

Competitive Federalism in Nigeria: The Prospects in the South-South Non-Constitutional Approach¹

EbebeA. Ukpong, Ph.D

Nigerian Institute of Social and Economic Research, Ibadan, Nigeria

Abstract: The over-centralization of Nigerian federalism stifles the creativity of the federating units and neglects the inclusion and welfare of the citizens. The current surge in the demands for reforms through restructuring will not find adequate response in constitutional measures. This article supports the adoption of an innovative approach called non-constitutional renewal which is consistent with the inherent character of federalism, being creatively flexible. This approach fits into the mould of competitive federalism, with its disposition for experimentation laboratories on innovative policymaking. The South-South Nigeria has historically blazed and demonstrated innovative paths. Driven by both its historical incentive and fiscal resource endowment, the region has, following the competitive federalism framework, charted a new way of building an integrated economic bloc among subnational states as a development centre. This article examines the driving principles behind this initiative and the extent of its parlay successes across Nigeria.

Keywords: Competitive federalism, non-constitutional approach, creative experimentation, historical incentive, fiscal resource endowment.

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I. INTRODUCTION

The recent surge in the discussions of federalism in Nigeria is entering a new phase of identifying a non-constitutional, creative approach as the potential elixir to the seemingly intractable problems facing the country's federal system of government. Even a cursory reading of the recent literature on federalism in Nigeria shows that discussions have largely been focused on three issues that follow some linear order: acknowledgment and delineation of the myriad of problems facing federalism in Nigeria, (Kasali, 2013; Muhammad, 2007); the failures in the constitutional approach to solving the identified crises (NCR, 2014; Arowolo, 2011; Aiyede, 2009; Suberu, 2008; Adamolekun, 2005); and the current search for non-constitutional solution (Ukpong, 2017; Suberu, 2014; Nwabueze, 2014; Oluniyi, 2014; Ukpong, 2013 and 2009; Okpanachi, 2011; Olumide and Ekanade, 2011).

There is a general consensus that an imperfect federalism was foisted upon Nigeria at independence in 1960 by Britain, the departing colonial master. The manner in which the forcefully imposed, than a negotiated union called Nigeria emerged in 1914 (sometimes called "1914 mistake") is always cited as the underpinning reason for the defective federation of the country. Indeed, Nigeria "achieved federation by disaggregation" (Nze, 2005: 230) and this has since imposed challenges on the healthy operation of a federal system of government in the country.

Three sets of problems have been identified with Nigerian federalism, and are summarised here in this introduction. One, it is highly centralized and often criticized as being a unitary federalism. The over three decades of military rule in Nigeria had exacerbated this challenge, manifested negatively in several ways. In particular, the central government has taken upon itself too many functions which it poorly and ineffectively delivers upon while paradoxically stifling the creativity and capacity of the constituent states to handle these functions better. Two, the current federal constitutional basis has failed to provide a development-oriented

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fiscal or revenue distribution framework. Not only is the revenue sharing formula in favour of the central government, it provides “easy” funds at the sub-national level without tying the transfers to performance bonds. What has emerged is a convoluted fiscal federalism that promotes docility and discourages competition and creative measures. Three, Nigeria is still unable to overcome its historical defect of being openly concerned with the struggle for resource allocation and control than wealth creation. This dates back to the late 1920s and has since been intensified by the oil boom. The consequence is a deeply, ethnocentrically proliferated than an economically diversified federation.

The recent response to the defective Nigerian federalism is the strident calls for the “restructuring” and “unbundling” of the federation. This has been reported in details in a recent study (Ukpong, 2017). The failures of the several constitutional reforms measures to produce the desired results have further led to the new federalist ferment of demanding for (re)injection of competition among the constituents units on regional basis to engender economic prosperity in the Nigerian federation. However, the framework for achieving this is hardly articulated in the discussions.

This article attempts to rephrase the discussions by pointing to the non-constitutional initiative of the South-South Nigeria which has the potentials of fostering competitive federalism in Nigeria. We posit that competitive federalism is actually what is being currently demanded without using the concept explicitly. It is hoped that this approach will allow the synthesis of the growing academic and policy insights in the subject, thus advancing knowledge and increasing understanding of the subject as well as permit a proposal of germane policy actions and strategies.

II. METHODOLOGY

The data used in this study are both primary and secondary. They are largely drawn from our data pool of the on-going benchmark study of the South-South Nigeria, called Regional Governance and Competitiveness Project, which have yielded some publications already (see for instance, Ukpong and Ikoh, 2014;Ukpong, 2017; 2013 and 2009). However, it became necessary to supplement the existing data, especially on the second variable of the study. The supplementary secondary data were collected from three sources: the National Bureau of Statistics, the Federal Ministry of Finance and Central Bank of Nigeria.

