	115,426,332.94	4,724,007.86	(1,154,263.33)	8,795,111.92	38,273,785.27	164,817,110.16	330,882,084.82
		16	MUSHIN	172,801,892.37	6,840,598.22	(1,728,018.92)	13,166,943.31	57,298,732.05	179,881,080.80	428,261,227.82
		17	OJO	167,672,960.14	6,600,788.63	(1,676,729.60)	12,776,135.33	55,598,048.63	178,211,802.75	419,183,005.88
		18	OSHODI/ISOLO	171,208,114.45	6,648,058.45	(1,712,081.14)	13,045,502.61	56,770,257.20	179,331,630.41	425,291,481.98
		19	SHOMOLU	132,413,467.76	5,565,420.50	(1,324,134.68)	10,089,476.45	43,906,485.66	168,876,019.60	359,526,735.30
		20	SURULERE	151,464,158.42	5,922,766.82	(1,514,641.58)	11,541,077.25	50,223,432.80	173,716,056.37	391,352,850.08
	LAGOS Total			**2,860,482,109.12**	**112,463,510.28**	(28,604,821.09)	217,959,452.08	948,496,545.18	**3,423,391,090.11**	7,534,187,885.70
		1	AKWANGA	99,103,194.82	3,270,588.50	(991,031.95)	7,551,341.77	32,861,257.06	20,576,297.39	162,371,647.60
		2	AWE	111,707,195.21	3,702,860.01	(1,117,071.95)	8,511,725.69	37,040,570.33	20,535,399.17	180,380,678.46
		3	DOMA	114,378,251.72	3,797,133.03	(1,143,782.52)	8,715,251.53	37,926,255.95	21,826,989.80	185,500,099.51
		4	KARU	134,950,749.94	4,232,041.92	(1,349,507.50)	10,282,809.12	44,747,813.55	24,974,146.05	217,838,053.08

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Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		18	OKPOKWU	111,019,841.01	3,867,743.84	(1,110,198.41)	8,459,351.53	36,812,653.12	23,260,346.41	182,309,737.51
		19	OTUKPO	130,024,669.69	4,990,674.43	(1,300,246.70)	9,907,457.79	43,114,393.06	27,322,409.21	214,059,357.49
		20	TARKA	90,117,205.38	3,089,636.56	(901,172.05)	6,866,638.54	29,881,626.49	18,618,541.78	147,672,476.70
		21	UKUM	123,219,358.39	4,347,260.73	(1,232,193.58)	9,388,915.16	40,857,845.38	25,184,999.44	201,766,185.52
		22	USHONGO	119,980,923.32	3,992,370.32	(1,199,809.23)	9,142,156.92	39,784,024.83	23,819,065.78	195,518,731.94
		23	VANDEIKYA	127,081,027.52	4,234,205.78	(1,270,810.28)	9,683,161.81	42,138,321.78	25,815,195.14	207,681,101.76
	BENUE Total			**2,718,743,347.83**	**93,197,842.45**	(27,187,433.48)	207,159,418.53	901,497,920.38	**542,458,724.83**	4,435,869,820.55
		1	ABADAN	106,722,614.43	3,600,861.59	(1,067,226.14)	8,131,916.82	35,387,751.86	20,131,045.44	172,906,963.99
		2	ASKIRA UBA	103,196,868.77	3,522,788.64	(1,031,968.69)	7,863,266.44	34,218,663.07	21,942,368.35	169,711,986.58
		3	BAMA	144,780,736.93	4,796,212.78	(1,447,807.37)	11,031,822.22	48,007,302.11	28,244,086.48	235,412,353.15
		4	BAYO	83,398,081.45	2,843,023.47	(833,980.81)	6,354,663.11	27,653,657.36	19,118,050.04	138,533,494.62
		5	BIU	115,429,721.05	3,856,300.75	(1,154,297.21)	8,795,370.08	38,274,908.72	23,757,035.75	188,959,039.14
		6	CHIBOK	83,155,042.59	2,879,769.04	(831,550.43)	6,336,144.34	27,573,069.02	18,503,000.06	137,615,474.62
		7	DAMBOA	139,394,831.52	4,760,475.30	(1,393,948.32)	10,621,433.71	46,221,409.91	26,408,778.86	226,012,980.99
		8	DIKWA	92,246,694.15	3,096,162.38	(922,466.94)	7,028,898.68	30,587,735.69	20,404,767.29	152,441,791.25
		9	GUBIO	109,556,937.38	3,581,987.91	(1,095,569.37)	8,347,883.03	36,327,574.39	22,644,088.16	179,362,901.49
		10	GUZAMALA	93,382,176.40	3,239,872.84	(933,821.76)	7,115,418.74	30,964,246.00	19,914,514.21	153,682,406.42
		11	GWOZA	134,544,812.49	4,481,504.55	(1,345,448.12)	10,251,878.00	44,613,210.27	28,546,331.97	221,092,289.16
		12	HAWUL	95,286,784.87	3,259,938.07	(952,867.85)	7,260,543.72	31,595,787.98	21,093,013.62	157,543,200.41
		13	JERE	109,938,755.06	3,682,722.43	(1,099,387.55)	8,376,976.29	36,454,179.88	25,435,582.79	182,788,828.90
8	**BORNO**	14	KAGA	97,180,132.09	3,300,860.07	(971,801.32)	7,404,810.64	32,223,595.89	19,645,379.08	158,782,976.45
		15	KALA BALGE	89,432,888.02	2,910,273.07	(894,328.88)	6,814,495.78	29,654,716.26	18,249,392.87	146,167,437.12
		16	KONDUGA	131,044,214.25	4,265,373.61	(1,310,442.14)	9,985,143.78	43,452,460.02	22,824,976.78	210,261,726.31
		17	KUKAWA	135,054,383.57	4,358,979.52	(1,350,543.84)	10,290,705.66	44,782,177.04	25,084,890.11	218,220,592.06
		18	KWAYA KUSAR	75,198,346.09	2,626,978.67	(751,983.46)	5,729,869.89	24,934,737.83	18,044,089.54	125,782,038.57
		19	MAFA	101,306,799.72	3,539,152.70	(1,013,068.00)	7,719,249.31	33,591,942.15	20,290,529.38	165,434,605.27
		20	MAGUMERI	119,885,619.84	4,119,204.96	(1,198,856.20)	9,134,895.10	39,752,423.51	22,044,613.90	193,737,901.11
		21	MAIDUGURI METRO	174,582,107.20	5,819,594.72	(1,745,821.07)	13,302,589.90	57,889,026.82	40,260,614.17	290,108,111.74
		22	MARTE	109,019,386.12	3,722,578.05	(1,090,193.86)	8,306,923.36	36,149,329.78	21,525,693.85	177,633,717.30
		23	MOBBAR	101,520,953.97	3,365,422.30	(1,015,209.54)	7,735,567.17	33,662,952.76	20,918,145.06	166,187,831.72
		24	MONGUNO	99,094,076.31	3,294,738.66	(990,940.76)	7,550,646.97	32,858,233.49	20,593,109.32	162,399,863.99
		25	NGALA	113,330,802.84	3,756,980.45	(1,133,308.03)	8,635,439.32	37,578,936.30	26,671,463.92	188,840,314.81
		26	NGANZAI	98,512,691.35	3,279,501.00	(985,126.91)	7,506,347.33	32,665,454.23	20,112,841.91	161,091,708.90
		27	SHANI	95,544,090.68	3,027,585.69	(955,440.91)	7,280,149.59	31,681,107.05	20,233,147.65	156,810,639.76
	BORNO Total			**2,951,740,549.14**	**98,988,843.21**	(29,517,405.49)	224,913,049.00	978,756,589.39	**612,641,550.57**	4,837,523,175.83
		1	ABI	101,289,425.42	3,872,483.85	(1,012,894.25)	7,717,925.45	33,586,181.07	22,044,340.60	167,497,462.14
		2	AKAMKPA	127,319,580.75	4,680,122.12	(1,273,195.81)	9,701,338.80	42,217,422.75	22,346,442.75	204,991,711.36
		3	AKPABUYO	121,882,328.99	4,556,602.90	(1,218,823.29)	9,287,037.86	40,414,504.81	28,092,738.21	203,014,389.49
		4	BAKASSI	78,640,612.90	3,148,283.38	(786,406.13)	5,992,159.45	26,076,146.19	16,673,248.09	129,744,043.86
		5	BEKWARA	93,941,842.12	3,445,564.80	(939,418.42)	7,158,063.45	31,149,823.46	20,181,942.69	154,937,818.09
		6	BIASE	108,073,121.70	4,190,532.68	(1,080,731.22)	8,234,821.09	35,835,561.51	23,209,223.19	178,462,528.95
		7	BOKI	123,900,135.77	4,685,596.36	(1,239,001.36)	9,440,788.19	41,083,581.80	24,019,447.51	201,890,548.28
		8	CALABAR MUNICIPAL	98,147,979.94	3,918,976.46	(981,479.80)	7,478,557.50	32,544,520.94	23,696,991.80	164,805,546.83
9	**CROSS RIVER**	9	CALABAR SOUTH	104,613,648.88	3,965,094.68	(1,046,136.49)	7,971,220.49	34,688,447.88	24,281,702.56	174,473,978.00
		10	ETUNG	81,916,564.27	3,321,089.74	(819,165.64)	6,241,776.31	27,162,406.63	18,957,576.12	136,780,247.41
		11	IKOM	111,773,997.20	4,201,514.51	(1,117,739.97)	8,516,815.79	37,062,720.95	22,884,330.79	183,321,639.27
		12	OBANLIKU	96,458,703.63	3,810,995.07	(964,587.04)	7,349,840.13	31,984,380.13	20,397,040.57	159,036,372.50

