Restructuring and Economic Development in Nigeria

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Abstract

The research is designed to assess the effect of restructuring and economic development in Nigeria. A review of the relevant literature and previous studies support the adoption of Marxist political economy theory as its theoretical framework while, survey method was adopted as its methodology. Oral interviews and questionnaire were employed in collecting primary data whereas the analysis of data was executed using percentages. Among the findings, it was revealed by this study that the need for restructuring is for effective decentralization of political power and effective resource control and restructuring can also bring about proper allocation and equitable distribution of resources which will enhance economic development. It was therefore recommended that the Nigerian government should show a high level of readiness towards restructuring the economy by putting in place all the necessary structures needed for efficient distribution and utilization of resources also, the National Assembly should review the allocation formula to empower the second and third tiers of government in revenue generation as well as the citizenry should be sensitized to demand for zoning of political office to be included in ongoing constitutional review process.

Keywords: Restructuring, Federalism, Economic Development, Fiscal Federalism and Development.

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Background to the Study
Nigeria is considered the most richly endowed State of the African continent in terms of human and non-human resources but also, one of the least developed states in the continent. This contrast of poverty of development in the midst of abundant resource endowment has been attributed primarily to institutional deficiencies. Specifically, inappropriate intra and intergovernmental relations and processes have been flagged as the root cause of this institutional deficiency and to some schools of thought issues such as corruption, ethnic and egoistic politics, and military incursion among others have created deficiency within the Nigerian federation (Awolowo, 1968; Ikelegbe, 2004; Obiyan, 2010).

The clamor for a true and workable federalism in Nigeria is not a recent occurrence in Nigeria but it is yet to receive an acceptable accent of the people. However, contrary to the view held by some scholars, restructuring Nigerian does not mean the revocation of the country's unity or her sovereignty but could be a strengthening of its federalism component. Similarly, Emmanuel, (2016) accreted that “A restructured Nigerian federalism will strengthen the nation's economic base by diversifying it into the production of those resources that each state is endowed with and each state contributing to the centre and sharing according to their contribution. Not the other way round of waiting to share from the mono-economic product (oil) at the end of every month as is currently the case.

Over the years, there has continually been the struggle over the control and allocation of federally generated revenue in Nigerian between and among the various federating units or regions that make up the country. The decision as to who gets what share of the federally generated revenue became very problematic with the discovery of oil and its exploitation and exploration.

Dr. Babangida Aliyu, while inaugurating the Advisory Council of Sir Ahmadu Bello Memorial Foundation in Abuja on 23rd February, 2012, ascribed the underdevelopment and poverty of the Northern Nigeria to the poor allocations the nineteen (19) states in the region receive from the federation account. He equally sees the 13 percent derivation allotted to oil-producing states as cheating on the northerners and therefore, called for its scrapping (Okocha, 2012).

In the thinking of Sagay (2004), the Northern part of Nigeria does not contribute anything to the national purse and has nothing to show for its existence. For him, because of the long stay of the North in power at the centre, they manipulated the political process and cornered oil blocs to the disadvantage of the south, which puts juicy oil blocs in the hands of the North. (http://tribune.com.ng, March 9, 2012). The positions of Aliyu and Sagay give insight into the struggle for the control and allocation of resources in Nigeria and how problematic the nation's federalism has been.

The dissatisfaction with the sharing formula and areas of control has led to an increasing wave of discordant voices from state and local governments over the fiscal relationship in a federal state (Akindele and Olaopa, 2002). In Nigeria, the financial relationship has been generating
tension among the three tiers of government (Angahar, 2013). In fact, this disturbing aspect of Nigerian fiscal federalism, among other factors has lately led to a demand for resource control by nearly half of the states in Nigeria (Olanipekun, 2015) cited in Fatile, and Adejiwon, (2017). Resource sharing and distributing among the different levels of government in Nigeria federation has remained controversial due to lack of an acceptable formula. Thus, the issue of resource transfer and sharing has generated tension and bad blood among the three tiers of government since independence.

Also, the nature of the fiscal relation in Nigeria is such that states and local governments are not been able to live up to their responsibilities of stimulating and promoting economic development in the country. Though many other factors have been linked to this problem, paramount is the nature of fiscal transfers to various governments in Nigeria federal structure. As observed by Anakom (2009) since the bulk of government finances come from intergovernmental financial transfers and that such funds flow down from the higher levels of governments to the local governments. This has made it difficult for government to effectively utilize the financial resources due to the absence of fiscal autonomy. With this, the federal, state and local governments have little or no control over how to effectively spend it’s resources. Also, this has grossly affected the government ability to deliver on its mandate of bringing economic development to the nation.

Fiscal federalism is essentially about the allocation of government spending and resources to the various tiers of government. This exists in all federal systems where there is constitutional division of governmental powers between a central government and other component units. In an attempt to equitably distribute generated revenue, various principles are used and one of such principles is the derivation principle.

The adoption of the system in Nigeria can therefore be viewed in the context of this virtue of federalism, but ever since adoption about five decades ago, the high hopes and aspirations which propelled its adoption seem not to have been fully transcended as evidenced in series of agitations by scholars (Ikelegbe, 2004; Obiyan, 2010) but this cannot be attributed to failure or inefficiency of the system but rather to ineptitude and insincerity on the part of its operators and other political elites, which made all lose sight of the virtues inherent in the system (The Guardian, Nov., 20 15:49; Jinadu, 2004). This issue has been a threat to the survival of Nigerian federalism in the ongoing political dispensation, states are in huge financial debt leading to institutional deficiency and decay (Guardian, Nov., 28th, 2015:49; Tribune, 8th 2015: PP.6, 10 and 14).