The methods of analysis employed were descriptive (table, percentage and bar charts) and inferential statistical tools. In order to provide a basis for comparison, fiscal resource data were developed: revenue allocation from the Federation Account (i.e. direct allocations) as compiled by the National Bureau of Statistics. All states in the federation were further classified according to their geo-political zones. Historical analysis is applied in the explication of the historical incentives, our second variable, the first being fiscal resource endowment.

Theorizing Competitive Federalism

The attempt by this section to piece together the strands of the theoretical underpinnings of competitive federalism provides, serendipitously, a brief literature review as well. No doubt, there is a theory of fiscal federalism, elegantly explicated in the tradition championed by Oates (2005 and 1999) and his followers (Ahmad and Brosio, 2006). The theory of fiscal federalism has progressed into a new generation. The theory has equally received detailed scholarly attention in Nigeria. (Ekpo and Ubok-Udom, 2003).

At the heart of federalism is the structural demand for appropriate allocation of functions between and within the federating units. Federalism as a system of governance is seen as a partnership, with overtures of balance between self-rule and shared-rule. Usually, such functions are constitutionally allocated to the central or national government and constituent governments and are appropriately specified in the exclusive, concurrent and residual lists. The functions are broadly aimed at ensuring the welfare of the citizens through efficient delivery of public goods and services (social efficiency) and enhancing political effectiveness and economic productivity. To this end, revenue allocation is made with which to undertake the functions and the power of taxation assigned. The common view is that revenue allocation has consequences for economic growth and development. Hence, it is often specified within the constitutional framework the intergovernmental fiscal relations, as well as the principles of vertical and horizontal transfers. These are the elements of fiscal federalism. Fiscal federalism is a consequence of federalism; and usually at the centre of discussion on the subject of the latter.

Perhaps it is to the Forum of Federations, and in particular the seminal works of John Kincaid that we owe the emerging coherent conceptual clarifications on competitive federalism. Competitive federalism is located within the economic theory of federalism and underpinned by the notion of how ‘jurisdictions’, that is federating units, are able to enhance the provisions of the preferences of the citizens and their freedom to choose their preferred jurisdiction. Thus, according to Courchene(2002:17), competitive federalism is the “ability of jurisdictions to experiment with alternative approaches to the design and delivery of policies and services”. It is basically a paradigm shift process, focused optimally at the sub-national level of the federation with the

objective to “experiment with creative approaches to emerging challenges on the social or economic fronts” (Courchene, 2002:17). The advanced outcomes of the experiments in the forms of superior approaches, dynamic efficiency and prosperity are replicated as success stories and further experimented upon in other regions, states and jurisdictions, keeping the chains of competition in momentum.

Kincaid (2005:6-10) sees competition as an integral process of federalism, with inter-governmental and inter-jurisdictional competition being vital to the promotion of efficiency, fostering innovation, promoting common-market prosperity and encouraging creative experimentation (for instance, constituent units being laboratories of policy innovation and programme initiatives). The commitment of federalism to diversity rather than homogeneity makes engendering creative competition a desirable option (Kincaid, 2005).

Federations by structure are pluralist and competitive in process, although the latter is an outcome of deliberate strategies since federalism can as well be unitary. Such strategies must be responsive to what Courchene (2002:17-18) describes as “pre-conditions” for successful competitive federalism. Four such success drivers are identified. The fourth being the freedom (being allowed) to compete with the other federating units or jurisdictions in designing and delivering alternative bundles of public goods and services as well as having alternative ways of funding same. To this list should be added enhanced freedom of mobility for citizens and their capital resources (Kincaid, 2005:10) as well as incorporating attention to historical incentives. As Edrisinha and Seymour (2005) have shown, advancement in federalism is underpinned by attentiveness to history, and specifically, the history of the political economy of the federation.

What risks are engendered by competitions in federalism? The issue currently receives scant attention. Instead, a growing interest has been devoted to asking the rephrased question, does (competitive) federalism matter for public policy and governmental effectiveness? To this, there are the quick answers that competition engenders efficiency in resource mobilization, utilization and distribution, creating the possibility for comparison of performances by constituent governments, providing incentives or inducement for superior performance and increasing opportunity for citizens’ participation, and governmental responsiveness and innovativeness (Zibblatt, 2006; Wibbels, 2006; Breton, 1998). Competitive federalism is thus seen as a capacity to respond and adapt to new challenges and impetus like the forces of globalization, delivering “both economic competitiveness and social cohesion” (Courchene, 2002). In consideration of these benefits, competition in federalism is risk worthy.