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		5	KEANA	96,360,642.64	3,010,223.35	(963,606.43)	7,342,368.20	31,951,864.46	18,943,378.63	156,644,870.85
		6	KEFFI	90,611,218.14	2,989,348.84	(906,112.18)	6,904,280.71	30,045,434.33	19,584,133.33	149,228,303.17
		7	KOKONA	103,531,455.84	3,343,124.13	(1,035,314.56)	7,888,760.89	34,329,607.54	20,400,425.49	168,458,059.34
		8	LAFIA	162,001,762.43	5,284,756.33	(1,620,017.62)	12,344,008.47	53,717,557.43	30,957,660.74	262,685,727.78
		9	NASARAWA	150,134,251.45	4,848,422.61	(1,501,342.51)	11,439,742.65	49,782,453.93	24,226,797.97	238,930,326.09
		10	NASARAWA EGGON	114,850,415.32	3,726,543.83	(1,148,504.15)	8,751,228.86	38,082,818.91	22,281,934.72	186,544,437.49
		11	OBI	109,934,041.85	3,517,415.82	(1,099,340.42)	8,376,617.16	36,452,617.05	22,269,751.26	179,451,102.72
		12	TOTO	116,797,029.58	3,610,028.73	(1,167,970.30)	8,899,554.55	38,728,289.44	20,846,101.42	187,713,033.43
		13	WAMBA	93,760,592.37	3,067,220.08	(937,605.92)	7,144,252.81	31,089,723.53	18,639,556.45	152,763,739.33
25	**NASARAWA**		**NASARAWA Total**	**1,498,120,801.33**	**48,399,707.19**	(14,981,208.01)	114,151,942.42	496,756,263.50	**286,062,572.43**	2,428,510,078.85
		1	AGAIE	103,096,739.63	3,574,869.12	(1,030,967.40)	7,855,636.93	34,185,461.62	21,049,747.54	168,731,487.44
		2	AGWARA	88,515,580.43	3,072,974.35	(885,155.80)	6,744,599.92	29,350,549.67	17,442,772.99	144,241,321.56
		3	BIDA	101,368,715.15	3,541,121.65	(1,013,687.15)	7,723,967.07	33,612,472.46	23,690,644.98	168,923,234.16
		4	BORGU	165,013,381.88	5,674,826.56	(1,650,133.82)	12,573,484.09	54,716,169.04	22,915,872.16	259,243,599.91
		5	BOSSO	99,050,221.41	3,535,535.63	(990,502.21)	7,547,305.37	32,843,691.81	21,740,239.45	163,726,491.45
		6	EDATI	104,320,876.03	3,652,078.46	(1,043,208.76)	7,948,912.15	34,591,368.42	22,359,541.70	171,829,568.01
		7	GBAKO	98,811,448.58	3,457,896.69	(988,114.49)	7,529,111.66	32,764,518.02	20,789,785.84	162,364,646.30
		8	GURARA	88,294,289.52	3,150,470.59	(882,942.90)	6,727,738.27	29,277,172.65	19,046,260.32	145,612,988.46
		9	KATCHA	95,274,621.47	3,329,716.00	(952,746.21)	7,259,616.91	31,591,754.77	20,537,038.66	157,040,001.59
		10	KONTAGORA	104,924,121.66	3,760,311.29	(1,049,241.22)	7,994,877.51	34,791,396.38	21,959,302.93	172,380,768.55
		11	LAPAI	102,489,326.97	3,596,224.72	(1,024,893.27)	7,809,354.05	33,984,051.93	19,961,357.99	166,815,422.40
		12	LAVUN	119,258,715.11	4,264,440.68	(1,192,587.15)	9,087,127.00	39,544,550.52	24,729,153.98	195,691,400.14
26	**NIGER**	13	MAGAMA	122,165,177.32	4,348,629.92	(1,221,651.77)	9,308,589.98	40,508,293.43	23,378,748.27	198,487,787.15
		14	MARIGA	135,269,274.22	4,702,428.94	(1,352,692.74)	10,307,079.63	44,853,431.82	24,228,103.01	218,007,624.88
		15	MASHEGU	159,609,334.19	5,514,999.96	(1,596,093.34)	12,161,713.20	52,924,261.12	24,973,062.17	253,587,277.31
		16	CHANCHAGA	101,085,729.43	3,525,078.57	(1,010,857.29)	7,702,404.48	33,518,638.28	24,323,611.82	169,144,605.28
		17	MOKWA	137,203,751.85	4,861,974.03	(1,372,037.52)	10,454,480.55	45,494,878.02	26,402,349.85	223,045,396.78
		18	MUYA	92,678,186.16	3,313,380.52	(926,781.86)	7,061,776.97	30,730,812.51	19,651,945.76	152,509,320.06
		19	PAIKORO	106,661,917.79	3,769,515.45	(1,066,619.18)	8,127,291.93	35,367,625.69	22,252,757.21	175,112,488.89
		20	RAFI	123,022,577.25	4,182,464.52	(1,230,225.77)	9,373,921.08	40,792,595.46	23,391,935.08	199,533,267.62
		21	RIJAU	115,731,090.78	4,044,712.65	(1,157,310.91)	8,818,333.47	38,374,838.78	23,111,189.82	188,922,854.61
		22	SHIRORO	136,811,881.89	4,762,364.57	(1,368,118.82)	10,424,621.33	45,364,939.32	25,946,879.37	221,942,567.67
		23	SULEJA	100,053,963.27	3,519,035.00	(1,000,539.63)	7,623,787.24	33,176,518.81	25,047,405.20	168,420,169.89
		24	TAFA	81,428,044.85	2,861,984.00	(814,280.45)	6,204,552.72	27,000,420.30	18,691,267.60	135,371,989.02
		25	WUSHISHI	90,767,084.64	3,131,701.33	(907,670.85)	6,916,157.23	30,097,117.52	18,607,130.02	148,611,519.89
			NIGER Total	**2,772,906,051.49**	**97,148,735.22**	(27,729,060.51)	211,286,440.75	919,457,528.36	**556,228,103.72**	4,529,297,799.02
		1	ABEOKUTA NORTH	101,905,544.19	4,194,902.63	(1,019,055.44)	7,764,871.70	33,790,477.59	24,848,534.90	171,485,275.57
		2	ABEOKUTA SOUTH	105,201,881.42	4,168,030.60	(1,052,018.81)	8,016,041.90	34,883,497.70	27,187,234.63	178,404,667.44
		3	ADO-ODO/OTA	161,698,774.70	5,966,087.15	(1,616,987.75)	12,320,921.79	53,617,090.86	40,387,756.23	272,373,642.97
		4	EGBADO NORTH	106,318,302.37	4,015,027.77	(1,063,183.02)	8,101,109.55	35,253,687.54	23,916,714.82	176,541,659.03
		5	EGBADO SOUTH	95,280,193.72	3,752,650.24	(952,801.94)	7,260,041.50	31,593,602.45	23,296,743.68	160,230,429.64
		6	EWEKORO	72,477,241.48	2,892,884.32	(724,772.41)	5,522,530.55	24,032,456.95	17,864,638.28	122,064,979.16
		7	REMO NORTH	73,351,175.76	2,967,517.31	(733,511.76)	5,589,121.51	24,322,241.55	18,091,824.07	123,588,368.44
		8	IFO	155,796,216.13	5,773,586.96	(1,557,962.16)	11,871,165.98	51,659,883.58	40,305,195.33	263,848,085.83
		9	IJEBU EAST	94,352,189.62	3,652,487.44	(943,521.90)	7,189,330.60	31,285,889.05	20,494,355.60	156,030,730.42
27	**OGUN**	10	IJEBU NORTH	117,883,834.37	4,497,635.60	(1,178,838.34)	8,982,365.55	39,088,658.96	28,814,467.77	198,088,123.91
		11	IJEBU ODE	90,947,429.59	3,291,820.90	(909,474.30)	6,929,898.94	30,156,917.43	22,588,764.91	153,005,357.47

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		13	OBUBRA	106,312,066.16	4,131,788.37	(1,063,120.66)	8,100,634.37	35,251,619.70	23,365,028.21	176,098,016.15
		14	OBUDU	100,649,504.55	3,965,447.62	(1,006,495.05)	7,669,165.56	33,373,992.11	22,775,539.61	167,427,154.40
		15	ODUKPANI	114,166,249.73	4,217,694.80	(1,141,662.50)	8,699,097.67	37,855,959.00	24,320,594.09	188,117,932.79
		16	OGOJA	107,296,689.50	4,017,415.88	(1,072,966.89)	8,175,659.47	35,578,107.26	23,339,084.59	177,333,989.82
		17	YAKURR	107,719,677.25	4,231,711.99	(1,077,196.77)	8,207,889.77	35,718,364.18	24,511,993.94	179,312,440.35
		18	YALA	118,792,025.25	4,251,104.87	(1,187,920.25)	9,051,566.75	39,389,802.58	25,199,666.93	195,496,246.12
	CROSS RIVER Total			**1,902,894,154.01**	**72,612,020.09**	(19,028,941.54)	144,994,358.07	630,973,542.95	**410,296,932.24**	3,142,742,065.81
10	**DELTA**	1	ANIOCHA NORTH	83,185,444.26	3,160,189.52	(831,854.44)	6,338,460.85	27,583,149.79	22,355,689.27	141,791,079.25
		2	ANIOCHA SOUTH	90,668,833.85	3,255,033.48	(906,688.34)	6,908,670.84	30,064,538.91	24,070,595.59	154,060,984.34
		3	BOMADI	77,506,911.22	2,857,290.36	(775,069.11)	5,905,775.06	25,700,226.30	21,492,478.83	132,687,612.65
		4	BURUTU	111,391,446.86	4,144,858.00	(1,113,914.47)	8,487,666.69	36,935,872.51	27,370,260.15	187,216,189.75
		5	ETHIOPE EAST	101,348,907.18	3,740,373.32	(1,013,489.07)	7,722,457.77	33,605,904.41	26,946,275.57	172,350,429.17
		6	ETHIOPE WEST	103,815,813.21	3,864,313.25	(1,038,158.13)	7,910,428.00	34,423,896.54	27,080,054.79	176,056,347.66
		7	IKA NORTH EAST	110,063,918.43	3,808,114.22	(1,100,639.18)	8,386,513.34	36,495,682.34	26,127,594.50	183,781,183.64
		8	IKA SOUTH	103,516,725.50	3,599,231.44	(1,035,167.25)	7,887,638.49	34,324,723.16	25,121,240.28	173,414,391.61
		9	ISOKO NORTH	97,401,610.19	3,789,803.53	(974,016.10)	7,421,686.55	32,297,034.99	24,240,256.31	164,176,375.47
		10	ISOKO SOUTH	108,916,739.87	4,091,398.60	(1,089,167.40)	8,299,102.05	36,115,293.69	28,232,467.25	184,565,834.07
		11	NDOKWA EAST	91,523,631.22	3,430,281.36	(915,236.31)	6,973,803.63	30,347,977.96	22,282,110.70	153,642,568.56
		12	NDOKWA WEST	94,392,783.68	3,361,851.90	(943,927.84)	7,192,423.73	31,299,349.48	24,487,270.10	159,789,751.05
		13	OKPE	86,461,752.65	3,251,696.98	(864,617.53)	6,588,104.91	28,669,528.61	23,565,340.13	147,671,805.75
		14	OSHIMILI NORTH	84,677,618.74	3,136,087.01	(846,776.19)	6,452,159.70	28,077,934.34	22,862,378.09	144,359,401.68
		15	OSHIMILI SOUTH	91,884,983.02	3,235,994.74	(918,849.83)	7,001,337.46	30,467,797.25	24,500,552.46	156,171,815.11
		16	PATANI	75,882,532.58	3,027,442.87	(758,825.33)	5,782,002.68	25,161,604.67	20,587,701.27	129,682,458.75
		17	SAPELE	95,579,916.16	3,496,680.34	(955,799.16)	7,282,879.38	31,692,986.29	25,565,291.75	162,661,954.76
		18	UDU	100,492,382.87	3,439,730.11	(1,004,923.83)	7,657,193.39	33,321,892.72	24,202,320.35	168,108,595.61
		19	UGHELLI NORTH	131,240,127.30	4,705,638.95	(1,312,401.27)	10,000,071.72	43,517,422.09	32,690,946.56	220,841,805.35
		20	UGHELLI SOUTH	104,036,076.93	3,693,043.67	(1,040,360.77)	7,927,211.38	34,496,932.96	27,557,073.28	176,669,977.46
		21	UKWUANI	82,509,847.78	3,027,756.02	(825,098.48)	6,286,982.59	27,359,131.28	23,104,805.15	141,463,424.34
		22	UVWIE	96,947,972.35	3,403,721.12	(969,479.72)	7,387,120.82	32,146,614.92	26,500,981.87	165,416,931.35
		23	WARRI SOUTH	120,478,453.58	4,468,699.11	(1,204,784.54)	9,180,067.11	39,948,999.02	31,849,523.02	204,720,957.30
		24	WARRI NORTH	99,146,707.69	3,858,159.34	(991,467.08)	7,554,657.31	32,875,685.33	23,912,736.11	166,356,478.71
		25	WARRI SOUTH-WEST	95,214,800.42	3,400,731.08	(952,148.00)	7,255,058.74	31,571,918.93	22,927,595.46	159,417,956.63
	DELTA Total			**2,438,285,937.56**	**89,248,120.31**	(24,382,859.38)	185,789,474.19	808,502,098.50	**629,633,538.86**	4,127,076,310.03
11	**EBONYI**	1	ABAKALIKI	108,122,782.07	3,526,818.68	(1,081,227.82)	8,238,605.05	35,852,028.20	22,682,773.49	177,341,779.67
		2	AFIKPO NORTH	101,527,122.35	3,411,169.00	(1,015,271.22)	7,736,037.18	33,664,998.11	22,916,313.79	168,240,369.20
		3	AFIKPO SOUTH	102,401,130.15	3,469,057.05	(1,024,011.30)	7,802,633.74	33,954,807.08	22,938,339.58	169,541,956.30
		4	EBONYI	98,743,303.14	3,419,366.55	(987,433.03)	7,523,919.20	32,741,921.93	21,493,762.85	162,934,840.64
		5	EZZA NORTH	98,422,875.63	3,402,355.43	(984,228.76)	7,499,503.66	32,635,672.57	22,391,134.78	163,367,313.32
		6	EZZA SOUTH	102,299,947.17	3,370,850.42	(1,022,999.47)	7,794,923.93	33,921,256.20	21,798,015.03	168,161,993.28
		7	IKWO	119,529,695.16	4,007,508.68	(1,195,296.95)	9,107,774.80	39,634,403.78	25,687,120.41	196,771,205.88
		8	ISHIELU	105,876,219.52	3,507,650.73	(1,058,762.20)	8,067,424.27	35,107,098.95	22,650,523.14	174,150,154.41
		9	IVO	95,792,612.38	3,250,737.26	(957,926.12)	7,299,086.14	31,763,513.43	21,211,010.91	158,359,033.99
		10	IZZI	133,055,524.49	4,273,787.02	(1,330,555.24)	10,138,399.09	44,119,382.84	26,617,268.24	216,873,806.44
		11	OHAOZARA	103,222,488.84	3,490,020.51	(1,032,224.89)	7,865,218.61	34,227,158.33	22,534,804.11	170,307,465.50
		12	OHAUKWU	113,898,087.44	3,920,317.65	(1,138,980.87)	8,678,664.57	37,767,040.07	24,814,354.31	187,939,483.17
		13	ONICHA	124,746,666.65	4,030,044.19	(1,247,466.67)	9,505,291.09	41,364,279.80	26,748,945.22	205,147,760.29
	EBONYI Total			**1,407,638,454.98**	**47,079,683.17**	(14,076,384.55)	107,257,481.32	466,753,561.28	**304,484,365.87**	2,319,137,162.07

