

RESTRUCTURING: A PANACEA TO NIGERIA'S POLITICAL, ECONOMIC AND SOCIAL PROBLEMS

Amadi-Harry Nancy, Ph.D*

Abstract

Restructuring has remained one of the burning issues in Nigeria today. The call for restructuring arose from the challenges and issues inherent in the Federal System of Government in Nigeria. Nigeria is a British colony formed through the amalgamation of the Northern and Southern Protectorates in 1914. In 1960, Nigeria gained independence and adopted a Federal Constitution with three and later four regions as its federating units. These regions had significant powers and contributed to the central government's funding. However, with the coming into power of the military, they favoured centralization and weakened the powers of the regions by creating 12 states. Overtime, more power was concentrated at the center and the number of states increased to 36 which caused an imbalance in the system. This paper therefore explored the concept of restructuring as a panacea to the political and economic problems in Nigeria. The objective of this work revealed that the Federal System of Government as practiced in Nigeria is marred by numerous challenges which have led to several agitations for restructuring from different sections of the country. Using the doctrinal method, this paper analyzed textbooks, articles in journals, newspapers and internet sources, and observed that the concentration of power in the central government has resulted in inequitable distribution of resources and marginalization of certain ethnic groups. In conclusion, the paper recommended the devolution of powers from the central government to the states, the adoption of the principle of rotation power and an upward review of revenue as veritable measures for tackling the political and economic problems in Nigeria.

1.1 Introduction

Nigeria is blessed with abundant natural and human resources and has the potential to be a global economic force. According to the Nigerian Economic Summit (2021), Nigeria has the potential to emerge a continental and global force that influences national economics and policies. Indeed, Nigeria's socio-economic growth holds immense potential when properly harnessed. Undoubtedly, with a market of over 200 million people, abundance of human and natural resources, and coastal access to facilitate trade, Nigeria has the economic potential to be ranked amidst great countries such as United States, Canada and Norway. Unfortunately, the headlines in the country do not reflect her great socio-economic and political promise. This is because arms of government, agencies, ministries and parastatals have over the years not lived up to their expectations to the citizens, and this is attributable to the Federal System of Government in Nigeria. Nigeria adopted the Federal Constitution in 1960 when it gained independence. However, over the years, Nigeria's Federal system has been characterized by poverty, high rate of unemployment, and other social, economic and political problems in the country threatening our socio-economic and political growth and development.

Nigeria's historical development shows its evolution from a British Colony formed through the amalgamation of Northern and Southern Protectorates in 1914. Upon gaining independence in 1960, Nigeria adopted a Federal Constitution with three and later four regions as its federating units. These regions had significant powers and contributed to the central government's funding while having their own constitutions and representation in London. The regional government invested in education,

infrastructure and economic development, creating enduring institutions.¹ However, the incursion of the military into government caused significant changes. The military government favored centralization, weakening the regions powers and finally created 12 states from the regions. Over time, more powers were concentrated at the center and the number of states increased to 36, making them smaller and less financially independent. This created an imbalance in Nigerian Federal System and inequitable distribution of resources to the people.

Over the years, many regions, stakeholders and scholars have advocated for restructuring due to the perceived imbalances in the system and the failure of government to live up to its expectations to the citizens which has resulted in abject poverty, unemployment, underemployment and high rate of illiteracy amongst others. The perceived imbalances in the distribution of resources and marginalization of certain ethnic groups within Nigeria has further resulted in terrorism, militancy, and insecurity which has threatened the existence of this nation. Many researchers and academics are in agreement that there are fundamental defects in the system due to over centralization of powers in the federal government and therefore there is need for restructuring of the system. Furthermore, the economic recession in Nigeria, which has resulted in extreme poverty and hunger culminated in a “ten days” protest which started from the 1st day of August 2024 to the 10th day of August 2024. This protest and many more have made the need for restructuring imperative. It is against this background, that this research calls for a transformative solution through the restructuring of political and economic institutions in the country. This work therefore attempts to study restructuring: as a panacea to Nigeria’s political, economic and social problems. The work specifically aims at giving a clear conceptual clarification of institutional restructuring, political restructuring and operational restructuring. It will also identify some social, economic and political problems in Nigeria, as well as analyze the potential benefits of restructuring such as political stability, economic development and resource utilization. The work will also advocate for rotation of power between the regions in Nigeria as a way of fostering inclusivity and fairness in governance.

Key Words: Restructuring, institutional restructuring, political restructuring, operational restructuring and federalism.

1.2 Conceptual Clarifications

This work will attempt to define some concepts that are relevant to this research. This will enable us have a proper understanding of the topic being researched.