Kasali (2013) identifies competition as an essential feature of true federalism which, however, is lacking in Nigeria. The conditions that foster the rise of competitive federalism as identified by Shannon and Kee (1989) have been shown to exist in Nigeria, thus triggering the calls for elements of competitiveness to be injected into Nigerian federalism. Fiscal federalism theorists, Ekpo and Ubok-Udom (2003: vii-viii) endorse the need to “promote competitive development of the Nigerian economy by the federating unit” and the use of competitive federalism to promote general economic growth and development. This competitiveness is to be driven at the regional level in the country. Regionalism evokes competition (Ukpong, 2017; and 2009; Oluniyi, 2014; Yoruba Agenda, 2014) as it strengthens federalism (Liu, McDearman and Gootman, 2013).

The Imperative for Non-Constitutional Approach

The manner the Nigerian federalism has been structured and operated gives the justification for the current surge in the demands for reforming the country’s federalism. For most, the way out is not through constitutional reforms measures as recent experiments have not produced the desired results in this direction. The 2014 National Conference is the fifteenth and most current of National and Constitutional Conferences in Nigeria (NCR, 2014). Before it was inaugurated by President Goodluck Jonathan on 17th March, 2014 many had expressed doubt about its ability to produce any significant constitutional reforms that could address the core national concerns. This doubt persisted throughout the course of the Conference and long after it ended (Umoru and Eruke, 2014, Suberu, 2014). In particular, the Conference failed to reach a decision on the thorny issue of revenue sharing and vexed issue of derivation. In the end, there was a sharp division between northern and southern delegates on the controversial issue of resource control. ‘At the end... the Conference pushed same problems President Jonathan had asked them to solve for the country to him’ (Umoru, 2014). It is this open failure of constitutional reforms and national conferences, set on the ‘culture of political racketeering’, that had led Joseph (2014) to assert that Nigeria needs new measures on the path that promises growth and development reforms and strategies that build regional growth centres with political clout to exit its current crisis. He reiterated that ‘Nigeria seemed to have reached a crisis point in which a major rethink of its federal structure seemed unavoidable’.

The on-going debate on ‘restructuring’ Nigeria’s federalism has revealed deep seated national ambivalence and development paradox (see Table 1). The debate is expected to facilitate the identification and unblocking of the salient impediments to national development. It has helped in identifying both the centralists and the decentralists and their policy preferences. Above all, it has demonstrated the inadequacies of the adopted

constitutional measures, shown in the pervasive political discontent and the imperative of adopting innovative measures and strategies (Ukpong, 2017).

Table 1: Reasons for Restructuring Nigeria

	Reasons	Expressive Quality and expectations
1	Restoration of Effective governance (not politics)	Nigeria positively restored to golden era and ‘conditions’ of restoration stipulated. Our demand is therefore NOT for a previously unknown Nigeria; we only demand a return to a Nigeria that worked for human progress and development’.
2	Reinstatement of Regionalism	Raising of regional development ethos and building of local leadership capacity for the assignment. ‘Indeed, the rivalry for regional success resulting from a truly federating Nigeria will burst sustainable development across all zones of the country’.
3	Reinstatement of Regionalism	Strengthening of government at all levels-federal, state and local to discharge assigned responsibilities. All federating constituents must be strong and for the right reason.
4	Quality of policy choices	Removal of current perverse incentive system-‘the Awoof-economy of unearned monthly allocations’. End the situations where the central government will no longer be able to automatically pool funds unevenly from different parts of Nigeria, while redistributing the same funds unfairly and inequitably (at the expense of the larger contributor.
5	Enthronement of competitiveness and achievement values	End forced equalization among federating units and instead prioritize wealth creation through innovativeness, R&D and economic value chain. ‘A restructured Nigeria will make every region/zone/area of the country an economic growth and wealth creating zone’
6	Towards a true federalism	End centralization in all forms as state policy move away from ‘political solutions’ to pragmatic socio-economic drivers and structures. A forward looking enterprise with the goal of change. ‘In all, we must devolve more powers and resources from the Federal Government and de-emphasis of federal allocation as a source of sustenance of states. We need to start producing again and collecting taxes’. The new economic efforts also include regional integration.

Source: Ukpong (2017:13)

The salient impediments to national development which restructuring seeks to unblock are presented in the framework of reasons and relevance above. The ambivalence in the Janus’ dual face of restructuring is not hidden. The duality in restructuring, of both looking backward and forward can present conceptual problems leading to faulty actions. Overall, restructuring functions to ‘allow all the federating units to have the latitude to develop at its own pace for the overall development of the entire country (Adegoroye, 2017). It engenders peaceful co-existence and rapid development (Harry, 2016).