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		12	IKENNE	82,167,024.31	3,198,659.77	(821,670.24)	6,260,860.55	27,245,455.74	20,902,334.46	138,952,664.58
		13	IJEBU NORTH EAST	74,094,636.18	3,021,827.67	(740,946.36)	5,645,770.78	24,568,762.80	18,460,815.84	125,050,866.90
		14	IMEKO-AFON	85,181,348.12	3,249,700.40	(851,813.48)	6,490,542.24	28,244,964.07	19,157,566.71	141,472,308.06
		15	IPOKIA	89,220,488.64	3,485,788.54	(892,204.89)	6,798,311.64	29,584,287.55	22,416,476.38	150,613,147.87
		16	OBAFEMI/OWODE	108,180,111.10	4,197,148.19	(1,081,801.11)	8,242,973.33	35,871,037.72	26,163,489.11	181,572,958.34
		17	ODEDAH	90,815,042.96	3,379,384.27	(908,150.43)	6,919,811.50	30,113,019.84	20,458,665.22	150,777,773.36
		18	ODOGBOLU	84,403,134.85	3,159,092.81	(844,031.35)	6,431,244.92	27,986,919.25	21,303,098.79	142,439,459.27
		19	OGUN WATERSIDE	80,169,659.37	3,141,265.87	(801,696.59)	6,108,667.83	26,583,156.98	18,714,088.58	133,915,142.03
		20	SHAGAMU	108,736,552.38	4,351,383.36	(1,087,365.52)	8,285,372.35	36,055,546.00	27,336,971.80	183,678,460.37
	OGUN Total			**1,978,180,781.26**	**76,356,881.80**	(19,781,807.81)	150,730,954.70	655,937,553.60	**482,709,737.13**	3,324,134,100.67
28	**ONDO**	1	AKOKO NORTH EAS	104,813,294.70	3,638,530.60	(1,048,132.95)	7,986,432.85	34,754,647.68	23,239,810.36	173,384,583.23
		2	AKOKO NORTH WE	110,875,656.23	3,918,586.44	(1,108,756.56)	8,448,365.12	36,764,843.43	25,073,684.63	183,972,379.29
		3	AKOKO SOUTH WE	112,880,544.48	3,931,011.06	(1,128,805.44)	8,601,131.10	37,429,636.82	25,823,517.18	187,537,035.19
		4	AKOKO SOUTH EAS	83,725,436.57	2,859,426.02	(837,254.37)	6,379,606.51	27,762,203.82	18,797,241.22	138,686,659.77
		5	AKURE NORTH	87,734,124.93	3,098,507.70	(877,341.25)	6,685,055.55	29,091,429.77	21,146,069.94	146,877,846.65
		6	AKURE SOUTH	134,826,717.98	4,814,230.32	(1,348,267.18)	10,273,358.29	44,706,686.26	31,734,886.64	225,007,612.30
		7	IDANRE	94,955,973.33	3,359,865.53	(949,559.73)	7,235,336.96	31,486,095.42	21,023,614.17	157,111,325.68
		8	IFEDORE	95,668,577.39	3,419,974.98	(956,685.77)	7,289,635.07	31,722,385.14	23,283,670.83	160,427,557.64
		9	OKITIPUPA	115,016,990.72	4,058,946.18	(1,150,169.91)	8,763,921.37	38,138,053.02	26,018,404.84	190,846,146.21
		10	ILAJE	124,807,549.53	4,481,247.94	(1,248,075.50)	9,509,930.17	41,384,467.73	28,744,156.53	207,679,276.41
		11	ESE-EDO	95,496,406.19	3,357,997.83	(954,964.06)	7,276,516.19	31,665,295.53	22,263,652.03	159,104,903.69
		12	ILE-OLUJI-OKEIGBO	98,845,040.00	3,518,931.27	(988,450.40)	7,531,671.21	32,775,656.47	23,118,501.27	164,801,349.82
		13	IRELE	91,858,316.00	3,350,770.74	(918,583.16)	6,999,305.52	30,458,954.84	21,794,851.40	153,543,615.34
		14	ODIGBO	114,881,359.36	4,142,892.77	(1,148,813.59)	8,753,586.70	38,093,079.52	25,864,845.40	190,586,950.16
		15	ONDO EAST	76,243,137.60	2,719,194.21	(762,431.38)	5,809,479.61	25,281,176.33	18,430,877.26	127,721,433.63
		16	ONDO WEST	126,009,154.11	4,528,842.72	(1,260,091.54)	9,601,488.54	41,782,903.29	28,412,431.83	209,074,728.96
		17	OSE	101,529,193.14	3,498,602.18	(1,015,291.93)	7,736,194.97	33,665,684.75	21,782,190.15	167,196,573.27
		18	OWO	119,120,642.82	4,114,400.64	(1,191,206.43)	9,076,606.34	39,498,767.64	25,317,067.26	195,936,278.27
	ONDO Total			**1,889,288,115.07**	**66,811,959.11**	(18,892,881.15)	143,957,622.06	626,461,967.47	**431,869,472.94**	3,139,496,255.50
29	**OSUN**	1	ATAKUMOSA EAST	74,444,829.56	2,761,338.73	(744,448.30)	5,672,454.38	24,684,882.11	18,560,461.29	125,379,517.77
		2	ATAKUMOSA WEST	74,653,657.74	2,802,165.24	(746,536.58)	5,688,366.41	24,754,126.66	18,199,544.05	125,351,323.53
		3	AIYEDADE	93,005,917.82	3,444,928.66	(930,059.18)	7,086,749.06	30,839,483.83	22,105,371.84	155,552,392.02
		4	AIYEDIRE	82,215,175.35	3,040,691.45	(822,151.75)	6,264,529.51	27,261,421.96	18,543,691.11	136,503,357.62
		5	BOLUWADURO	77,801,352.03	2,815,874.48	(778,013.52)	5,928,210.49	25,797,858.82	18,301,407.38	129,866,689.68
		6	BORIPE	88,611,918.57	3,263,380.55	(886,119.19)	6,751,940.58	29,382,494.08	21,578,186.14	148,701,800.73
		7	EDE NORTH	74,269,953.41	2,704,658.49	(742,699.53)	5,659,129.38	24,626,895.58	18,925,200.79	125,443,138.12
		8	EDE SOUTH	77,133,159.53	2,946,267.99	(771,331.60)	5,877,296.40	25,576,295.37	18,552,721.21	129,314,408.90
		9	EGBEDORE	75,864,289.79	2,594,850.49	(758,642.90)	5,780,612.64	25,155,555.61	18,476,275.93	127,112,941.57
		10	EJIGBO	86,120,960.13	3,175,319.43	(861,209.60)	6,562,137.63	28,556,526.50	21,257,259.33	144,810,993.42
		11	IFE CENTRAL	91,187,509.21	3,292,699.03	(911,875.09)	6,948,192.22	30,236,524.53	22,911,009.43	153,664,059.34
		12	IFE EAST	105,391,747.04	3,512,554.45	(1,053,917.47)	8,030,509.04	34,946,454.53	23,906,374.64	174,733,722.23
		13	IFE NORTH	98,240,309.82	3,448,758.36	(982,403.10)	7,485,592.74	32,575,136.26	22,263,135.76	163,030,529.84
		14	IFE SOUTH	85,635,123.77	3,278,820.28	(856,351.24)	6,525,118.47	28,395,429.84	21,386,117.39	144,364,258.53
		15	IFEDAYO	67,293,900.52	2,587,154.09	(672,939.01)	5,127,576.80	22,313,732.34	16,690,466.63	113,339,891.37
		16	IFELODUN	86,714,559.85	3,225,648.95	(867,145.60)	6,607,368.00	28,753,356.01	19,542,353.02	143,976,140.24
		17	ILA	76,450,740.44	2,923,159.00	(764,507.40)	5,825,298.28	25,350,014.58	17,884,493.98	127,669,198.87
		18	ILESHA EAST	79,700,724.47	2,959,746.20	(797,007.24)	6,072,936.51	26,427,664.61	20,012,395.88	134,376,460.43