One of the essential ingredients of federalism is the existence of a financial arrangement, which details tax jurisdiction and the functional responsibilities among the various levels of government (Teidi, 2003). The fiscal arrangement among the different tiers of government in a federal structure is often referred to as fiscal federalism or intergovernmental fiscal relations (Fatile and Adejiwon, 2009). This can also be described as the allocation of the financial authority and responsibility (Fjeldstad, 2001). Financial decentralizations are used to ensure that revenues roughly match the expenditure needs of various levels of sub-national
governments. The structure of these transfers creates incentives for national, state, and local governments that affect fiscal management, macroeconomic stability, distributional equity, allocation efficiency, and public service delivery (Broadway and Shaw, 2007). In many countries, the lower levels of government undertake necessary financial functions, both on the expenditure side and concerning revenues. Under such arrangement, fiscal arrangements between the national and lower levels determine the way in which taxes are allocated and shared among the various levels of government, and how funds are transferred from one level to another (Nchuchuwe and Adejuwon, 2015).

Financial decentralization relations are crucial to the survival of a federal system. Thus, in most, if not all countries, one of the most constant sources of intergovernmental wrangles centers on the problem of securing adequate financial resources on the part of the lower levels of government to discharge essential political and constitutional responsibilities (Fatile and Adejuwon, 2008). In Nigeria's federalism, for instance, there exist three-tier levels of government which places the federal government as the pivot while the state and local governments followed correspondingly (Oladeji, 2003). Fiscal transfers to local governments are direct financial allocations from the federal government or state government to the local government. It cannot be over-emphasized that financial transfers have most significantly defined federal/state/local government fiscal relations worldwide. In some countries, these financial transfers are referred to as intergovernmental transfers, and in Nigeria, it is called grants or statutory allocations. The transfer of funds from the central government to the local administrations is premised on certain considerations. Most important of the considerations concerns the relative reluctance of the federal government to vacate some certain revenue fields for the local governments (Alo, 2012). In conclusion, this study intends to investigate the effect of restructuring on economic development in Nigeria and to find out in what ways can restructuring ensure economic development in Nigeria.

Apparently, it is currently on record that even before now, both the ruling and the opposition party's aspirants were calling for restructuring of Nigeria federalism. This informs precipitation of the researcher to undertake this study having accessed the issues involved, challenges and significance of restructuring and economic development on the Nigerian state, that federalism no doubt represents an institutional mechanism through which intra societal plural elements can be accommodated and protected.

**Statement of Problem**

There has been an increasing wave of discordant voices from state and local governments over the fiscal relationship in a federal state (Akindele and Olaopa, 2002). In Nigeria, the financial relationship has been generating tension among the three tiers of government (Angahar, 2013). In fact, this disturbing aspect of Nigerian fiscal federalism, among other factors has lately led to a demand for resource control by nearly half of the states in Nigeria (Olanipekun, 2015). Resource sharing and distributing among the different levels of government in Nigeria federation remained controversial due to lack of an acceptable formula. Thus, the issue of resource transfer and sharing has generated tension and bad blood among the three tiers of government since independence. Also, the natures of the fiscal relation in Nigeria are said to
Literature Review

The term restructuring has gained popularity among Nigerians especially the elites who are outside the corridors of power. According to Najakku (2016), the term is a buzzword used by a segment of the elites who have been shut out of government at the centre. Put differently, it is a bargaining chip for the nation's political elites, to negotiate their way into lucrative positions of power (The Politico, 2016). There is no agreement among the advocates of the restructuring of the polity on what constitutes restructuring.

Objectives of the Study

The study is design to assess the effect of restructuring on economic development in Nigeria. The specific objectives therefore are to:

1. To find out the factors necessitating the call for economic restructuring in Nigeria.
2. To examine the effect of restructuring on economic development in Nigeria.
3. To identify ways in which restructuring can ensure economic development in Nigeria.

Conceptual Framework

Concept of Restructuring

The term restructuring has gained popularity among Nigerians especially the elites who are outside the corridors of power. According to Najakku (2016), the term is a buzzword used by a segment of the elites who have been shut out of government at the centre. Put differently, it is a bargaining chip for the nation's political elites, to negotiate their way into lucrative positions of power (The Politico, 2016). There is no agreement among the advocates of the restructuring of the polity on what constitutes restructuring.

There are different interpretations or meaning of restructuring. Restructuring has been seen as synonymous with resource control. Nwankwo (2016) defines restructuring as “thoroughgoing process that allows each region to control its resources and pay royalties to the central government. It is a process that is anchored on the principle of “from each, according to each, according to his needs”. This definition likens restructuring to resource control but restructuring encompasses resource control. Different opinions and interest attribute restructuring to a change from presidential to parliamentary system of government while to some, restructuring means state creation, restructuring can also entail fiscal autonomy of the component units. On the whole, restructuring is reorganization, rearrangement or reformation (Najakku, 2016).
Federalism represents that form of government where the component units of a political organization participate in sharing powers and functions in a cooperative manner (Tamuno, 1998:13). It refers to a political system where there are at least two levels of power; a central government otherwise called the federal government and other states labeled variously as states, region, republic, canton or union. In the words of Where, the foremost theorist of the classical concept of federalism, in his seminar work titled, Federal Government (1963) argues that: By the federal principle, I mean the method of dividing powers so that general and regional governments are each within a sphere, coordinate and independent.

The thrust of Where's conception is the emphasis on decentralization, through the devolution of powers to different geographical level within the federal arrangement. This position is in line with the submission of Gibson (2004:5), that the notion of decentralization is far more important than as to whether it is a “particular political or constitutional order”. Arguing from a sociological perspective, Livingston (1952) submits that: The essential nature of federalism is to be sought for not in the shading of legal and constitutional terminology but in forces economic, social, political and cultural forces that makes the outward forms of federalism necessary. The essence of federalism lies not in the constitutional or institutional structure but in the society itself… Federal government is a device by which the federal qualities of the society are articulated and protected (Livingstone, 1952:22).