The debate on restructuring is gathering new energy, indicating the non-satisfactory outcome from the process its represents. For example, the National Assembly has in the last two years attempted to incorporate some of the recommendations of NCR 2014 into its on-going constitutional review programme. But the process has been slow and received with citizen’s mistrust (Adesanya, 2017). This situation is undergirded by the elements of duality in the restructuring process looking forward and looking backward at the same time, accepting progressive strategies and doubly inclining to conservative and particularistic dispositions (see Table 2).

There is concern with the duration of the crisis which has remained persistent. Nigeria’s federalism is not only not working but degenerating into ‘progressive retrogression’ in governance’ (Jimoh, 2016). The situation is attributed to the national ambivalence. It is reported that the Southern Governors’ Forum was created on October 10, 2000 at its historic meeting in Lagos. This meeting served as the official precursor to the restructuring demand along the six geopolitical zones of the country. The formation of the Northern Governors’ Forum was to follow immediately. When the National Assembly undertook the constitutional review in 2012, the Northern Governors’ Forum rejected the entrenchment of the geo-political zones in the constitution (Ajani, 2000; Jimoh, 2016). The South SouthGovenors’ Forum could not meet again until October 24, 2017 when it called for ‘true federalism and devolution of power to states’ (Olufowobi, 2017).

Table 2: Core Issues of Restructuring Nigeria and Flexibility Options

Issues	Perspectives	Strategic Flexibility
<ul style="list-style-type: none"> Dimensions of Restructuring 	<ul style="list-style-type: none"> Total Political Economic 	Collaborative
<ul style="list-style-type: none"> Expressive forms/modes 	<ul style="list-style-type: none"> Disintegration/Break-up Decentralization Devolution Competitive Federalism Fiscal Federalism Resource Control Regionalism 	Flexibly Collaborative
<ul style="list-style-type: none"> Strategies 	<ul style="list-style-type: none"> Dialogue (conference/confab) Constitutionalism Non-Constitutional Renewal-Constitutional infidelity Legal Action (Law/Decree Repeal) Violence Voluntary Break-up 	Independent
<ul style="list-style-type: none"> Drivers 	<ul style="list-style-type: none"> Centralist Tendencies/Inept Government (Federal) Ethic Nationalism/convulsions Religious ferments Historical antecedents Harsh Economic Realities 	Collaborative
<ul style="list-style-type: none"> Advocates 	<ul style="list-style-type: none"> Individuals Political agencies Government Pan socio-political-cultural groups 	Loosely Collaborative
<ul style="list-style-type: none"> Time Frame 	<ul style="list-style-type: none"> Immediate Short Term Incrementalism 	Independent
<ul style="list-style-type: none"> Perceived stakeholders' Outcomes 	<ul style="list-style-type: none"> Winners-Regionalists Losers-Centralists 	Flexible

Source: Adapted from Ukpong (2017:14)

The frustrations of reforming the flawed Nigerian federation is further demonstrated by the lethargy in the implementation of constitutional and conference reports. The 2014 National Conference Report is still not implemented as was the case with its predecessors. Reflecting on this situation, Adesanya (2017) reported a prominent first Republic Nigerian politician, Balarabe Musa, asserting that ‘if this government is serious about the implementation of national conference report, let the government collect all the reports of all the conferences ever held in this country. After this, we can convene a new advisory conference with all the reports and bring out something reasonable to move the country forward... We cannot just implement reports of the conferences done by Obasanjo, Jonathan respectively. These are not real and genuine national conferences’. It is obvious that the problem of a flawed federalism persists and the adopted response measures are dominantly inadequate.

Restructuring has become inevitable in Nigeria but it must follow an innovative path henceforth. As Table 2 shows, restructuring has inherent strategic options which can be used for transformative actions. The

greater the issues are flexible and mendable to collaboration, the higher the prospect of innovative, strategic options. As it is, restructuring is first and foremost a reaction to the centralization policy of the Federal Government of Nigeria. Kincaid (2005:11) has shown that centralization of federalism breeds ‘developmental difficulties’ and other severe anti-progressive elements which must be addressed. As recently presented elsewhere (Ukpong, 2017:15), centralization is the strongest driver of restructuring process in Nigeria. Centralization as a state policy introduced skewed institutions in favour of the Federal Government and destroyed robust and competitive post-independence federal structures. And centralization is linked to revenue allocation. It was the beginning of export of crude oil that introduced centralization as a state policy under the military, raising the resource-curse mantra in Nigeria. This explains why restructuring resonates loudly in South-South Nigeria as resource control and ethnic militancy (Ukpong and Ikoh, 2014). Restructuring seeks to end and reverse the negative outcomes through the (re)creation of new local growth and innovative points away from the inept centre.