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
12	EDO	1	AKOKO EDO	129,513,552.23	5,475,855.64	(1,295,135.52)	9,868,512.30	42,944,913.53	27,820,545.56	214,328,243.74
		2	EGOR	123,009,692.20	4,571,766.33	(1,230,096.92)	9,372,939.28	40,788,322.96	31,537,171.30	208,049,795.14
		3	ESAN CENTRAL	81,397,766.48	3,136,293.69	(813,977.66)	6,202,245.60	26,990,380.41	20,328,909.01	137,241,617.53
		4	ESAN NORTH EAST	83,801,398.81	3,418,313.85	(838,013.99)	6,385,394.58	27,787,391.85	20,999,525.15	141,554,010.26
		5	ESAN SOUTH EAST	100,339,178.17	3,953,310.29	(1,003,391.78)	7,645,519.69	33,271,092.15	23,310,800.14	167,516,508.65
		6	ESAN WEST	85,284,673.74	3,412,133.05	(852,846.74)	6,498,415.32	28,279,225.43	21,309,892.95	143,931,493.74
		7	ETSAKO CENTRAL	85,363,117.18	3,488,023.90	(853,631.17)	6,504,392.46	28,305,236.20	19,816,009.02	142,623,147.59
		8	ETSAKO EAST	99,028,332.62	3,679,811.25	(990,283.33)	7,545,637.52	32,836,433.78	22,272,816.69	164,372,748.54
		9	ETSAKO WEST	108,992,834.80	4,450,805.52	(1,089,928.35)	8,304,900.24	36,140,525.73	24,738,797.80	181,537,935.73
		10	IGUEGBEN	79,308,281.29	3,136,709.70	(793,082.81)	6,043,033.61	26,297,535.85	18,624,609.48	132,617,087.11
		11	IKPOBA OKHA	136,084,166.05	5,142,890.99	(1,360,841.66)	10,369,171.75	45,123,638.75	33,028,188.53	228,387,214.40
		12	OREDO	140,052,256.70	5,334,188.08	(1,400,522.57)	10,671,527.38	46,439,403.07	33,198,518.15	234,295,370.80
		13	ORHIONMWON	109,773,977.76	4,273,750.79	(1,097,739.78)	8,364,420.80	36,399,541.99	24,027,283.44	181,741,235.00
		14	OVIA NORTH EAST	104,688,721.46	3,941,410.72	(1,046,887.21)	7,976,940.77	34,713,340.91	22,648,019.64	172,921,546.30
		15	OVIA SOUTH WEST	114,259,125.78	4,780,951.28	(1,142,591.26)	8,706,174.52	37,886,755.42	21,764,455.64	186,254,871.39
		16	OWAN EAST	100,228,988.32	3,997,996.01	(1,002,289.88)	7,637,123.58	33,234,554.71	22,673,628.81	166,770,001.55
		17	OWAN WEST	82,201,380.12	3,217,877.26	(822,013.80)	6,263,478.35	27,256,847.65	19,950,409.37	138,067,978.95
		18	UHUNMWONDE	102,291,325.01	3,690,897.46	(1,022,913.25)	7,794,266.95	33,918,397.20	21,069,615.91	167,741,589.28
	EDO Total			**1,865,618,768.70**	**73,102,985.79**	(18,656,187.69)	142,154,094.70	618,613,537.59	**429,119,196.58**	3,109,952,395.68
13	EKITI	1	ADO EKITI	120,194,482.65	4,368,648.69	(1,201,944.83)	9,158,429.45	39,854,838.17	29,535,650.97	201,910,105.10
		2	AIYEKIRE	91,459,879.40	3,395,525.85	(914,598.79)	6,968,945.95	30,326,838.74	21,870,674.77	153,107,265.91
		3	EFON	87,205,708.97	3,042,534.78	(872,057.09)	6,644,791.97	28,916,214.30	18,944,158.69	143,881,351.62
		4	EKITI EAST	90,044,628.83	3,296,597.06	(900,446.29)	6,861,108.45	29,857,561.10	21,381,520.59	150,540,969.74
		5	EKITI SOUTH WEST	95,374,809.01	3,406,107.38	(953,748.09)	7,267,250.88	31,624,975.58	22,686,919.15	159,406,313.90
		6	EKITI WEST	97,225,868.54	3,488,366.17	(972,258.69)	7,408,295.60	32,238,761.47	23,385,198.92	162,774,232.01
		7	EMURE	80,114,719.40	2,929,293.41	(801,147.19)	6,104,481.58	26,564,939.64	19,275,883.38	134,188,170.22
		8	IDO-OSI	98,694,925.37	3,483,829.51	(986,949.25)	7,520,232.97	32,725,880.52	22,392,461.52	163,830,380.65
		9	IJERO	105,599,647.28	3,816,276.10	(1,055,996.47)	8,046,350.36	35,015,391.39	25,368,619.25	176,790,287.91
		10	IKERE	92,211,681.88	3,446,048.94	(922,116.82)	7,026,230.86	30,576,126.11	21,830,636.56	154,168,607.53
		11	IKOLE	98,820,021.51	3,721,499.23	(988,200.22)	7,529,764.89	32,767,360.68	22,837,850.78	164,688,296.88
		12	ILEJEMEJI	69,347,966.38	2,574,890.94	(693,479.66)	5,284,089.95	22,994,832.34	16,870,055.15	116,378,355.10
		13	IREPODUN/IFELODUN	87,893,867.91	3,248,304.72	(878,938.68)	6,697,227.45	29,144,398.35	20,960,784.93	147,065,644.68
		14	ISE/ORUN	85,770,100.71	3,162,061.87	(857,701.01)	6,535,403.28	28,440,186.34	20,225,238.09	143,275,289.29
		15	MOBA	91,989,589.86	3,321,435.93	(919,895.90)	7,009,308.17	30,502,483.45	21,789,595.00	153,692,516.51
		16	OYE	89,421,056.35	3,345,098.52	(894,210.56)	6,813,594.25	29,650,793.04	21,202,590.88	149,538,922.47
	EKITI Total			**1,481,368,954.06**	**54,046,519.12**	(14,813,689.54)	112,875,506.03	491,201,581.23	**350,557,838.64**	2,475,236,709.53
14	ENUGU	1	AGWU	105,923,834.94	3,541,157.23	(1,059,238.35)	8,071,052.41	35,122,887.56	24,903,015.77	176,502,709.57
		2	ANINRI	100,472,353.93	3,225,582.56	(1,004,723.54)	7,655,667.25	33,315,251.40	21,825,568.05	165,489,699.66
		3	ENUGU EAST	127,754,574.30	4,265,296.72	(1,277,545.74)	9,734,483.89	42,361,660.63	28,770,907.58	211,609,377.39
		4	ENUGU NORTH	120,093,992.71	3,900,188.13	(1,200,939.93)	9,150,772.44	39,821,517.09	27,135,122.12	198,900,652.56
		5	ENUGU SOUTH	116,117,060.59	3,645,225.15	(1,161,170.61)	8,847,743.12	38,502,821.06	24,931,157.18	190,882,836.49
		6	EZEAGU	111,642,870.79	3,428,167.89	(1,116,428.71)	8,506,824.38	37,019,241.23	23,545,347.75	183,026,023.35
		7	IGBO ETITI	112,724,234.06	3,755,985.49	(1,127,242.34)	8,589,220.75	37,377,806.43	25,434,023.73	186,754,028.12
		8	IGBO EZE NORTH	122,003,386.14	4,121,351.29	(1,220,033.86)	9,296,262.02	40,454,645.70	27,831,681.87	202,487,293.16
		9	IGBO EZE SOUTH	111,014,095.25	3,222,117.94	(1,110,140.95)	8,458,913.73	36,810,747.91	22,475,591.74	180,871,325.61
		10	ISI UZO	103,816,775.21	3,419,893.52	(1,038,167.75)	7,910,501.30	34,424,215.52	22,527,526.75	171,060,744.55
		11	NKANU EAST	108,689,185.06	3,314,707.06	(1,086,891.85)	8,281,763.12	36,039,839.65	22,544,679.16	177,783,282.19

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
30	OYO	19	ILESHA WEST	84,458,410.64	3,161,299.61	(844,584.11)	6,435,456.75	28,005,247.94	19,867,579.87	141,083,410.70
		20	IREPODUN	83,584,078.26	3,141,363.85	(835,840.78)	6,368,835.46	27,715,331.34	20,629,261.43	140,603,029.57
		21	IREWOLE	90,434,822.63	3,410,938.70	(904,348.23)	6,890,839.95	29,986,944.00	21,780,813.88	151,600,010.94
		22	ISOKAN	82,084,600.57	3,032,948.09	(820,846.01)	6,254,580.13	27,218,125.16	19,849,519.67	137,618,927.62
		23	IWO	100,934,535.39	3,644,104.26	(1,009,345.35)	7,690,883.98	33,468,504.42	24,063,565.23	168,792,247.93
		24	OBOKUN	83,701,326.78	3,012,370.13	(837,013.27)	6,377,769.42	27,754,209.34	20,486,595.45	140,495,257.85
		25	ODO-OTIN	110,275,456.33	3,277,444.70	(1,102,754.56)	8,402,631.84	36,565,825.39	21,327,445.65	178,746,049.34
		26	OLA-OLUWA	75,480,978.66	2,588,467.93	(754,809.79)	5,751,405.58	25,028,454.91	18,579,381.49	126,673,878.79
		27	OLORUNDA	91,297,842.57	3,272,560.14	(912,978.43)	6,956,599.27	30,273,109.55	21,215,214.43	152,102,347.54
		28	ORIADE	91,590,576.00	3,316,332.20	(915,905.76)	6,978,904.60	30,370,175.93	22,020,565.36	153,360,648.34
		29	OROLU	80,711,959.50	3,090,620.36	(807,119.60)	6,149,989.34	26,762,976.25	19,844,741.84	135,753,167.70
		30	OSOGBO	89,798,098.03	3,256,952.18	(897,980.98)	6,842,323.60	29,775,814.88	22,406,470.65	151,181,678.35
	OSUN Total			**2,559,088,514.44**	**92,983,418.05**	(25,590,885.14)	194,994,238.44	848,558,572.35	**611,167,620.75**	4,281,201,478.88
		1	AFIJIO	88,378,399.71	3,153,857.52	(883,784.00)	6,734,147.20	29,305,062.43	21,445,984.03	148,133,666.89
		2	AKINYELE	102,633,686.94	3,759,840.41	(1,026,336.87)	7,820,353.81	34,031,919.72	25,133,799.45	172,353,263.46
		3	ATIBA	102,234,367.39	3,738,527.16	(1,022,343.67)	7,789,926.96	33,899,510.84	23,143,499.04	169,783,487.72
		4	ATISBO	109,532,096.65	3,546,917.50	(1,095,320.97)	8,345,990.24	36,319,337.54	20,328,879.73	176,977,900.70
		5	EGBEDA	111,131,298.73	3,909,646.27	(1,111,312.99)	8,467,844.25	36,849,610.97	28,488,504.61	187,735,591.84
		6	IBADAN NORTH	114,220,354.09	4,038,815.55	(1,142,203.54)	8,703,220.24	37,873,899.26	29,693,568.75	193,387,654.36
		7	IBADAN NORTH EAS	123,830,893.72	4,049,576.66	(1,238,308.94)	9,435,512.17	41,060,622.09	30,821,327.60	207,959,623.30
		8	IBADAN NORTH WE	91,134,993.34	3,283,229.98	(911,349.93)	6,944,190.68	30,219,110.99	22,337,574.78	153,007,749.83
		9	IBADAN SOUTH EAS	108,158,003.92	3,935,276.71	(1,081,580.04)	8,241,288.84	35,863,707.28	27,746,651.03	182,863,347.75
		10	IBADAN SOUTH WE	113,236,460.02	4,225,632.08	(1,132,364.60)	8,628,250.71	37,547,653.52	28,536,856.24	191,042,487.96
		11	IBARAPA CENTRAL	81,896,660.55	2,831,308.90	(818,966.61)	6,240,259.71	27,155,806.83	19,955,587.91	137,260,657.30
		12	IBARAPA NORTH	85,408,421.90	3,009,986.98	(854,084.22)	6,507,844.53	28,320,258.62	19,865,430.27	142,257,858.08
		13	IDO	83,726,147.84	2,990,713.29	(837,261.48)	6,379,660.70	27,762,439.66	19,969,061.39	139,990,761.40
		14	SAKI WEST	124,355,430.12	4,346,834.26	(1,243,554.30)	9,475,480.14	41,234,551.15	28,317,888.32	206,486,629.68
		15	IFELOJU	84,798,785.50	3,054,374.27	(847,987.85)	6,461,392.21	28,118,111.57	20,684,063.57	142,268,739.26
		16	IREPO	88,984,288.93	3,365,276.37	(889,842.89)	6,780,313.99	29,505,966.97	20,890,800.25	148,636,803.62
		17	ISEYIN	116,259,474.33	4,254,814.24	(1,162,594.74)	8,858,594.59	38,550,043.50	27,310,912.99	194,071,244.90
		18	ITESIWAJU	100,526,682.69	3,365,959.59	(1,005,266.83)	7,659,806.93	33,333,266.07	21,182,200.06	165,062,648.51
		19	IWAJOWA	92,284,964.95	3,233,605.70	(922,849.65)	7,031,814.79	30,600,425.76	19,955,635.69	152,183,597.24
		20	OLORUNSOGO	83,328,060.72	3,028,554.20	(833,280.61)	6,349,327.76	27,630,439.45	18,941,732.51	138,444,834.03
		21	KAJOLA	102,909,663.95	3,609,069.09	(1,029,096.64)	7,841,382.37	34,123,429.90	24,638,720.76	172,093,169.43
		22	LAGELU	95,321,581.59	3,278,744.49	(953,215.82)	7,263,195.12	31,607,326.10	22,104,560.03	158,622,191.51
		23	OGBOMOSHO NOR	98,681,782.92	3,548,334.75	(986,817.83)	7,519,231.55	32,721,522.67	24,529,929.59	166,013,983.65
		24	OGBOMOSHO SOU	84,478,802.80	2,938,136.46	(844,788.03)	6,437,010.57	28,012,009.70	19,852,195.68	140,873,367.18
		25	OGO-OLUWA	77,306,424.78	2,710,471.24	(773,064.25)	5,890,498.64	25,633,747.75	18,149,807.28	128,917,885.45
		26	OLUYOLE	102,474,069.31	3,580,151.92	(1,024,740.69)	7,808,191.47	33,978,992.70	24,721,281.66	171,537,946.37
		27	ONA-ARA	111,648,362.48	3,962,030.94	(1,116,483.62)	8,507,242.83	37,021,062.20	27,699,493.85	187,721,708.69
		28	ORELOPE	85,512,031.34	3,083,194.16	(855,120.31)	6,515,739.23	28,354,614.08	20,025,439.78	142,635,898.28
		29	ORI IRE	102,838,128.12	3,778,550.75	(1,028,381.28)	7,835,931.57	34,099,709.60	22,232,175.86	169,756,114.61
		30	OYO EAST	86,829,692.87	3,060,395.56	(868,296.93)	6,616,140.76	28,791,532.53	20,952,577.58	145,382,042.38
		31	OYO WEST	87,208,743.42	3,090,011.45	(872,087.43)	6,645,023.18	28,917,220.48	21,544,550.65	146,533,461.75
		32	SAKI EAST	86,785,263.77	3,095,600.76	(867,852.64)	6,612,755.41	28,776,800.46	20,301,693.88	144,704,261.64
		33	SURULERE	100,036,476.83	3,512,677.76	(1,000,364.77)	7,622,454.83	33,170,720.54	21,823,289.22	165,165,254.42
	OYO Total			**3,228,090,496.19**	**114,370,117.02**	(32,280,904.96)	245,970,017.98	1,070,390,432.93	**763,325,674.03**	5,389,865,833.20