Concept of Fiscal Federalism
Fiscal federalism according to Ajibola (2008) denotes an intergovernmental fiscal relation defining functions and responsibilities among the various tiers of government as well as the financial resources to achieve stated objectives. It is a term used to describe a system of government in which the fiscal responsibilities rest with the various tiers of government in the country. In Nigeria, for instance, the federal, state and local governments have the joint responsibility of generating and expending revenue to carry on government responsibilities. Fiscal federalism therefore relates to the division of tax income and functional responsibilities among the various tiers of government in a federal state.

The basic foundations for the initial theory of Fiscal Federalism were laid by Kenneth Arrow, Richard Musgrave and Paul Sadweh Samuelson's (1954, 1955) on the theory of public goods. Musgrave's book (1959) on public finance provided the framework for what became accepted as the proper role of the state in the economy. The theory was later to be known as “Decentralization Theorem” (Ozo-Eson, 2005:1). Within this framework, three roles were identified for the government sector. These were the roles of government in correcting various forms of market failure, ensuring an equitable distribution of income and seeking to maintain stability in the macro-economy at full employment and stable prices (Musgrave, 1959). Thus the government was expected to step in where the market mechanism failed due to various types of public goods characteristics. Governments and their officials were seen as the custodians of public interest who would seek to maximize social welfare based on their benevolence or the need to ensure electoral success in democracies (Ozo-Eson, 2005:1).
Economic development is the process by which a nation improves the economic, political, and social well-being of its people. Economic development is usually the focus of federal, state, and local governments to improve our standard of living 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.

Each tier of government is seen as seeking to maximize the social welfare of the citizens within its jurisdiction. This multi-layered quest becomes very important where public goods exist, the consumption of which is not national in character, but localized. In such circumstances, local outputs targeted at local demands by respective local jurisdictions clearly provide higher social welfare than the central provision. This principle, which Oats (1999) has formalized into the "Decentralisation Theorem" constitutes the basic foundation for what may be referred to as the first generation theory of fiscal decentralisation (Bird, 2009). The theory focused on situations where different levels of government provided efficient levels of output of public goods “for those goods whose special patterns of benefits were encompassed by the geographical scope of their jurisdictions” (Oates, 1999: 5). Such situations came to be known as “perfect mapping” or “fiscal equivalence” (Olson 1996).

Concept of Economic Development

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Nevertheless, defining economic development is a necessary prerequisite to move discussion towards objective policy discussion and robust measurement. The first step in defining economic development is distinguishing it from the concept of economic growth. Economic growth has a strong theoretical grounding and is easily quantified as an increase in aggregate output. In theorizing economic growth, David Ricardo (1819), and later Solow (1956) and many others conceptualize an economy as a machine that produces economic output as a function of inputs such as labor, land, and equipment. Growth occurs when output increases. Output can increase either when we add more inputs or use technology or innovation in order to enhance the efficiency with which we transform inputs into outputs. In part, because of this straightforwardness, economic growth, with its emphasis on increases in population, employment or total output dominates the debate, despite the fact that increases in any or all of these could be associated with both improvements and/or declines in prosperity and quality of life. The consensus is that development is a fuzzier and more far reaching idea. Nobel laureate Lucas (1988:13) notes, “we think of (economic) growth and (economic) development as distinct fields, with growth theory defined as those aspects of economic growth we have some understanding of, and development defined as those we don't.” Our preoccupation with growth is an often-discussed problem. For a private firm, growth in sales and profits is a measure of market success.
However, taken to the extreme, publicly traded companies that succumb to the pressure to constantly better their last quarter's earnings often disregard long-term strategic opportunities. Places that are fast growing benefit from an increased tax base, but congestion leads to higher costs of services, which can outweigh the benefits of growth. Unfortunately promoting all and any growth is too often an easy victory to win at the expense of longer-term goals and objectives. Indeed, many of our conceptual tools may not be quite up to the task of economic development. North (1984) argues that neoclassical economics' focus on short-run optimal resource allocation is simply not well suited to the dynamic, long-term orientation that defines the process of economic development. If economic development is not the same as economic growth, then what exactly is it? Sen's (1999) international work considers economic development to be the strengthening of autonomy and substantive freedoms, which allow individuals to fully participate in economic life. Hence, economic development occurs when individual agents have the opportunity to develop the capacities that allow them to actively engage and contribute to the economy.

Federalism and the call for Restructuring Nigeria
Nigeria as a sovereign state is one that has numerous ethno-tribal groups as matched with its vast territory, large population and enormous land mass. Each of the locales within the Nigerian territory is endowed with either one mineral, vegetative or other natural resources and/or correspondence of resident human resources (population). In view of this, any knowledgeable administrative analyst would suggest the adoption of the federalist political structure, so as to ensure efficient administration of both the vast territories of Nigeria and its ethno-tribal heterogeneous population. This is what has been administratively put in place as a political mechanism for governance within the Nigerian polity. The current Nigerian political structure which has its roots in the 1946 Sir Arthur Richard's constitution of Nigeria, right from its inception till now has shown symptoms of administratively sick system of government resulting from such issues as the issue of resource control, outcry of marginalization, issue of ethno-tribal and regional discrimination, and issue of ensuring that every citizen irrespective of age, sex, religion, ethnic, linguistic, regional or tribal affiliation is given a sense of belonging to the country. Most importantly, the issue of resource control vis-à-vis political restructuring has become a contentious issue in Nigeria body politic, having been a key problem facing the Nigerian state since the onset of ethnic politics (Anugwom, 2005; Dickson and Asua, 2016).

Despite the lopsided nature of the country's political structure, Nigeria has persisted in the practice and has always resolved to the affliction of punitive measures to the dysfunctional issues marking the nature of the federalist political structure operational in Nigeria. These measures manifest in form of the different reforms, structural policies, intergovernmental relations, unification programmes etc which had been adopted in the past by different Nigerian government regimes.