The debate on the idea of restructuring oscillates between political necessity and economic imperative and is also about the nostalgia with the past and the determination to break forth into a brave future with new constellation of policies and values that damn authoritarianism and parasitism. The pendulum swings in favour of paradigm shift toward economic concern as the country is in dire need of development, prosperity, peace and progress.

It is against this background of national ambivalence on federalism that Suberu (2014) calls for the ‘non-constitutional renewal’ approach as a strategy to addressing Nigeria’s federalism dysfunction. According to him, this approach is canvassed for given the undesirability and unlikelihood of a ‘replacement or wholesale restructuring of the country’s current federal constitution’. Non-constitutional renewal is not the absence of observance of constitutional provisions but the utilization of the blind and passive spots of constitutional framework to redress restrictive actions imposed by other features of the constitutional framework or the federal system. Such actions permit what Kincaid calls ‘constitutional infidelity’, which itself does not constitute any illegality. The element of creativity lies here which fits into Courchene’s (2002:17) capacity to ‘experiment with alternative approaches’ in competitive federalism and Ogbu’s (2012) ‘laboratories of economic policy innovation to function as instruments of effective service delivery’. According to Suberu (2014) the non-constitutional renewal approach functions by addressing:

- Over-centralization, evident politically (appointment into and funding of major national security and administrative agencies), administratively (implementing a uniform public service by weak institutional capacities at subnational level) and policing.
- Dysfunctional Federation and failing state – address growth which is ‘jobless’ and without ‘prosperity’ or ‘development’ and corruption.
- Nigerian fiscal federalism that is fundamentally anti-developmental, producing fiscal dependence, irresponsibility and mismanagement especially at the subnational level.
- Non-inclusive constitutional making
- Ethnic fractionalization and militancy

Non-constitutional renewal is attributed with the following benefits:

- Infuses the principle of competition among the federating units – each one would have to compete for the distributable pool account as matching grants. Transfers (rather than ‘entitled’ revenue allocation) are linked with effective social service delivery or equitable inter-regional development on competitive than equalization basis.
- The necessity to set social policy principles to guide spending in the approved policy areas – the approach rests on having societal compacts between the citizens and the leaders and the commitment by the latter to be economically successful and faithful to the social contracts.
- The imperative of having professionals and politically insulated functionaries to lead the creative enterprise.

A number of non-constitutional renewal strategies in Nigeria have been listed to include judicial arbitration (the Supreme Court has since 1999 arbitrated numerous cases on revenue allocation, electoral matters, public order for example) the Sovereign Wealth Fund, North - South rotation of the Presidency (and other ‘zoning’ arrangements), establishment of local government bodies by state governments and the growing formalization of the six geo-political zones as a basis of federalist coordination, administration and representation beyond the states (Ukpong and Ikoh, 2014; Suberu, 2014). To this list should be added the nascent quest for regional integration, by converting the geo-political zones to geo-economic regions, the strategy we conceptualize here as competitive federalism.

The South-South Non-Constitutional Renewal Initiative

The South-South Nigeria geo-political zone receives wide attention in the development literature. This reflects the economic importance of the region as well as its special status as a development paradox. Recently, our studies reports on the regions and its development initiatives have been documented and published (see for example, Ukpong, 2017; 2013; 2009; Ukpong and Ikoh, 2014 and Ikoh and Ukpong, 2013). In this section, we present a summary of the endogenous development initiatives of the South-South Nigeria and draw out the parlay successes.

The South-South region is the home to Nigeria's oil and gas deposits that account for about 90 percent of the country's export earnings and 80 percent of public revenue. Paradoxically, the incidence of poverty in the region is high. Unemployment, especially among the youth and women is pervasive and high. These high levels of poverty and unemployment combined with a strongly felt sense of exclusion, deprivation and neglect have contributed to significant conflict in the region. The region receives large funding from the federation account, especially from the 13 percent derivation from oil revenues. However, development outcomes are short and this has been explained on the premise of inefficiency in implementation, posing a 'series of interlocking development and security challenges for Nigeria'. This is exacerbated by a 'context where the social impact between government and the governed has broken down, the success of government-driven development initiative has been limited' (FMNDA, 2012:9).