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		12	NKANU WEST	105,529,579.03	3,200,763.81	(1,055,295.79)	8,041,011.39	34,992,157.72	22,445,348.08	173,153,564.24
		13	NSUKKA	136,674,610.06	4,411,246.28	(1,366,746.10)	10,414,161.66	45,319,421.87	30,230,247.80	225,682,941.58
		14	OJI RIVER	93,778,007.18	3,144,126.97	(937,780.07)	7,145,579.76	31,095,498.04	21,484,622.14	155,710,054.01
		15	UDENU	103,797,088.27	3,511,392.15	(1,037,970.88)	7,909,001.22	34,417,687.60	23,963,312.27	172,560,510.62
		16	UDI	117,860,209.96	3,860,752.12	(1,178,602.10)	8,980,565.45	39,080,825.43	26,616,727.63	195,220,478.49
		17	UZO UWANI	97,604,542.93	3,192,283.70	(976,045.43)	7,437,149.36	32,364,324.70	21,383,953.28	161,006,208.54
	ENUGU Total			**1,895,496,400.42**	**61,160,238.03**	(18,954,964.00)	144,430,673.26	628,520,549.55	**418,048,832.91**	3,128,701,730.16
		1	AKKO	155,729,767.57	5,209,361.79	(1,557,297.68)	11,866,102.82	51,637,850.16	35,153,096.96	258,038,881.62
		2	BALANGA	113,096,017.48	3,975,399.84	(1,130,960.17)	8,617,549.44	37,501,084.70	29,166,285.57	191,225,376.86
		3	BILLIRI	113,828,656.44	3,735,417.96	(1,138,286.56)	8,673,374.15	37,744,017.71	28,669,152.42	191,512,332.10
		4	DUKKU	124,031,682.23	4,307,305.23	(1,240,316.82)	9,450,811.60	41,127,200.80	28,910,241.69	206,586,924.73
		5	FUNAKAYE	120,637,784.78	4,014,433.95	(1,206,377.85)	9,192,207.63	40,001,831.06	30,290,891.06	202,930,770.64
15	**GOMBE**	6	GOMBE	131,359,222.54	4,332,291.74	(1,313,592.23)	10,009,146.39	43,556,912.44	31,815,639.77	219,759,620.65
		7	KALTUNGO	102,997,769.35	3,471,217.84	(1,029,977.69)	7,848,095.71	34,152,644.44	26,168,484.27	173,608,233.91
		8	KWAMI	110,484,080.30	4,020,966.68	(1,104,840.80)	8,418,528.31	36,635,002.23	28,342,062.22	186,795,798.92
		9	NAFADA	100,726,405.75	3,570,773.05	(1,007,264.06)	7,675,025.18	33,399,491.49	25,613,300.49	169,977,731.89
		10	SHOMGOM	95,526,244.29	3,334,617.22	(955,262.44)	7,278,789.75	31,675,189.43	26,250,424.05	163,110,002.30
		11	YAMALTU/DEBA	130,377,831.54	4,320,300.06	(1,303,778.32)	9,934,367.58	43,231,496.67	31,206,370.96	217,766,588.50
	GOMBE Total			**1,298,795,462.27**	**44,292,085.33**	(12,987,954.62)	98,963,998.56	430,662,721.13	**321,585,949.45**	2,181,312,262.12
		1	ABOH MBAISE	101,915,851.71	3,578,193.11	(1,019,158.52)	7,765,657.10	33,793,895.42	25,508,659.40	171,543,098.22
		2	AHIAZU MBAISE	95,907,953.64	3,267,549.11	(959,079.54)	7,307,874.77	31,801,759.01	24,326,146.62	161,652,203.62
		3	EHIME MBANO	88,109,637.46	3,054,726.04	(881,096.37)	6,713,668.39	29,215,944.57	22,416,400.42	148,629,280.50
		4	EZINIHITTE	93,711,396.31	3,208,328.76	(937,113.96)	7,140,504.23	31,073,410.79	24,072,491.65	158,269,017.78
		5	IDEATO NORTH	100,487,321.54	3,338,768.45	(1,004,873.22)	7,656,807.74	33,320,214.45	23,729,109.05	167,527,348.02
		6	IDEATO SOUTH	100,823,800.61	3,171,321.50	(1,008,238.01)	7,682,446.35	33,431,786.29	23,799,486.48	167,900,603.21
		7	IHITTE UBOMA	90,242,619.21	2,918,284.07	(902,426.19)	6,876,194.67	29,923,211.99	21,929,682.93	150,987,566.69
		8	IKEDURU	95,585,623.88	3,204,698.62	(955,856.24)	7,283,314.28	31,694,878.89	23,294,804.36	160,107,463.79
		9	ISIALA MBANO	107,541,557.55	3,574,409.21	(1,075,415.58)	8,194,317.62	35,659,302.14	25,656,007.66	179,550,178.62
		10	ISU	95,051,685.74	3,179,771.63	(950,516.86)	7,242,629.93	31,517,832.35	24,018,741.07	160,060,143.87
		11	MBAITOLI	117,242,265.15	3,802,725.23	(1,172,422.65)	8,933,480.06	38,875,923.43	27,510,713.27	195,192,684.49
		12	NGOR/OKPALA	99,573,314.62	3,359,440.91	(995,733.15)	7,587,163.38	33,017,142.32	23,802,018.73	166,343,346.82
		13	MJABA	89,951,954.17	3,098,782.78	(899,519.54)	6,854,046.94	29,826,831.46	23,093,848.85	151,925,944.66
16	**IMO**	14	NKWANGELE	87,537,902.99	2,951,544.38	(875,379.03)	6,670,104.07	29,026,365.27	22,298,913.59	147,609,451.28
		15	NKWERRE	77,982,395.40	2,621,590.83	(779,823.95)	5,942,005.41	25,857,890.31	19,990,266.41	131,614,324.41
		16	OBOWO	84,531,898.14	2,891,503.04	(845,318.98)	6,441,056.26	28,029,615.39	21,804,026.02	142,852,779.88
		17	OGUTA	99,237,416.38	3,186,686.63	(992,374.16)	7,561,569.02	32,905,763.08	22,993,418.88	164,892,479.83
		18	OHAJI/EGBEMA	107,412,826.07	3,452,900.70	(1,074,128.26)	8,184,508.70	35,616,616.55	24,882,094.85	178,474,818.61
		19	OKIGWE	94,109,352.90	3,101,522.09	(941,093.53)	7,170,827.23	31,205,367.73	22,478,798.87	157,124,775.29
		20	UNUIMO	83,606,302.56	2,793,270.01	(836,063.03)	6,370,528.88	27,722,700.62	20,902,592.94	140,559,331.98
		21	ORLU	91,955,444.28	3,026,724.33	(919,554.44)	7,006,706.38	30,491,161.24	22,979,515.39	154,539,997.19
		22	ORSU	89,452,703.26	2,941,990.32	(894,527.03)	6,816,005.64	29,661,286.72	21,894,279.22	149,871,738.13
		23	ORU EAST	86,523,847.95	3,024,448.41	(865,238.48)	6,592,836.37	28,690,118.56	21,503,404.99	145,469,417.81
		24	ORU WEST	89,507,781.48	2,962,656.83	(895,077.81)	6,820,202.42	29,679,549.90	21,774,307.92	149,849,420.74
		25	OWERRI MUNICIPAL	90,327,482.81	2,976,925.86	(903,274.83)	6,882,661.00	29,951,351.59	22,238,760.72	151,473,907.15
		26	OWERRI NORTH	96,093,087.56	3,280,129.56	(960,930.88)	7,321,981.37	31,863,146.87	24,540,814.50	162,138,228.99
		27	OWERRI WEST	85,963,400.93	3,076,999.67	(859,634.01)	6,550,132.13	28,504,282.03	20,903,452.95	144,138,633.70
	IMO Total			**2,540,386,824.31**	**85,045,892.10**	(25,403,868.24)	193,569,230.35	842,357,349.00	**624,342,757.76**	4,260,298,185.28