Irrespective of the practice of imbuing the Nigerian political structure with corrective and curative measures, both scholars and other interested parties have gone to town for donkey's years to continue their clamour for the restructuring of the federalist political nature of the country with emphasis highly placed on the issue of intergovernmental relations between the
Restructuring has become the latest buzz word in the political landscape with political and non-political actors pushing forward their ideas of the word that was not too long ago, an anathema to many state actors. Given the view of some that Nigeria is presently a federation, it is not surprising that different political actors would give different perspectives to the concept of restructuring. While some of the calls have primordial and political undertones, a critical probe on the real reason for this call exposes all to the conflict of interest which has undermined the intention of the proponents. Apart from the genuine reason of using political restructuring as a veritable tool to better Nigeria, some people especially elite sees are it an abstract instrument to gain favour and achieve their self-interest. In fact, many emergency nationalists and opportunists are already using the mantra to make political points ahead of 2019 general elections. This raises some levels of skepticism because it appears there is no clear difference between the ongoing call for restructuring and the last change mantra deployed as the machinery for the 2015 general elections (Farayibi, 2017).

The history and historiography of the struggle for restructuring of the Nigerian political structure shows that it is an age-long practice that has bred conflicts and formation of conflict groups within the Nigerian society. Yaqub (2016) noted that it has polarized the country into north and south divide with the southerners being the protagonists and the northerners being the antagonists. The protagonists argue that by the virtue of their contribution to general purse, the principles of justice and equity demand that they should be allowed to control and manage their resources since they bear impact of oil exploration while the antagonists maintained that oil exploration activities in the south were funded from the agricultural proceeds from of cocoa, groundnut, cotton, hides and skin gotten in the north (Ahmed, Norafidah and Knocks, 2017). As already indicated, those opposed to resource control and political restructuring are mostly from the Northern part of the country. Recently, Alhaji Tanko Yakasai stated that the north has a reservation for restructuring because it aimed to deny the North revenue and representation. In his words: “the idea behind the agitation for restructuring is to demolish those two advantages that are naturally due to the north in terms of representation and revenue sharing.” (The Sun, May 26, 2017). The protagonist-antagonist stance on restructuring has resulted in the conflict of interest, conflict words and even physical violence between the two parties resulting consequently to name calling, exacerbation of the political system and loss of lives and properties. Eze (2016) noted that conflicts in Nigerian polity arising from restructuring is not limited to the northern-southern stance but include also ones manifesting in the nature of conflictual intergovernmental relationships. Prominent among the restructuring-bred conflicts are the MASSOB Vs Government conflict of 2005/2006 till date, the IPOB Vs Government conflict of 2014/2015 till date, the Lagos state government Vs Federal Government conflict of 2006/2007, the Anambra state Vs Kogu state boundary conflict of 2016, the Niger-delta militants and Niger-delta Avengers Vs Government conflict of 2003/2004 till date, the Boko-Haram Vs Government conflict the Nigerian-Biafran civil war of 1967-1970 amongst others.

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The emerging Pan-Nigeria support for the idea of restructuring means the people are coming to terms with the fact that the country has been living a lie for more than half a century. It is a reality that the federal structure at independence endowed the three regions and later four with a considerable measure of autonomy, and consequently engendered growth and development as well as healthy competition among the federating region; a period when resource allocation was also based on 50 percent derivation principle. This was however, dealt a blow by the centralizing dynamic of Military regime. The present structure has bred identity, politics of ethno-centrism; undermined national unity and patriotism, institutionalized corruption, violation of the rule of law and a dehumanization of the people. These anomalies have also led to state-led violence and enduring separatist impulses on the part of many nationalities that lot of the calls are anchored on well-established premise of ensuring the socio-political survival of the country. But what exactly is the idea of restructuring? Why are the calls for restructuring so loud and reverberating across the country? To restructure entails changing the way that organization or system is organized in order to make it work more effectively and efficiently.

Most of the fears which tend to drive present day agitation for self-determination seem to emanate from ethnic and tribal dominations. The minority ethnic groups are afraid of the dominance of the majority, while the latter are afraid of the onslaught of the agitators from the minority (Adenugu, 2016). The latest effort to revisit the structure and make it more accommodating came by way of the National Political Conference organized by the President Jonathan administration in 2014. Even when a number of people had misgivings about the motive of the government in convening the conference and its composition, some remarkable agreements were nonetheless reached. But Jonathan's successor, President Muhammadu Buhari and his party, the All Progressive Congress (APC) do not seem to be excited by some of the key recommendations of that conference (Osadare, 2016). Again, as postulated by Abubakar (2018), the incumbent government is not interested in the 2014 National Conference report and is dismissive even of its gain which its predecessor spent an estimated 9 billion Naira to organize. Although some people may not agree with all recommendations of the conference, it did provide avenue for Nigerians to air their opinions about the nature of the Nigerian state, disagree and agree on some ways forward. A genuine path to restructuring should not dismiss the outcome of that conference.

Series of clarion calls by eminent and well-meaning Nigerians have been directed at restructuring the Nigeria federal structure. Chief Anthony Enahoro (late) made a renewed effort through his Movement for National Reformation and the Pro-National Conference Coalition (PRONACO) to restructure the country and even came up with a people's constitution for the country. These were against the background of the effort of the Aluo-Aka Bashorun led National Consultative Forum (NCF) under the military dictatorship of General Ibrahim Babangida and later the Beko Ransome Kuti led Campaign for Democracy (CD) and the Pa Ajabin led National Democratic Coalition (NADECO) which made the call for Sovereign National Conference (SNC) one of its cardinal programmes in the fight against military dictatorship.

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make up the country. Recently, the former Nigerian Vice President, Alhaji Atiku Abubakar, threw his weight in support of the clamour for restructuring of the country's federal structure. While the presidency dismissed the call, many interest groups have commended Alhaji Abubakar for his position on restructuring the Nigerian polity and economy.