1.2.1 Restructuring

According to Oxford Advanced Learner’s Dictionary,² restructuring means to organize something such as a system or a company in a new and different way. Restructuring entails alteration and re-

* Ph.D , LL.M (IMSU), LL.B (RSU), BL (Abuja); Lecturer, Department of Jurisprudence and International Law, Faculty of Law, Rivers State University, Port Harcourt., TEL: +234 8160445664, Email:amadi.nancy@ust.edu.ng

¹Onah, V. E. ‘The Challenges and Prospects of Restructuring in Nigeria’ [2023] *Nigerian Journal of Social Development* 11(2)145-150

² Hornby, A . S . Restructuring- Definition, Pronunciation and Usage *Oxford Advanced Learner’s Dictionary of Current English* (9th Ed, Oxford University Press) 2018 <<https://www.oxfordlearnersdictionaries.com>> accessed 4th April 2025

organization of an existing system in a way different from how it used to be. It means to effect a fundamental change in an organization or system.³Restructuring has also been defined as the process of increasing or decreasing the number of components that make up a system and redefining the interrelationship between them in such a way that the entire system performs efficiently.⁴ Restructuring can be seen as changing the way in which something such as government, business or system is organized.⁵ In other words, restructuring can lead to increased efficiency and cost effectiveness.

Restructuring is operationally seen in this paper as a significant alteration, reorganization, reformation and re-arrangement of an existing structure, form or status quo, with the aim of making it more improved, effective, efficient and functionally competent. It is the modification of a system in order to make it more effective and efficient. There are many dimensions to restructuring such as political restructuring, operational restructuring, financial restructuring, legal restructuring, institutional restructuring amongst others. The focus of this research work is on institutional restructuring.

1.2.2 Political Restructuring

Political restructuring can be seen as the process of changing the existing administrative or constitutional framework of a state. This will include reforms aimed at improving the efficiency, effectiveness and accountability of government institutions, as well as changes to the distribution of power and resources among different regions, ethnic groups or political actors.⁶ Political restructuring involves a transition from a lopsided federal political structure to a true federalism characterized by political inclusiveness, people-oriented constitutional amendments, resource control, electoral processes, political representation, protection of lives and properties and building of enduring political infrastructures.⁷

1.2.3 Institutional Restructuring

Pearce and Robinson, view institutional restructuring as a stage in strategy implementation where managers attempt to recast their institutional structure, leadership, culture and reward systems to ensure cost competitiveness and the quality demanded by the unique requirements of its strategies.⁸ Restructuring involves the elimination of non-core business and business processes, the consolidation of related operations and business functions and to a great extent, reengineering of existing processes. According to Wanyama, restructuring involves frequently changing the institution's management team, shifting strategy or infusing the institution with new technology that the company may follow up on new acquisitions or business in order to build a critical mass, and selling off unneeded or unconnected parts, thereby reduce the effective acquisition cost.⁹

³Unya, I. U. 'Separatist Agitations and Nigerian Nationhood' [2011] *Ute Journal of History* 1(1) 15

⁴Bello, S. A. 'Restructuring Nigeria: A Critical Analysis' This Day Newspaper (Lagos, June 11 2017) 10

⁵Oyim, R. O. 'Nigeria, Problems and Prospects: An Appraisal' [2013] *Benue Valley Journal of History* 2(1) 1

⁶Maihali, M. A. 'Issues and Politics of Restructuring Within the Context of National Question in Nigeria' [2023] *Zamfara Journal of Politics and Development* 4(1) 143.

⁷IGI Global. 'What is Restructuring' < <https://www.igi-global.com> > accessed 26th April 2025.

⁸Ndeda, B. A. and Jared, D. 'Effect of Institutional Restructuring on Performance of the Public Service Sector in Kenya: A Case of the Directorate of Public Service Management' [2018] *International Journal of Recent Research in Social Sciences and Humanities* 5(4) 23-34

⁹ *ibid*

Institutional restructuring refers to the process of making significant changes to the structure, systems and processes of an institution, in the case of this study, government agencies, parastatals, and ministries. It involves reorganizing various aspects of the institution to improve efficiency, and adaptability to changing circumstances. Institutional restructuring involves a wide range of changes, such as: redefining the roles and responsibilities of different departments or units within the institution; consolidating or decentralizing decision-making authority; streamlining processes and eliminating redundant or unnecessary functions; reducing or expanding the size of the institution, ministry or agency; implementing new technologies or systems to improve operations and communication; redesigning the reporting and accountability structures within the ministries, agencies and parastatals or modifying the governance structure or board composition.¹⁰