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
		1	BARKIN LADI	118,001,701.05	3,679,346.02	(1,180,017.01)	8,991,346.61	39,127,741.93	23,415,540.14	192,035,658.74
		2	BASSA	119,034,663.47	4,011,917.03	(1,190,346.63)	9,070,054.99	39,470,258.07	23,969,386.12	194,365,933.05
		3	BOKKOS	118,515,956.99	3,819,534.99	(1,185,159.57)	9,030,531.24	39,298,262.13	23,567,809.56	193,046,935.35
		4	JOS EAST	89,976,427.56	3,025,683.55	(899,764.28)	6,855,911.73	29,834,946.50	19,131,499.38	147,924,704.45
		5	JOS NORTH	156,546,703.67	5,161,799.30	(1,565,467.04)	11,928,350.70	51,908,734.93	35,552,803.57	259,532,925.14
		6	JOS SOUTH	135,373,069.45	4,389,353.12	(1,353,730.69)	10,314,988.49	44,887,848.90	29,695,949.14	223,307,478.40
		7	KANAM	118,836,369.95	3,913,059.72	(1,188,363.70)	9,054,945.67	39,404,506.67	22,967,905.30	192,988,423.60
		8	KANKE	104,951,683.97	3,268,837.37	(1,049,516.84)	7,996,977.66	34,800,535.67	20,843,013.44	170,811,531.27
31	**PLATEAU**	9	LANGTANG NORTH	107,646,394.33	3,319,471.18	(1,076,463.94)	8,202,305.85	35,694,064.58	21,761,264.47	175,547,036.46
		10	LANGTANG SOUTH	102,118,205.62	3,162,367.91	(1,021,182.06)	7,781,075.81	33,860,993.20	20,120,653.40	166,022,113.88
		11	MANGU	141,089,545.03	4,608,955.78	(1,410,895.45)	10,750,565.38	46,783,353.61	29,132,881.95	230,954,406.30
		12	MIKANG	94,988,865.54	3,046,139.35	(949,888.66)	7,237,843.24	31,497,002.03	19,695,713.25	155,515,674.75
		13	PANKSHIN	126,811,973.78	4,126,374.08	(1,268,119.74)	9,662,660.79	42,049,107.26	24,199,964.17	205,581,960.34
		14	QUA'AN-PAN	126,628,562.10	4,118,056.60	(1,266,285.62)	9,648,685.42	41,988,290.47	24,450,513.55	205,567,822.51
		15	RIYOM	100,071,547.16	3,200,513.05	(1,000,715.47)	7,625,127.08	33,182,349.38	21,327,150.89	164,405,972.09
		16	SHENDAM	127,509,327.39	4,184,011.68	(1,275,093.27)	9,715,796.87	42,280,340.13	24,980,279.27	207,394,662.07
		17	WASE	135,479,228.90	4,470,338.14	(1,354,792.29)	10,323,077.50	44,923,049.91	22,768,000.91	216,608,903.08
	PLATEAU Total			**2,023,580,225.96**	**65,505,758.87**	(20,235,802.26)	154,190,245.03	670,991,385.37	**407,580,328.52**	3,301,612,141.48
		1	AHOADA EAST	90,141,994.28	3,210,546.61	(901,419.94)	6,868,527.38	29,889,846.15	28,413,042.07	157,622,536.55
		2	AHOADA WEST	112,625,421.19	3,872,622.03	(1,126,254.21)	8,581,691.53	37,345,041.44	32,363,255.89	193,661,777.87
		3	AKUKU-TORU	103,751,637.37	3,497,093.25	(1,037,516.37)	7,905,538.01	34,402,616.71	27,899,855.41	176,419,224.37
		4	ANDONI	110,752,793.61	3,806,591.45	(1,107,527.94)	8,439,003.39	36,724,103.87	30,527,804.93	189,142,769.31
		5	ASARI-TORU	102,806,300.75	3,467,468.53	(1,028,063.01)	7,833,506.43	34,089,156.08	30,962,157.40	178,130,526.19
		6	BONNY	102,789,122.19	3,602,965.38	(1,027,891.22)	7,832,197.48	34,083,459.91	30,735,592.73	178,015,446.47
		7	DEGEMA	111,399,888.28	3,909,358.81	(1,113,998.88)	8,488,309.90	36,938,671.57	32,379,882.73	192,002,112.41
		8	ELEME	107,925,419.14	3,638,514.30	(1,079,254.19)	8,223,566.63	35,786,585.37	29,566,266.76	184,061,098.00
		9	EMUOHA	102,942,148.33	3,547,412.36	(1,029,421.48)	7,843,857.57	34,134,201.27	30,092,640.23	177,530,838.27
		10	ETCHE	120,716,237.38	4,106,933.26	(1,207,162.37)	9,198,185.46	40,027,844.86	32,364,641.46	205,206,680.04
		11	GONAKA	107,509,915.94	3,713,538.26	(1,075,099.16)	8,191,906.64	35,648,810.22	31,379,166.36	185,368,238.26
32	**RIVERS**	12	IKWERRE	102,896,212.46	3,544,223.06	(1,028,962.12)	7,840,357.41	34,118,969.57	29,510,939.49	176,881,739.87
		13	KHANA	122,155,688.89	4,270,637.84	(1,221,556.89)	9,307,867.00	40,505,147.20	34,503,341.24	209,521,125.29
		14	OBIA/AKPOR	149,592,889.63	4,964,967.66	(1,495,928.90)	11,398,492.64	49,602,945.79	42,652,980.46	256,716,347.28
		15	ABUA/ODUAL	120,772,814.99	4,181,440.02	(1,207,728.15)	9,202,496.49	40,046,605.22	33,966,838.78	206,962,467.36
		16	OGBA/EGBEMA/NDO	121,870,359.84	4,251,628.07	(1,218,703.60)	9,286,125.85	40,410,536.01	34,015,668.19	208,615,614.37
		17	OGU/BOLO	83,730,380.66	2,784,744.87	(837,303.81)	6,379,983.23	27,763,843.21	24,014,381.18	143,836,029.36
		18	OKRIKA	103,030,591.10	3,741,439.43	(1,030,305.91)	7,850,596.62	34,163,527.68	31,054,178.40	178,810,027.32
		19	OMUMMA	81,661,902.02	2,952,860.44	(816,619.02)	6,222,371.87	27,077,964.13	25,241,471.11	142,339,950.56
		20	OPOBO/NKORO	88,331,180.45	3,194,347.68	(883,311.80)	6,730,549.24	29,289,405.17	27,685,091.98	154,347,262.72
		21	OYIGBO	91,230,032.12	3,041,663.50	(912,300.32)	6,951,432.33	30,250,624.54	26,307,930.42	156,869,382.60
		22	PORT HARCOURT	169,426,014.92	5,534,290.49	(1,694,260.15)	12,909,712.41	56,179,337.50	46,299,706.55	288,654,801.72
		23	TAI	100,280,916.68	3,365,119.76	(1,002,809.17)	7,641,080.36	33,251,773.44	26,074,294.56	169,610,375.63
	RIVERS Total			**2,508,339,862.24**	**86,200,407.09**	(25,083,398.62)	191,127,355.86	831,731,016.91	**718,011,128.33**	4,310,326,371.81
		1	BINJI	93,954,498.22	2,952,771.98	(939,544.98)	7,159,027.80	31,154,020.04	19,781,484.08	154,062,257.14
		2	BODINGA	106,951,700.92	3,497,160.35	(1,069,517.01)	8,149,372.46	35,463,713.79	23,144,072.66	176,136,503.18
		3	DANGE-SHUNI	115,258,236.52	3,617,376.04	(1,152,582.37)	8,782,303.51	38,218,046.81	24,058,549.21	188,781,929.72
		4	GADA	125,143,049.67	4,114,252.41	(1,251,430.50)	9,535,494.19	41,495,714.97	26,625,246.96	205,662,327.70
		5	GORONYO	117,722,682.12	3,758,402.47	(1,177,226.82)	8,970,086.27	39,035,223.09	23,473,265.10	191,782,432.24