The restructuring of the Nigerian state, with regards to its federal practice is long overdue. This is a pointer to the tension at the heart of the agitations by many right thinking Nigerians calling for a restructuring and a renewal of the federation to make it less centralized, less suffocating and less dictatorial in the affairs of the country's constituent units and localities (Abubakar, 2018). Nigeria's federalism, as it exists today, encourages parasitism, dependency and laziness. Stupendous oil wealth which drove the centralization impulse is gone and restoring resource fullness of the state would be inevitable. It is perhaps time to ponder the concept of federalism and what it should mean in the context of Nigeria's particularism. As earlier indicated, classical definition of federalism sees it as division (sharing of legislative power between central and regional governments in a manner that provides shared independence in their respective spheres. Its meaning is to be found in the nature of society, not in the constitution. Nigeria by nature is multinational, linguistically and culturally diverse and its component nationalities are territorially segregated. What is erroneously called the Nigerian federation has been governed by principles that are anything but federal - a centralizing bureaucracy, a heavily skewed three tier structure not based on social contract but created by administrative fiat and has continued to expand domination with a corresponding societal disorder (Dode, 2014). On the contrary, federalism ought to mean that component units (States and Local Governments) should survive on their own. Each state should unlock its potential. It means real resource control, that is, ownership and control of resources by the people so endowed who should decide who share it, with, the country is simply living a lie, hence there is imperative for restructuring.

Nigeria Developmental Challenges
Nigeria with a population of about two hundred (200) million people is the most populous country in Africa. She is indeed a beauty, endowed with natural and mineral resources, different cultures and tribes, and religion. Despite the existing differences, this country still stands united as one entity. The introduction of federalism in Nigeria can be attributed to cultural diversity, fear of domination by majorities, geographical and economic factors, effective administration, and the desire to bring government nearer to the people. However, instead of federalism bringing the needed peace, development and administrative ease, it has brought backwardness, conflicts and political turmoil due to these factors which include: Sharing of Constitutional Power between the Component Units and the Centre, Multi-Ethnic Accommodation, Issue of Federal Character Principle and its Application, Constitutional Challenge, Leadership Problem and Inter-Ethnic Rivalry among others. In present day Nigeria, the above factors militate against the successful practice of federalism, hence the continued outcry and need for restructuring to nip these challenges in the bud (Abimiku, Atte and Basil, 2018).
Restructuring for Economic Development of Nigeria

One way of measuring the success or failure of governments in modern societies is to assess how successful such governments are in developing conditions necessary for satisfying the basic needs of the people they govern (Ayo, 2000:19). In addition to this, is the ability of such government to mobilize or generate adequate resources, as well as the optimal utilization of the said resources in a manner that facilitate opportunities for genuine and sustainable development (Stohr, 1981:1-2). However, the capacity of government to achieve these objectives, is essentially, predicated on the style or approach adopted in the pursuance of these goals (Taylor, 1992:214-258). In Nigeria, a prominent characteristic feature of the country's federal arrangement is that of over centralization of power and resources at the centre. This centralism has not only manifested itself in the political and administrative realms, but also in the allocation and distribution of resources. Undue concentration of power and resources at the centre has created a crisis of governance, with its attendant fallout of frustration, insecurity, alienation and subjugation. Given the concentration of resources and real powers at the centre, the competition for control of the federal government has tended to be vicious, corrupt, politically and ethnically explosive (Suberu, 2005). This unmediated struggle for power and influence at the centre has occasioned the emergence of a governing elite class that have elevated primordial and self-interest over and above the common good and general will of the Nigerian people. The obvious outcome has been a corrupt, undemocratic and self-seeking leadership and style of governance by this elite class that is more interested with the sharing of the country's resources than with the ideals of good or effective governance – equity, fairness, justice, transparency and accountability (Ihonvbere, 1995:9-13). Similarly, the over-concentration of resources has virtually reduced Nigeria's federal system into a conduit for the dissemination of centrally collected oil revenues to sub national communities and constituencies. This oil-centric distributive federalism in which all governments in the federation derive an average 80 percent of their budget from a common national pool of oil revenue (the federation account) (Suberu, Op.Cit), have made the states and local governments mere appendages of the central government. Their capacity for innovation and pro-activeness have been greatly undermined, in terms of rising to the challenges of developmental aspirations of the people within their areas of jurisdiction. This form of centralized system of revenue sharing, further destroys the nexus between expenditure authority and revenue raising responsibility of sub-national entities, thereby, undermining the development of the multiplicity of point of political and economic power that constitutes a defining feature of democratic federalism. Given Nigeria's diversity, this form of economic and political centralization has engendered considerable frustration, cynicism and apathy, which has been the basis for violent conflicts and clashes among the various ethnic groups and communities in the country.

As such, ethnic and regional groups in the country believe strongly that they must control the federal government or the presidency in order to feel secure and thrive in the Nigerian federal arrangement. This has engendered and promoted a culture of corruption, economic inefficiency and stagnation at all tiers of the Nigerian federal system. Commenting on the endemic nature of corruption in the Nigerian polity, Caccia (1993: 82), posited that: Not only does theft go on in the state apparatus, but the state is itself the main apparatus of theft. In
A review of the work conducted by Adoyi and Orokpo, (2014), on Fiscal Federalism in Nigeria: An Analysis of Issues and Challenges. Posits that fiscal federalism is a particular pattern of constitutional division of revenue powers and responsibilities among levels of government. The federal government however has occupied a very strong position vis-à-vis the State and Local government since the 1970's in Nigeria. This is because most of the power (financial and legislative) relating to economic development has been explicitly centralized at the federal level. It is the position of the paper that a high level of fiscal decentralization is required in Nigeria because of the unfair revenue sharing formula and the need to resolve the controversial issues surrounding the contentious fiscal federalism in Nigeria. Apart from

Nigeria, not only do officials steal, but stealing is official. It is the very principle of Nigerian class rule and subservience to the west. The pervasive nature of political corruption has engendered stagnation, chaos and instability in the Nigerian federation, thereby, intensifying inter-group contestation, frustration, violence and disillusionment in the body polity. Commenting on the interface of federalism and the orgy of violence perpetrated by ethnic militias in Nigeria Akinyemi (2003:18) submitted that: The Nigerian case provides a classic case study of the rise of ethnic militias as a function of the breakdown of federalism. Frankly, I would have preferred the term 'national militia' to ethnic militia because even the use of the term 'ethnic' is one of the consequences of the belittling of federalism by belittling the raison d'etre of federalism. Today genuine belief and confidence in the Nigerian federal project continues to ebb. As the disparate national entities continually clings to their indigenous and cultural identities at the expense and detriment of a national and common vision.