It was against this background of underdevelopment and economic hardship reflected through the high numbers in poverty, unemployment, exclusion and deterioration in the provision of qualitative social services that the six states of the region – Bayelsa, Rivers, AkwaIbom, Cross River, Edo and Delta came together in 2009, in what has been described by the then President Yar'Adua as a 'bold and forward-looking initiative' with a capacity to 'have profound implications for the entire nation' to organise the first South-South Economic Summit. The major outcome of the summit was the decision to create an integrated economy for the region as a centre for competitiveness, growth and prosperity. The BRACED Commission – an acronym for the six states in the region - was established to drive the vision of the regional cooperation and integration. On June 13, 2011, the BRACED AGREEMENT was signed, formally bringing the BRACED Commission (BC) into existence. At the Second South-South Economic Summit, held in Asaba on April 26 – 28, 2012, BC had its first Progress Report presented by its Director General, Ambassador Joe Keshi (Ukpong and Ikoh, 2014; Ukpong, 2013; and 2009).

BC was set up as a permanent institution to serve as a coordinating body, with the responsibility for the implementation of the mandates of integration and provision of legal framework for the activities of the Commission. Looking back seven years after the establishment of BC, Ekpo (2016) summarised the rationale for its formation thus 'the states came together to form the Commission in order to strengthen their resolve to make the region better. The formation... provided a vent for the states to pull together resources to finance critical infrastructure... in order to modernise the region and make its part of the global knowledge-based economy'. BC as an institution has its vision, mission, objective and organs clearly outlined.

The objectives of BC include:

- To promote economic cooperation and regional integration, raise the living standards of the people of the zone and contribute to the progress, prosperity and development of Nigeria.
- To achieve the above goal and in accordance with the provision of BRACED AGREEMENT, the Commission shall undertake the following activities, progressively:
 - * The harmonization and coordination of BRACED states policies and the promotion of economic cooperation and integration in mandated sectors and priority areas;
 - * The promotion of the establishment of joint production enterprises;
 - * Adoption of measures for the integration of the private sector.
 - * Establishment of Fund for Cooperation and Development; among others

BC identifies eight strategies with which to accomplish its objectives and these include initiating policies and programmes to encourage South-South economic cooperation and regional integration, enhancing BRACED States' capacity to be globally competitive, build partnerships and mutual respect, accountability between BRACED states, monitoring and evaluation of development programmes and making BC a critical development and knowledge centre. These functions and activities are to be undertaken and supervised by the six Organs and Working Groups of BC.

What factors drive the South-South initiative? There are a number of factors identified and acknowledged both officially and unofficially as the drivers of this initiative. A careful reaching of the planning documents leading to the first economic summit and the subsequent publications of BC show these factors. However, there are two unstated but powerful drivers of the BC experimentation which are highlighted here.

- i. **Historical Incentives** – As Kincaid (2005) asserts, the leading drivers of competitive federation cannot be found in financial resources alone. History as an impetus offers inspiration which serves as rich incentive

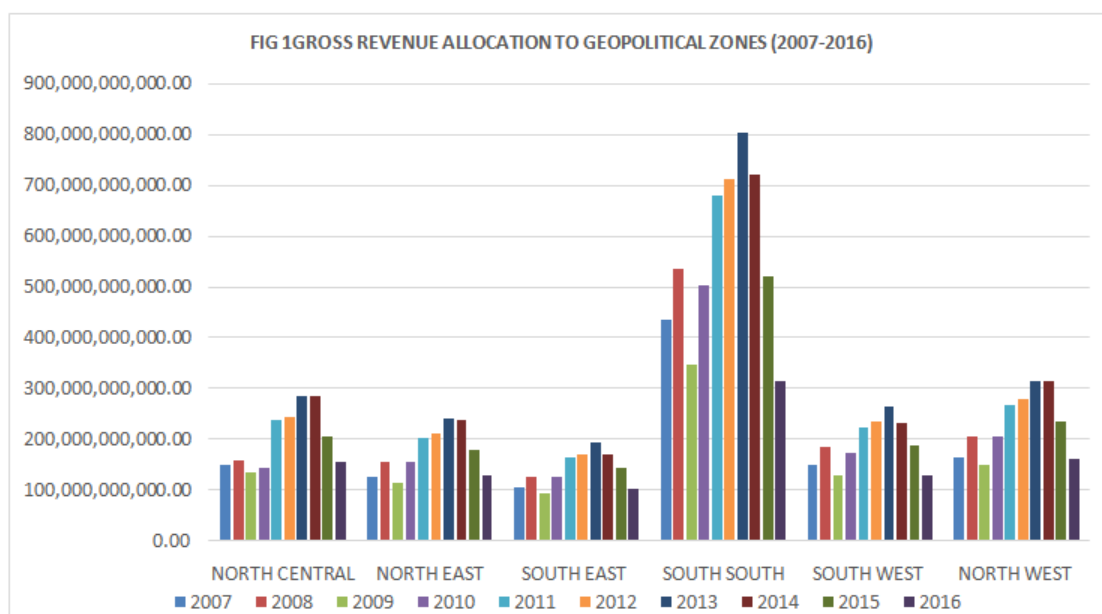
(Edrisinha and Seymour, 2005). The South-South region is noted for many ‘first’ in Nigeria. It was the study of group assertiveness and competition for political position and resource allocation in Port Harcourt, the capital of South-South region, that gave rise to the concept of ‘competitive communalism’ (Melson and Wolpe, 1970; 1971 and Wolpe 1974). The region is the first in oil and gas in Nigeria and this bears greater implication. As Otumara (2014) shows, oil was first discovered in the South-South region in 1956 but when oil export started, ‘no regard was given to the state or communities that produced oil and which bore the brunt’. The reaction of this exclusion and deprivation is the loud agitation for restructuring or resource control and militancy and witnessed in the region (Ikoh and Ukpong, 2013), forcing the six government in the region to become the first government agency in the country to assert for restructuring in order to create regional economic bloc for wealth and prosperity for its people.