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
17	JIGAWA	1	AUYO	89,769,703.76	2,990,937.02	(897,697.04)	6,840,160.05	29,766,399.73	20,775,864.39	149,245,367.91
		2	BABURA	106,171,637.26	3,680,419.99	(1,061,716.37)	8,089,934.14	35,205,055.41	24,411,792.58	176,497,123.01
		3	BIRNIN KUDU	131,761,897.50	4,445,480.89	(1,317,618.97)	10,039,828.91	43,690,433.92	29,441,509.18	218,061,531.43
		4	BIRINIWA	99,662,472.80	3,244,938.62	(996,624.73)	7,593,956.94	33,046,705.95	21,269,318.61	163,820,768.19
		5	GAGARAWA	85,519,095.37	2,693,134.65	(855,190.95)	6,516,277.49	28,356,956.42	18,310,169.95	140,540,442.92
		6	BUJI	83,891,961.50	2,850,588.36	(838,919.62)	6,392,295.17	27,817,421.20	19,121,302.05	139,234,648.67
		7	DUTSE	117,761,282.56	3,921,186.64	(1,177,612.83)	8,973,027.50	39,048,022.47	26,229,374.46	194,755,280.80
		8	GARKI	98,833,394.47	3,351,137.15	(988,333.94)	7,530,783.86	32,771,794.97	21,742,514.84	163,241,291.35
		9	GUMEL	86,571,494.14	2,872,258.45	(865,714.94)	6,596,466.86	28,705,917.38	19,589,051.56	143,469,473.44
		10	GURI	91,458,071.62	3,001,089.63	(914,580.72)	6,968,808.20	30,326,239.30	19,964,445.61	150,804,073.64
		11	GWARAM	127,223,484.40	4,436,847.62	(1,272,234.84)	9,694,016.57	42,185,558.52	27,492,584.78	209,760,257.05
		12	GWIWA	94,064,406.22	3,068,650.98	(940,644.06)	7,167,402.44	31,190,464.03	20,418,291.63	154,968,571.23
		13	HADEJIA	79,405,691.45	2,755,425.14	(794,056.91)	6,050,455.95	26,329,835.72	19,515,807.43	133,263,158.77
		14	JAHUN	109,140,589.47	3,757,561.25	(1,091,405.89)	8,316,158.67	36,189,519.15	25,414,802.32	181,727,224.95
		15	KAFIN HAUSA	122,755,222.83	4,126,955.71	(1,227,552.23)	9,353,549.54	40,703,944.41	27,419,770.66	203,131,890.92
		16	KAUGAMA	89,967,757.72	3,098,310.65	(899,677.58)	6,855,251.12	29,832,071.70	20,582,601.19	149,436,314.80
		17	KAZAURE	95,202,941.84	3,269,941.17	(952,029.42)	7,254,155.16	31,567,986.79	22,184,989.62	158,527,985.16
		18	KIRI-KASAMMA	99,295,004.19	3,408,493.42	(992,950.04)	7,565,957.03	32,924,858.41	23,619,724.02	165,821,087.03
		19	KIYAWA	102,586,295.20	3,429,896.27	(1,025,862.95)	7,816,742.72	34,016,205.27	22,730,569.96	169,553,846.47
		20	MAIGATARI	103,473,326.55	3,499,346.16	(1,034,733.27)	7,884,331.63	34,310,332.67	23,055,557.92	171,188,161.66
		21	MALAM MADURI	96,933,759.42	3,313,968.56	(969,337.59)	7,386,037.84	32,141,902.10	22,181,119.58	160,987,449.90
		22	MIGA	88,913,374.70	3,064,366.29	(889,133.75)	6,774,910.55	29,482,452.79	20,604,961.43	147,950,932.01
		23	RINGIM	109,116,138.32	3,528,601.17	(1,091,161.38)	8,314,295.57	36,181,411.48	23,643,660.95	179,692,946.10
		24	RONI	80,692,306.85	2,744,731.86	(806,923.07)	6,148,491.87	26,756,459.70	18,187,140.84	133,722,208.05
		25	SULE TAKARKAR	101,278,481.19	3,173,469.82	(1,012,784.81)	7,717,091.53	33,582,552.12	20,720,823.79	165,459,633.64
		26	TAURA	92,112,265.14	3,208,222.08	(921,122.65)	7,018,655.62	30,543,160.88	20,764,206.48	152,725,387.55
		27	YANKWASHI	85,353,495.19	2,926,494.43	(853,534.95)	6,503,659.29	28,302,045.67	19,044,283.44	141,276,443.07
	JIGAWA Total			**2,668,915,551.67**	**89,862,454.00**	(26,689,155.52)	203,362,702.20	884,975,708.14	**598,436,239.27**	4,418,863,499.75
18	KADUNA	1	BIRNIN GWARI	159,806,352.69	5,487,125.34	(1,598,063.53)	12,176,725.37	52,989,589.74	28,905,613.34	257,767,342.96
		2	CHIKUN	162,495,307.98	5,731,314.99	(1,624,953.08)	12,381,615.04	53,881,210.35	34,442,496.54	267,306,991.81
		3	GIWA	134,477,843.20	4,752,022.94	(1,344,778.43)	10,246,775.16	44,591,004.18	30,533,133.16	223,256,000.20
		4	KAJURU	103,546,015.89	3,735,648.16	(1,035,460.16)	7,889,870.32	34,334,435.45	22,145,223.59	170,615,733.25
		5	IGABI	170,224,975.34	6,052,493.26	(1,702,249.75)	12,970,590.60	56,444,261.79	37,403,747.44	281,393,818.68
		6	IKARA	114,035,377.69	3,784,596.64	(1,140,353.78)	8,689,125.64	37,812,563.63	26,113,593.16	189,294,902.98
		7	JABA	99,438,624.90	3,608,337.55	(994,386.25)	7,576,900.46	32,972,481.06	24,271,787.69	166,873,745.42
		8	JEMA'A	132,495,448.33	4,585,842.30	(1,324,954.48)	10,095,723.11	43,933,669.29	30,165,622.52	219,951,351.06
		9	KACHIA	146,156,263.08	5,041,792.94	(1,461,562.63)	11,136,632.85	48,463,407.67	28,519,134.72	237,855,668.63
		10	KADUNA NORTH	138,073,950.54	4,731,435.66	(1,380,739.51)	10,520,786.87	45,783,423.94	33,938,148.86	231,667,006.35
		11	KADUNA SOUTH	147,415,540.81	4,913,665.03	(1,474,155.41)	11,232,585.72	48,880,966.86	36,073,647.50	247,042,250.52
		12	KAGARKO	127,392,687.83	4,294,648.14	(1,273,926.88)	9,706,909.32	42,241,664.06	28,359,985.22	210,721,967.69
		13	KAURA	110,368,909.25	3,946,605.33	(1,103,689.09)	8,409,752.65	36,596,813.10	27,482,584.63	185,700,975.85
		14	KAURU	113,643,750.82	4,029,098.42	(1,136,437.51)	8,659,284.94	37,682,705.55	24,970,831.92	187,849,234.14
		15	KUBAU	131,553,766.48	4,749,126.38	(1,315,537.66)	10,023,970.00	43,621,420.53	30,323,768.68	218,956,514.41
		16	KUDAN	102,037,514.79	3,330,824.41	(1,020,375.15)	7,774,927.43	33,834,237.22	23,488,940.34	169,446,069.04
		17	LERE	141,977,349.66	5,041,099.53	(1,419,773.50)	10,818,213.21	47,077,737.43	32,670,447.38	236,165,073.71
		18	MAKARFI	95,495,969.57	3,483,904.48	(954,959.70)	7,276,482.92	31,665,150.75	23,836,145.20	160,802,693.23
		19	SABON GARI	126,006,809.86	4,284,112.30	(1,260,068.10)	9,601,309.92	41,782,125.97	30,554,346.72	210,968,636.67
33	SOKOTO	6	GUDU	106,670,075.90	3,445,273.25	(1,066,700.76)	8,127,913.55	35,370,330.81	19,328,402.52	171,875,295.26
		7	GWADABAWA	121,832,446.60	3,850,192.44	(1,218,324.47)	9,283,236.98	40,397,964.50	25,817,363.78	199,962,879.83
		8	ILLELA	103,960,933.05	3,416,786.72	(1,039,609.33)	7,921,485.66	34,472,016.28	21,953,580.90	170,685,193.27
		9	ISA	117,676,032.96	3,543,113.85	(1,176,760.33)	8,966,531.76	39,019,754.87	21,744,025.30	189,772,698.40
		10	KEBBE	106,245,075.01	3,512,866.28	(1,062,450.75)	8,095,529.86	35,229,406.35	20,719,419.78	172,739,846.53
		11	KWARE	98,521,813.56	3,073,590.63	(985,218.14)	7,507,042.41	32,668,479.03	21,160,938.99	161,946,646.49
		12	RABAH	117,302,206.83	3,636,927.95	(1,173,022.07)	8,938,047.42	38,895,799.27	21,890,322.44	189,490,281.83
		13	SABON BIRNI	123,073,685.72	4,105,534.73	(1,230,736.86)	9,377,815.38	40,809,542.33	24,682,199.29	200,818,040.57
		14	SHAGARI	110,895,910.54	3,363,605.34	(1,108,959.11)	8,449,908.43	36,771,559.48	22,236,619.51	180,608,644.20
		15	SILAME	99,300,494.31	3,046,299.37	(993,004.94)	7,566,375.35	32,926,678.86	19,750,475.97	161,597,318.93
		16	SOKOTO NORTH	110,346,471.76	3,716,945.71	(1,103,464.72)	8,408,042.98	36,589,373.13	25,888,457.88	183,845,826.75
		17	SOKOTO SOUTH	109,455,037.95	3,461,489.75	(1,094,550.38)	8,340,118.62	36,293,785.94	24,076,131.62	180,532,013.50
		18	TAMBUWAL	122,558,613.94	4,040,624.61	(1,225,586.14)	9,338,568.58	40,638,751.61	25,510,292.68	200,861,265.28
		19	TANGAZA	112,994,103.30	3,386,080.31	(1,129,941.03)	8,609,783.91	37,467,291.36	20,203,175.31	181,530,493.15
		20	TURETA	102,826,282.73	3,041,758.37	(1,028,262.83)	7,835,028.99	34,095,781.83	18,030,075.15	164,800,664.24
		21	WAMAKKO	105,998,076.01	3,456,167.54	(1,059,980.76)	8,076,709.34	35,147,504.88	23,345,362.61	174,963,839.62
		22	WURNO	101,986,619.63	3,375,708.85	(1,019,866.20)	7,771,049.39	33,817,361.09	22,518,224.78	168,449,097.55
		23	YABO	95,612,433.52	3,222,225.66	(956,124.34)	7,285,357.09	31,703,768.60	20,258,502.57	157,126,163.11
	SOKOTO Total			**2,526,286,480.76**	**80,635,154.63**	(25,262,864.81)	192,494,829.94	837,681,868.91	**516,196,189.08**	4,128,031,658.51
34	TARABA	1	ARDO-KOLA	94,902,271.12	3,403,188.03	(949,022.71)	7,231,245.02	31,468,288.51	18,841,443.49	154,897,413.46
		2	BALI	162,399,642.83	5,616,477.00	(1,623,996.43)	12,374,325.66	53,849,489.10	24,671,064.29	257,287,002.45
		3	DONGA	111,538,680.57	3,941,445.71	(1,115,386.81)	8,498,885.42	36,984,693.19	21,096,101.20	180,944,419.29
		4	GASHAKA	133,177,853.44	4,551,142.79	(1,331,778.53)	10,147,720.16	44,159,945.44	18,882,532.82	209,587,416.12
		5	GASSOL	143,878,088.91	5,153,850.38	(1,438,780.89)	10,963,043.37	47,707,996.43	26,382,196.12	232,646,394.33
		6	IBI	99,671,613.42	3,478,029.95	(996,716.13)	7,594,653.43	33,049,736.85	18,704,463.12	161,501,780.64
		7	JALINGO	95,866,958.13	3,555,978.10	(958,669.58)	7,304,751.04	31,788,165.46	21,370,061.94	158,927,245.09
		8	KARIM-LAMIDO	148,798,632.15	5,069,464.61	(1,487,986.32)	11,337,972.79	49,339,580.93	24,045,598.64	237,103,262.80
		9	KURMI	105,920,710.31	3,830,157.10	(1,059,207.10)	8,070,814.32	35,121,851.48	19,061,701.43	170,946,027.53
		10	LAU	97,796,348.92	3,546,066.24	(977,963.49)	7,451,764.36	32,427,924.92	19,303,411.82	159,547,552.77
		11	SARDAUNA	145,943,254.98	4,960,262.67	(1,459,432.55)	11,120,402.32	48,392,777.11	25,411,723.41	234,368,987.94
		12	TAKUM	115,518,804.19	4,051,652.07	(1,155,188.04)	8,802,157.93	38,304,447.47	21,155,250.73	186,677,124.33
		13	USSA	99,286,870.75	3,441,727.22	(992,868.71)	7,565,337.28	32,922,161.47	20,052,575.47	162,275,803.49
		14	WUKARI	142,214,342.20	4,975,991.68	(1,422,143.42)	10,836,271.27	47,156,320.90	26,229,162.25	229,989,944.87
		15	YORRO	94,275,777.55	3,341,554.09	(942,757.78)	7,183,508.25	31,260,551.85	18,960,363.66	154,078,997.62
		16	ZING	102,270,333.00	3,669,688.35	(1,022,703.33)	7,792,667.42	33,911,436.54	20,773,693.27	167,395,115.25
	TARABA Total			**1,893,460,182.46**	**66,586,675.99**	(18,934,601.82)	144,275,520.06	627,845,367.67	**344,941,343.64**	3,058,174,487.99
35	YOBE	1	BADE	105,690,307.45	3,484,081.16	(1,056,903.07)	8,053,258.37	35,045,453.06	21,928,675.32	173,144,872.28
		2	BURSARI	116,956,790.06	4,092,392.60	(1,169,567.90)	8,911,727.78	38,781,263.81	20,463,888.37	188,036,494.72
		3	DAMATURU	97,926,739.09	3,419,357.79	(979,267.39)	7,461,699.67	32,471,160.51	19,455,288.58	159,754,978.25
		4	FIKA	109,642,245.33	3,668,518.42	(1,096,422.45)	8,354,383.21	36,355,861.33	21,790,739.38	178,715,325.22
		5	FUNE	153,781,637.49	5,231,647.14	(1,537,816.37)	11,717,661.63	50,991,877.00	29,619,929.58	249,804,936.46
		6	GEIDAM	127,445,259.23	4,287,134.06	(1,274,452.59)	9,710,915.09	42,259,096.01	22,765,416.59	205,193,368.38
		7	GUJBA	117,335,049.10	3,803,969.18	(1,173,350.49)	8,940,549.89	38,906,689.31	21,465,512.53	189,278,419.52
		8	GULANI	101,940,090.39	3,523,603.39	(1,019,400.90)	7,767,504.01	33,801,932.63	20,195,661.03	166,209,390.54
		9	JAKUSKO	134,442,668.40	4,528,064.36	(1,344,426.68)	10,244,094.95	44,579,340.70	26,195,324.78	218,645,066.51
		10	KARASUWA	94,816,308.52	3,325,318.43	(948,163.09)	7,224,694.95	31,439,784.49	20,362,025.05	156,219,968.36
		11	MACHINA	90,818,948.46	2,868,087.93	(908,189.48)	6,920,109.09	30,114,314.85	18,193,559.38	148,006,830.23