Empirical Literature
A study conducted by Victor, Ebong and Tonye (2019) on Restructuring Nigerian Federalism: A Prognosis for Nation-Building and Socio-Political Stability. The paper assesses Nigeria's Federalism in its present context and the necessity for its restructuring. The paper concludes that Nigeria's federal structure is built on faulty foundation that was bequeathed by the colonial masters, hence the persistent calls for a national sovereign conference, zoning of key political offices in the country, including the Presidency and currently the restructuring of the federal structure for socio-political stability. This paper, which is essentially historical and descriptive in nature, utilizes data drawn mainly from secondary sources and analyzed using content analysis. The paper discovers that Nigeria's federalism has failed to meet the requirements as prescribed by K. C. Where and so much power concentrated at the federal level while other levels of governments continue to exist as appendages. This runs ultra-vires to federal principle and poses a serious threat to the Nigerian State and its federal practice. Moreover, the paper observes that the lop-sided and imbalance nature of Nigeria's federal practice have degenerated into national challenges symptomized by perpetual domination of minority by the majority ethnic groups, ineffective leadership, ethnic rivalry, unequal distribution of national wealth, as well as long term military incursion into the nation's politics among others. The paper therefore recommends, among others, that for the sake of realizing socio-political stability and proper nation-building, there is need for constitutional re-engineering and structural realignment of present federal political arrangements in the country.

A review of the work conducted by Adoyi and Orokpo, (2014), on Fiscal Federalism in Nigeria: An Analysis of Issues and Challenges. Posits that fiscal federalism is a particular pattern of constitutional division of revenue powers and responsibilities among levels of government. The federal government however has occupied a very strong position vis-à-vis the State and Local government since the 1970's in Nigeria. This is because most of the power (financial and legislative) relating to economic development has been explicitly centralized at the federal level. It is the position of the paper that a high level of fiscal decentralization is required in Nigeria because of the unfair revenue sharing formula and the need to resolve the controversial issues surrounding the contentious fiscal federalism in Nigeria. Apart from
recommending a substantial review of the fiscal system, it draws attention to the political imperatives of a constitutional modification of the fiscal arrangement and adequate compensation for those who produce the 'commonwealth' among others.

A look at the work of Nkwede, Nwali and Josephine (2016) on Fiscal Federalism and Challenges of Development in Nigeria: A Search for Remediation, shows that fiscal federalism concerns the sharing of resources among federating units to enable them fulfill their constitutional obligations. This paper attempted to capture the underlying imperatives of fiscal federalism for national development. It opened with the conceptual explication of the concepts of federalism, fiscal federalism and development from where it was noticed that the principle of fiscal autonomy and fiscal integrity are paramount aspects of the survival and continued existence of truly federating system of government. In trying to achieve the purpose of the study, the paper anchored on Buchan Fiscal Residuum Theory having a leeway to determining the balance between the contributions made and the value of the public services returned to individual. The paper revealed that the contending issues and challenges of fiscal federalism could be in form of mismatch between revenue sources and the functions of the various tiers of government. The paper recommended that there is need to ensure that the distribution of revenue should encourage each state and local governments to improve internal revenue generation, not to constantly and wholly depend on funds coming from the federation account and the issues of intergovernmental relations should be reviewed and respected so that functions to be performed by each tier of government could be explicitly stated.

**Gap in the Literature Review**

By and large, previous studies fail to accord the desired place of restructuring on economic development in Nigeria. Instead, all seem to place emphasis on Restructuring Nigerian Federalism: A Prognosis for Nation-Building and Socio-Political Stability, Fiscal Federalism in Nigeria: An Analysis of Issues and Challenges and Fiscal Federalism and Challenges of Development in Nigeria: A Search for Remediation among others. However, the obvious gap so created will be bridge by this study as it will focus on the factors necessitating the call for economic restructuring in Nigeria, to examine the effect of restructuring on economic development in Nigeria and to identify ways in which restructuring can ensure economic development in Nigeria. However, this study uses Marxist political economy as its theoretical framework.

**Theoretical Framework**

The theoretical framework for this study is Marxist political economy. Political economy can be defined as a Neo-Marxist theory that focuses on the phenomenon of inequalities and analyzes the universal effects of neo-colonialism. The Marxist political economy approach is founded on the basic argument that societal changes and the direction of the changes are products of economic factors. This constitutes the aspect of Marx's ideas known as dialectical materialism or economic determination, it deals with issue that address how a society utilizes natural resources and produces the goods by which it lives. Understanding political, political and cultural changes in the society would first and foremost require the understanding or an
appreciation of changes in the society which are determined by economic changes. Economic activities in a society therefore constitute the sub-structure (foundation) upon which political, cultural and other activities (superstructure) are established (Ake, 1981).

According to Marx and his associates, what brings about changes in a society’s economic condition and subsequently political and other conditions is to be found in the struggle between economic class which has the control of means of production (the haves) at a given point in time also controls the political structure (Nel 1999:66). From this perspective, market relations are by nature exploitative, and the structure of global capitalism is essentially contradictory since it perpetuates global inequality (O’Brien and Williams 2004:23).