- ii. **Fiscal Resource Endowment** – the South-South region receives significant transfers (revenue) from the Federation Account in quantum higher than other geo-political zones in the country (see Table 3 and Figure 1). Litwack (2013) shows that the per capita resources of the region is higher than some African countries, for example Ethiopia, Kenya, Cote D’Ivoire and Ghana. This revenue is besides the internally generated revenue (IGR) and other transfers like the one percent ecological fund.

TABLE 3: GROSS REVENUE ALLOCATION TO GEOPOLITICAL ZONES (2007 - 2016)

	NORTH CENTRAL	NORTH EAST	SOUTH EAST	SOUTH SOUTH	SOUTH WEST	NORTH WEST
2007	151,284,680,797.10	125,868,478,277.28	104,805,597,216.86	435,481,238,700.02	149,964,297,184.11	165,714,853,763.65
2008	157,414,446,328.54	156,447,329,804.12	126,976,499,144.10	535,569,930,194.50	185,636,849,614.45	205,721,585,517.91
2009	136,591,874,027.58	114,863,792,198.29	93,165,075,309.42	346,768,562,724.91	129,569,505,519.93	151,131,954,393.56
2010	143,331,375,487.26	155,367,722,678.25	127,855,239,178.84	503,692,921,889.75	173,687,707,750.13	204,424,972,645.02
2011	237,468,413,003.52	203,991,201,025.85	164,688,462,728.20	680,068,817,539.80	224,485,177,080.56	268,411,337,597.79
2012	244,875,203,032.63	210,853,729,286.70	171,802,389,873.53	711,546,778,504.63	235,349,238,683.83	279,070,229,681.48
2013	286,548,380,884.45	239,832,574,167.36	194,802,185,945.86	801,810,872,757.05	264,915,932,443.76	315,114,417,478.44
2014	286,469,885,725.74	237,526,787,629.68	171,763,648,336.12	721,952,845,551.99	232,663,602,234.00	314,337,787,622.48
2015	206,898,307,476.57	178,162,997,396.75	144,708,423,258.74	519,749,770,299.91	187,180,272,132.09	236,348,340,864.97
2016	156,641,302,671.78	129,060,401,502.75	103,317,740,896.16	314,979,753,359.81	128,279,027,683.63	162,956,453,296.68
TOTAL	2,007,523,869,435.17	1,751,975,013,967.02	1,403,885,261,887.83	5,571,621,491,522.37	1,911,731,610,326.49	2,303,231,932,861.98

Source: National Bureau of Statistics



Source: National Bureau of Statistics

The significant fiscal resource makes the region an exceptional development potential. When other resources like the large youth population and creative enterprises (for example the creative and entertainment

industry) and port access are added, the region can act in the mould of a 'country' and attract more investments. It is expected that with programmes that enhance getting better value for money and investment in the social protection of the citizens (for example the World Bank's State Employment and Expenditure for Results (SEEFOR) which is specifically for the Niger Delta Region (Benmessaoud, 2016), the region stands a better chance in delivery on social services to its people. These considerations prompted the first regional integration initiative in the country.