Source: **Office of the Accountant-General of the Federation**

Federal Ministry of Finance, Abuja

Table IV

Distribution Details of Revenue Allocation to Local Government Councils by Federation Account Allocation Committee for the Month of October, 2013 Shared in November, 2013

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
				=N=	=N=	=N=	=N=	=N=	=N=	=N=
		20	SANGA	105,647,520.25	3,569,485.38	(1,056,475.20)	8,049,998.13	35,031,265.41	23,983,015.68	175,224,809.65
		21	SOBA	134,662,048.67	4,782,554.63	(1,346,620.49)	10,260,811.02	44,652,084.18	30,860,080.03	223,870,958.04
		22	ZANGON KATAF	150,659,683.89	5,155,602.82	(1,506,596.84)	11,479,778.90	49,956,680.10	31,963,758.63	247,708,907.50
		23	ZARIA	153,836,552.92	5,270,379.36	(1,538,365.53)	11,721,846.01	51,010,086.20	36,351,143.84	256,651,642.80
	KADUNA Total			**3,001,448,264.45**	**104,361,715.97**	(30,014,482.64)	228,700,615.57	995,238,984.47	**677,357,196.79**	4,977,092,294.61
		1	AJINGI	98,720,011.51	3,226,421.54	(987,200.12)	7,522,144.45	32,734,198.74	24,381,985.17	165,597,561.30
		2	ALBASU	101,115,235.75	3,261,285.89	(1,011,152.36)	7,704,652.76	33,528,422.17	25,147,202.34	169,745,646.55
		3	BAGWAI	92,197,173.75	3,092,770.05	(921,971.74)	7,025,125.38	30,571,315.41	23,842,568.23	155,806,981.09
		4	BEBEJI	100,021,187.44	3,263,385.61	(1,000,211.87)	7,621,289.83	33,165,650.79	25,085,377.22	168,156,679.02
		5	BICHI	121,228,971.69	3,922,194.51	(1,212,289.72)	9,237,254.15	40,197,860.51	29,301,333.91	202,675,325.06
		6	BUNKURE	96,583,718.09	3,189,597.06	(965,837.18)	7,359,365.82	32,025,833.21	24,226,896.83	162,419,573.84
		7	DALA	155,896,626.06	4,882,405.74	(1,558,966.26)	11,878,816.89	51,693,178.14	36,070,467.09	258,862,527.66
		8	DANBATTA	106,214,832.71	3,494,317.58	(1,062,148.33)	8,093,225.50	35,219,378.42	25,998,372.65	177,957,978.53
		9	DAWAKIN KUDU	114,176,822.03	3,626,741.44	(1,141,768.22)	8,699,903.24	37,859,464.63	26,830,718.31	190,051,881.43
		10	DAWAKIN TOFA	114,976,484.18	3,601,609.61	(1,149,764.84)	8,760,834.90	38,124,621.61	27,905,061.04	192,218,846.50
		11	DOGUWA	106,567,310.84	3,229,135.40	(1,065,673.11)	8,120,083.19	35,336,255.33	23,285,186.65	175,472,298.30
		12	FAGGE	104,402,279.29	3,240,993.20	(1,044,022.79)	7,955,114.81	34,618,360.63	25,561,679.04	174,734,404.18
19	**KANO**	13	GABASAWA	109,085,621.35	3,547,197.90	(1,090,856.21)	8,311,970.27	36,171,292.47	26,145,864.24	182,171,090.03
		14	GARKO	97,304,863.72	3,119,432.29	(973,048.64)	7,414,314.78	32,264,955.19	23,825,989.16	162,956,506.51
		15	GARUN MALLAM	96,797,103.31	2,942,654.33	(967,971.03)	7,375,625.09	32,096,588.82	21,627,900.96	159,871,901.46
		16	GAYA	104,615,489.10	3,350,668.19	(1,046,154.89)	7,971,360.71	34,689,058.07	25,666,217.95	175,246,639.13
		17	GEZAWA	119,463,636.21	3,806,170.61	(1,194,636.36)	9,102,741.32	39,612,499.54	29,538,792.04	200,329,203.34
		18	GWALE	143,627,745.31	4,525,148.67	(1,436,277.45)	10,943,968.00	47,624,985.94	33,360,577.80	238,646,148.26
		19	GWARZO	98,747,623.10	3,289,439.67	(987,476.23)	7,524,248.36	32,743,354.36	24,852,601.37	166,169,790.63
		20	KABO	95,149,911.59	3,211,159.18	(951,499.12)	7,250,114.42	31,550,402.69	23,411,655.80	159,621,744.56
		21	KANO MUNICIPAL	138,634,404.18	4,257,768.85	(1,386,344.04)	10,563,491.61	45,969,262.66	33,526,177.37	231,564,760.62
		22	KARAYE	92,266,582.39	3,015,668.55	(922,665.82)	7,030,414.10	30,594,330.36	22,818,201.60	154,802,531.18
		23	KIBIYA	93,115,882.09	3,022,464.85	(931,158.82)	7,095,127.98	30,875,946.46	22,595,029.19	155,773,291.74
		24	KIRU	120,130,691.89	3,947,441.04	(1,201,306.92)	9,153,568.80	39,833,686.03	28,712,800.88	200,576,881.72
		25	KUMBOTSO	122,746,929.42	3,852,191.57	(1,227,469.29)	9,352,917.61	40,701,194.43	30,203,388.11	205,629,151.85
			KANO SUBTOTAL	2,743,787,137.01	47,347,619.75	(27,437,871.37)	-		663,922,044.95	3,989,714,237.36
			SUBTOTAL CF	41,471,875,337.04	8,895,383,595.44	(414,718,753.37)	-		9,462,873,653.26	59,696,461,485.87

S/n	State	S/n	Local Government Councils	Gross Statutory Allocation	Distribution of the sum =N=7.617 Billion being 27th Instalments of Refund by NNPC	Deduction of 1% Police Reform Fund	Distribution of =N=35.549 Billion from Foreign Excess Crude Savings Account Being SURE - P for November, 2013	Distribution of $1 Billion from Foreign Excess Crude Savings Account	Value Added Tax	Total Allocation
	=N=	=N=		=N=	=N=	=N=	=N=	=N=	=N=	=N=
		12	NANGERE	97,371,801.25	3,254,389.42	(973,718.01)	7,419,415.20	32,287,150.75	19,446,162.92	158,805,201.54
		13	NGURU	105,903,350.28	3,780,111.25	(1,059,033.50)	8,069,491.55	35,116,095.13	22,447,069.81	174,257,084.51
		14	POTISKUM	116,534,589.38	3,959,956.95	(1,165,345.89)	8,879,557.46	38,641,267.87	25,086,533.90	191,936,559.67
		15	TARMUA	108,084,667.73	3,706,761.51	(1,080,846.68)	8,235,700.86	35,839,390.01	18,938,805.22	173,724,478.65
		16	YUNUSARI	112,642,748.36	3,752,858.31	(1,126,427.48)	8,583,011.81	37,350,786.89	21,261,642.55	182,464,620.44
		17	YUSUFARI	112,375,069.85	3,720,697.63	(1,123,750.70)	8,562,615.57	37,262,028.38	20,557,629.38	181,354,290.11
	YOBE Total			**1,903,708,270.36**	**64,406,949.52**	(19,037,082.70)	145,056,391.09	631,243,492.74	**370,173,864.37**	3,095,551,885.38
		1	ANKA	105,775,329.04	3,479,302.04	(1,057,753.29)	8,059,736.74	35,073,645.05	21,364,361.43	172,694,621.02
		2	BAKURA	102,416,954.74	3,377,972.46	(1,024,169.55)	7,803,839.52	33,960,054.30	23,496,467.82	170,031,119.29
		3	BUKKUYUM	120,868,782.94	3,921,591.28	(1,208,687.83)	9,209,808.94	40,078,426.87	24,677,929.48	197,547,851.68
		4	BUNGUDU	133,403,874.22	4,321,441.39	(1,334,038.74)	10,164,942.21	44,234,890.83	26,889,300.05	217,680,409.95
		5	GUMMI	116,113,855.66	3,757,120.86	(1,161,138.56)	8,847,498.92	38,501,758.36	24,338,990.26	190,398,085.50
		6	GUSAU	161,230,778.65	5,216,720.28	(1,612,307.79)	12,285,262.01	53,461,909.81	32,873,292.52	263,455,655.48
36	**ZAMFARA**	7	KAURA NAMODA	122,447,780.86	3,977,445.89	(1,224,477.81)	9,330,123.46	40,602,000.88	28,009,701.05	203,142,574.33
		8	BIRNIN MAGAJI	111,093,477.57	3,568,123.35	(1,110,934.78)	8,464,962.40	36,837,069.99	23,100,576.87	181,953,275.40
		9	MARADUN	120,095,191.36	3,996,037.84	(1,200,951.91)	9,150,863.77	39,821,914.54	24,640,614.63	196,503,670.24
		10	MARU	158,515,859.64	5,084,618.18	(1,585,158.60)	12,078,393.99	52,561,679.99	28,512,949.83	255,168,343.03
		11	SHINKAFI	98,974,125.87	3,191,796.66	(989,741.26)	7,541,507.14	32,818,459.57	21,047,543.56	162,583,691.55
		12	TALATA MAFARA	114,316,751.54	3,746,082.05	(1,143,167.52)	8,710,565.42	37,905,863.33	24,847,303.53	188,383,398.36
		13	TSAFE	121,114,840.27	3,949,683.01	(1,211,148.40)	9,228,557.71	40,160,016.10	27,275,874.23	200,517,822.93
		14	ZURMI	133,760,076.51	4,458,848.59	(1,337,600.77)	10,192,083.67	44,353,002.61	28,605,496.38	220,031,907.00
	ZAMFARA Total			**1,720,127,678.88**	**56,046,783.88**	(17,201,276.79)	131,068,145.89	570,370,692.23	**359,680,401.66**	2,820,092,425.75
		1	ABAJI	88,357,995.27	3,741,478.27	(883,579.95)	6,732,592.44	29,298,296.60	155,892,286.82	283,139,069.45
		2	ABUJA MUNICIPAL A	225,557,047.70	5,644,343.04	(2,255,570.48)	17,186,714.92	74,791,616.35	190,298,535.45	511,222,686.98
		3	BWARI	127,050,116.99	4,228,640.41	(1,270,501.17)	9,680,806.53	42,128,072.27	163,955,925.10	345,773,060.13
37	**FCT, ABUJA**	4	GWAGWALADA	108,883,634.92	4,088,786.69	(1,088,836.35)	8,296,579.56	36,104,316.55	160,637,913.68	316,922,395.06
		5	KUJE	103,457,967.34	3,761,540.25	(1,034,579.67)	7,883,161.30	34,305,239.76	157,751,961.36	306,125,290.35
		6	KWALI	106,420,791.88	4,078,794.47	(1,064,207.92)	8,108,918.92	35,287,671.65	157,201,077.63	310,033,046.64
	FCT, ABUJA Total			**759,727,554.10**	25,543,583.14	(7,597,275.54)	57,888,773.68	251,915,213.19	**985,737,700.04**	2,073,215,548.60
	Grand Total			**83,614,244,331.32**	**2,884,721,214.38**	(836,142,443.31)	6,371,134,020.62	**27,725,334,000.00**	**22,292,323,616.46**	**142,051,614,739.46**
	CHECK!!			-	-	(836,142,443.31)	-		-	
					36,950,913,956.99				CHECK!!	- 836,142,443.31
				-	86,594,968,525.97					

Source: **Office of the Accountant-General of the Federation**