Political economy as used here refers to the interconnectedness of political and economic factors in understanding development dynamics in social formations or national entities. And its use precedes the Keynesian paradigm of government intervention in market forces. A political economic analysis integrates considerations of historical, cultural and social factors with those of political and economic systems. In this sense, behaviour and values, in other words psychology and sociology combine with political and power factors and the production, distribution and exchange elements of economics to determine the human condition over historical periods. Ultimately, what is happening to people's incomes, wellbeing and livelihoods, becomes the concern and target of political economy.

Therefore, for the purpose of this research work, which center on restructuring and economic development in Nigeria, Marxist political economy approach has been adopted because it deals with phenomenon of inequalities and analyzes the universal effects of neo-colonialism. Without the coming together of the various level of government towards making one Nigerian, the issues of inequalities will always be part of this country, since the struggle between economic class and the poor is still on, as such, affecting economic development and the political structure of the country. To this effect, Marxist political economy approach theory is therefore seen by the researchers to be the most relevant theory to use for this research work as it will address issues that relate to economic development in Nigeria.

Methodology
The study adopted survey method and documentary method. Thus, this method enabled the researchers to collect information from the respondents through questionnaire instrument administered to the respondents in addition to the oral interviews conducted with some individuals in the business and private sector. The questionnaire was closed-ended and open-ended questions. While the documentary method relied on secondary data from various textbooks, journals, pamphlets, government documents, internet and newspapers which formed the bulk of the materials for this research.

The population of the study comprises of the entire population of the Abuja city. At the 2019 population ranking, the city of Abuja had a population of 3,095,000, thus, the population of this study is 3,095,000. The choice of Abuja is strategic having in mind that the population comprises of people from all the geopolitical zones working in the different institutions of government and parastatals.
The technique used in drawing the sample size is Taro Yamane (1967) formula defined as:

\[ n = \frac{N}{1 + N(e)^2} \]

Where \( n \) = sample size

\( N \) = total population size

1 is constant

\( e \) = the assume error margin or tolerable error which is specified as 5% (0.05) in this study.

\[ n = \frac{N}{1 + N(0.05)^2} = \frac{3,095,000}{1 + 3,095,000 (0.05)^2} = \frac{3,095,000}{7737.5625} = 399.9 \approx 400 \]

The sample of 400 was therefore distributed in such a way that different people from all the geopolitical zones working in the different institutions of government and parastatals as well as individuals in business and private sector were represented and captured.

**Data Presentation and Analysis**

The table below presents the analysis of the distribution and retrieved of questionnaire administered to the various categories of respondents as well as the interview conducted with strategic individuals in business and private sector.

**Table 1: Analysis of Questionnaire Administered**

<table>
<thead>
<tr>
<th>Questionnaires returned</th>
<th>Data of Respondent</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>319</td>
<td>79.75%</td>
<td></td>
</tr>
<tr>
<td>Interview conducted</td>
<td>40</td>
<td>10%</td>
</tr>
<tr>
<td>Questionnaires not returned</td>
<td>41</td>
<td>10.25%</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2020.

As shown in the tables, the first threshold shows that out of the 400 questionnaires administered and interviews conducted only 319 questionnaires were returned representing 79.75% of the selected sample and 40 interview conducted representing 10% while 41 questionnaires were not returned representing 10.25% of the entire study population.

**Table 2: Profession of the Respondents**

<table>
<thead>
<tr>
<th>Profession</th>
<th>Data of Respondent</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Servant</td>
<td>183</td>
<td>57.4%</td>
</tr>
<tr>
<td>Public Servant</td>
<td>22</td>
<td>6.9%</td>
</tr>
<tr>
<td>Politician</td>
<td>81</td>
<td>25.4%</td>
</tr>
<tr>
<td>Individuals in Business and Private Sector</td>
<td>33</td>
<td>10.3%</td>
</tr>
<tr>
<td>Total</td>
<td>319</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2020.
In table 2, 183 respondents representing 57.4% of the population are civil servants. Those categories of respondents that are public servants are 22 and representing 6.9%. Also, 81 respondents representing 25.4% are politicians whereas, 33 respondents representing 10.3% are individuals in business and private sector organizations.

Table 3: Responses on the Need for Restructuring

<table>
<thead>
<tr>
<th>Option</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization of political power</td>
<td>93</td>
<td>29.2%</td>
</tr>
<tr>
<td>To reduce inter-ethnic rivalry</td>
<td>54</td>
<td>16.9%</td>
</tr>
<tr>
<td>For multi-ethnic accommodation</td>
<td>17</td>
<td>5.3%</td>
</tr>
<tr>
<td>For effective resource control</td>
<td>82</td>
<td>25.7%</td>
</tr>
<tr>
<td>To control and reduce corruption</td>
<td>61</td>
<td>19.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>319</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>


As can be seen in table 3 above, 93 of the respondents, representing 29.2% of the population agree that the need for restructuring is for decentralization of political power, 54 respondents representing 16.9% say is to assist reduce inter-ethnic rivalry. However, 17 respondents representing 5.3% said restructuring will enhance multi-ethnic accommodation, 82 respondents representing 25.7% agree that the need is for effective resource control while 61 of the respondents, representing 19.1% were of the opinion that restructuring will help control and reduce corruption in the economy. The answers are in line with the interview conducted which respondents were asked on the need for restructuring.