Although this study is not an assessment of BRACED Commission but a policy evaluation, it is useful to discuss for learning and sharing purposes, the prospects in the South-South non-constitutional renewal initiatives. As Ekpo (2016) pointed out, 'the BRACED Commission was, and is a unique development' particularly in the sense that it has allowed 'subnational governments within a country' to integrate for self-renewal and reinvention to 'foster sustained growth and inclusive development'. He concludes that this is a 'commendable initiative'. The BC initiative has potentially engendered:

- A sense of competitive federalism – states in the regions cooperate with other subnational states on bloc basis. Healthy competition among states result in better service delivery and governance which in turn attracts economic agents to the region.
- Intermediate countervailing power bloc – when states are distressed the first port of call is the central Federal Government. Regional bloc structure offers a buffer between the central government's aloofness and states government's aggression.
- Internal mechanism for honest self-assessment – one of the functions of BC is to review the development in the economies of member states and track progress. In one such 'internal' reviews, it is reported courageously that 'as at the third quarter of 2012, most of the states' developmental programmes had stopped... because resources were no longer available to finance projects which would have helped to stimulate more economic activities in the regions' (Ofulue, 2013:4).
- Stronger voice and negotiating capacity - regional dealings with the Federal Government is enhanced and Federal resources can be directed towards the priority areas of development of the region.
- Connected markets with major impacts on investments, growth and development.
- The priming of the zone beyond the national boundaries for global competitiveness and interfaces
- The assignment of the process of development to dedicated institution and professionals and experts

It is expected that innovative results and superior approach to policy from the laboratories of experimentation in competitive federation are replicated or parlayed (Courchene, 2002:17-18). Some demonstration effects are being recorded in the country, including:

- Regional development agencies in the mould of BC are being established, for example the Development Agenda for Western Nigeria (DAWN) Commission and South-East Nigeria Economic Commission (SENEC) (The Guardian, 2014; and Atoyebi, 2016).
- Synergy is being created between the regions experimenting with the approach and the prime actors are the same, acting directly or by proxy. For example, the development agencies of South-South and South-East Nigeria have teamed up to form the South-East South-South Development Agency (SESSDA) which is expected to provide technical assistance to BC, SENEK and NDDC.
- The drafting of regional development agenda or blueprint is ongoing in zones adopting the initiative.
- Regional economic summits across the six geo-political zones in the country are acceptably entrenched.

As Ekpo (2016) suggested, whether these potentials have occurred is 'an empirical matter'. To strengthen the bloc of subnational states to become viable centres of real development, delivering both economic competitiveness and social cohesion requires some policy actions.

Selected Policy Actions

Restructuring Nigeria is inevitable and is actually in the process, albeit discreetly at the moment. Competitive federalism is an integral part of this subtle movement in Nigeria. Against the background of a country with a legacy of undemocratic constitutional policy making (Subern, 2013), some selected policy options to support the non-constitutional renewal initiatives are required and the suggested ones include:

- **Support the innovative process through awareness creation** – Nigeria is low on innovative index. The national commitment to improving innovativeness is abysmally low. It is not only that a national initiative on innovation study is required, but it is also important to adopt measures to transfer available knowledge as resource to citizens. Competitive federalism is an innovative approach that requires extensive acquaintance to make it work. National perception must move away from the antagonistic, divisive perspective to that of a healthy competition with cohesive outcomes.

- **Diversification Programme** - Competitive federalism seeks new strategies and approaches to experiment upon. Packaging competitive federalism in the framework of diversification programme will open new and legitimate areas of intervention that can be experimented upon for attainment of superior performance and star status with the niche of natural endowments.
- **Competitive Bonding** - The elements of co-determination and creative destruction processes characterize competitive federalism, meaning cooperation is required for harmonization and old boundaries are necessarily broken down not out of conflict but to make progressive adjustments. In a county marked by deep ethnic cleavages and mistrust, a lot of efforts are required to have handshakes across the zones. New champions must be raised for this task.
- **Infusion of principles of competition in national Policy Framework** - It is important to commit to the values and principles of competition by all federating units and this should be embedded as a national policy imperative.

III. CONCLUSION

The crisis of quality of life faced by most Nigerians has been traced to the flawed, over-centralized federal system operating in Nigeria. To the contrary, the 'federal model is so inherently flexible' (Courchene, 2002:1), permitting creative measures to evolve which can be applied to resolve national, regional or sectoral challenges and to also initiate socio-economic prosperity. This creative flexibility is the nature of competitive federalism. Historically, South-South Nigeria has demonstrated this capacity for creative experimentation, which is today expressed in the establishment of BRACED Commission as a transformation agency. It is apparent that the demands for reforming Nigerian federalism cannot be attained through constitutional reforms as recent events have demonstrated. The non-constitutional renewal approach suggested allows the creativity of citizens outside governmental structure to be mobilized and harnessed for development. New policy measures are suggested for support and strengthening of the nascent initiative that is discreetly moving across other geo-political zones of Nigeria.

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