Looking at the Nigerian economy today, one could see the need to restructure it compare to what Nigeria use to be with past administrations. So far nothing seems to have improved as we can see clashes here and there, which can be traced to rivalry among communities and political parties in our society. Thus, restructuring can help to decentralize political powers to various regions in the country which will lead to accommodation of the different ethnic groups we have in the country. To Kizito, Mallam and Amechi, restructuring will help control corruption in the country. According to Ziggy, in an interview, 27th November, 2019,

The present state of the nation gives power and resources to a fraction of the nation, thereby, allowing or making other ethnic groups to suffer. As such restructuring will bring about effective resource control as it will reduce inter-ethnic rivalry in the country.” Majority of the respondents said that restructuring is a path way to fair political and economic resource distribution in the country.
Table 4: Response on the meaning of restructuring

<table>
<thead>
<tr>
<th>Option</th>
<th>Number of respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation of more states</td>
<td>45</td>
<td>14.1%</td>
</tr>
<tr>
<td>Introduction of state police</td>
<td>51</td>
<td>16.9%</td>
</tr>
<tr>
<td>Improvement and effective implementation in zoning of political office</td>
<td>93</td>
<td>29.2%</td>
</tr>
<tr>
<td>Revenue allocation based on derivation</td>
<td>130</td>
<td>40.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>319</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>


Table 4 shows that 45 respondents representing 14.1% understand restructuring as creation of more state, 51 respondents, and representing 16.9% said that restructuring means introduction of state police. 51 respondents representing 29.2% sees restructuring as improvement and effective implementation in zoning of political offices, while, 130 respondents representing 40.8% agree that restructuring means revenue allocation based on derivation.

Table 5: Respondents views on if restructuring will engender economic development

<table>
<thead>
<tr>
<th>Option</th>
<th>Number of respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>93</td>
<td>29.2%</td>
</tr>
<tr>
<td>Agree</td>
<td>154</td>
<td>48.3%</td>
</tr>
<tr>
<td>Disagree</td>
<td>21</td>
<td>6.6%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>9</td>
<td>2.8%</td>
</tr>
<tr>
<td>Undecided</td>
<td>42</td>
<td>13.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>319</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>


Table 5 above shows 93 respondents, representing 29.2% affirmed strongly that restructuring will engender economic development, 154 of the respondents representing 48.3% agreed that restructuring will engender economic development. However, 21 respondents representing 6.6% disagree that restructuring will not engender economic development, 9 respondents representing 2.8% strongly agreed that restructuring will not engender economic development while 42 respondents, representing 13.2% were undecided on it.

Table 6: Can restructuring enhance efficient resource mobilization?

<table>
<thead>
<tr>
<th>Option</th>
<th>Number of respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>98</td>
<td>30.7%</td>
</tr>
<tr>
<td>Agree</td>
<td>173</td>
<td>54.2%</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
<td>4.4%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>4</td>
<td>1.3%</td>
</tr>
<tr>
<td>Undecided</td>
<td>30</td>
<td>9.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>319</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

In table 6 above, 98 respondents, representing 30.7% affirmed strongly that restructuring can enhance efficient resource mobilization, 173 respondents representing 54.2% agreed that restructuring can enhance efficient resource mobilization. However, 14 respondents, representing 4.4% disagree that restructuring cannot enhance efficient resource mobilization, also 4 respondents representing 1.3% strongly disagree with the idea that restructuring can enhance efficient resource mobilization while 30 respondents representing 9.4% were undecided as to whether restructuring can enhance efficient resource mobilization or not.

Table 7 shows that 55 respondents representing 17.2% are of the view that restructuring will ensure proper planning of economic programmes that will bring about economic development, 53 respondents, representing 16.6% said that restructuring will produce quality leadership, also, 57 respondents representing 17.9% said that restructuring can bring about proper allocation and equitable distribution of resources. 31 respondents representing 9.7% said that restructuring can enhance effective elections, 38 respondents representing 11.9% said that is only through restructuring that greater participation of the citizens in governance can be ensured, 34 respondents representing 10.6% of the targeted population agreed that enhanced patriotism can be achieved through restructuring while 51 respondents representing 15.9% agreed that restructuring will lead to efficient and effective management of resources that will bring about economic development.

**Recommendation and Conclusions**

Based on the findings of the study, the following recommendations were made:

i. Restructuring in Nigerian should be geared towards solving the issues of uneven decentralization of political power, thus the need to review the constitution to devolve more power to the lower component units is necessary as this will enhance economic development.

ii. Since the study revealed that restructuring portends political decentralization and equitable distribution of resources, the Nigerian government should show a high level of readiness towards restructuring the economy by putting in place all the necessary structures needed for efficient distribution and utilization of resources.

<table>
<thead>
<tr>
<th>Option</th>
<th>Number of respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proper planning of economic programmes</td>
<td>55</td>
<td>17.2%</td>
</tr>
<tr>
<td>Quality leadership</td>
<td>53</td>
<td>16.6%</td>
</tr>
<tr>
<td>Proper allocation and equitable distribution of resources</td>
<td>57</td>
<td>17.9%</td>
</tr>
<tr>
<td>Effective election</td>
<td>31</td>
<td>9.7%</td>
</tr>
<tr>
<td>Greater participation of the citizens in governance</td>
<td>38</td>
<td>11.9%</td>
</tr>
<tr>
<td>Enhanced patriotism</td>
<td>34</td>
<td>10.6%</td>
</tr>
<tr>
<td>Efficient and effective management of resources</td>
<td>51</td>
<td>15.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>319</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
iii. The National Assembly should review the allocation formula to empower the second and third tiers of government in revenue generation.
iv. The citizenry should be sensitized to demand for zoning of political office to be included in ongoing constitutions review process.
v. The National Assembly should pursue the reverse to the derivation formula in the constitution.

This study has enhanced our understanding on restructuring and economic development in Nigeria, and in view of findings of these study, it is clear that the need for restructuring is for effective decentralization of political power and effective resource control in the country. Based on this, it is concluded that restructuring is not just a means of revenue allocation based on derivation but a catalyst for the survival of the economic in Nigeria, as it engenders economic growth, success, development and enhance service delivery especially to the people through efficient, proper allocation and equitable distribution of resources in the economy.

References


Nwankwo A. (2016). *No alternative to restructuring text of an interview granted to the Guardian*, Sunday, August 28, p. 16-17


*The Sun*, May 26, 2017