The goal of institutional restructuring is to improve efficiency and sharpen their competitive edge in order to prosper and survive in a fiercely competitive environment. Thus, enhancing the institution's ability to achieve its mission, respond to external challenges, and adapt to emerging trends and innovation within the public space. It has however, been argued that for institutions to effectively compete they must evaluate their performance and based on this evaluation, institutional leaders can identify areas that require improvement and subsequently develop a strategic plan outlining the specific changes to be made, the timeline for implementation and the resources needed to support the restructuring efforts.¹¹ Once the strategic plan is in place, the actual restructuring process unfolds through a series of steps that may include redefining roles and responsibilities, reallocating resources, revising policies and procedures and possibly downsizing or expanding certain areas of the institution. Effective communication with stakeholders is crucial throughout this process to ensure transparency and manage expectations. In addition, ongoing monitoring and evaluation are essential to gauge the impact of the restructuring efforts and make any necessary adjustments along the way.

Institutional restructuring is a complex and challenging undertaking and therefore requires careful planning, strong leadership, and active engagement from all levels of the organization. Successful restructuring initiatives are characterized by clear goals, open communication, sensitivity to the needs of those affected by the changes and a commitment to continuous improvement.¹²

In this paper, institutional restructuring means making significant alterations or modifications to the structure and the processes of work of a system in order to make it more functional.

1.2.4 Operational Restructuring

Operational restructuring is the act of repositioning an organization in order to identify areas that are under performing and need improvement. Just like institutional restructuring, operational restructuring aims at enhancing efficiency by streamlining processes, cutting cost, improving technology, boosting efficiency, financial stability and growth. It can also be seen as the act of reorganizing the legal, ownership, operational or other structures of a business or company for the purpose of making it more

¹⁰Nwafor, O. I., Okolo, M.C. and Eze, K. T. 'Political Restructuring in Nigeria: The Need, Challenges and Prospects' 2018] *International Journal of Academic Research in Public Policy and Governance* 5(1) 25

¹¹Onah, V. E. (n 2)

¹² *ibid*

profitable and better organized for its present needs.¹³ It is pertinent to note that an organization that has been structured effectively will be more effective, better organized and focused on its core business.

Operational restructuring will be seen in this paper as the act of enhancing the efficiency of a system or an organization by modifying its operations, processes or structure in order to identify non-performing area and improve performance.

1.2.5 Federalism

Various attempts have been made at conceptualizing the term Federalism, this work will however, give a concise definition of the term Federalism. Federalism has been defined as a system of shared powers between units of government.¹⁴ It is a system of government that involves organizing a nation in such a way that two or more levels of government have formal authority over the same area.¹⁵ It can also be seen as a system of government in which there is constitutional division and devolution of power to two or more levels of government which are often independent and coordinate in rank within a state.¹⁶ Federalism can be defined as a concept of political organization in which the activities of government are divided between regional governments and a central government in such a way that each kind of government has some activities on which it makes final decision.¹⁷ In this work, Federalism will be defined as a system of sharing powers between the central government and its Federating units.

Nigeria is a federation of thirty-six states and the Federal Capital Territory.¹⁸ Powers and responsibilities are shared between the Federal, state and Local Government as enumerated under the Constitution. Each state is sub divided into local government areas which serves as the lowest tier of government to the people. Under the Constitution of the Federal Republic of Nigeria 1999, enormous powers are granted to the central government under the Exclusive Legislative List and the Federal government takes a significant portion of the revenues at the expense of the states which has created an imbalance in the system. The perceived imbalances in the structure of Nigeria as a Federation have resulted in political, social and economic problems over the years which have led to several agitations for resource control. The issue of incessant agitations and struggles over resources which often breeds conflict between different ethnic groups and regions is sufficient reason to restructure the Federalist political structure of Nigeria. This work submits that restructuring the Federalist Political Structure of Nigeria will help to bring unity between the different ethnic groups and curb the agitations.

2.1 Nigeria's Political, Economic and Social Problems

Nigeria has a diverse political, economic, and social system that has evolved over time.

Political System: Nigeria operates a Presidential system of government with a multi-party system. The President is both the head of state and government, and is elected by popular vote for a four-year term.

¹³ Norley, L. Swanson, J & Marshall, P. 'A Practitioner's Guide to Corporate Restructuring' [2003] *City Financial Publishing* 1(2) 24-63

¹⁴ Nwafor, O. I (n 8)

¹⁵ *ibid*

¹⁶ (n 8)

¹⁷ Aaron, O. N. 'Restructuring as a Clue to Unleashing Nigeria's Potential and Prosperity' *UJAH* [2020] 21(3) <<http://dx.doi.org/10.4314/ujah.v21i3.10> > accessed 1st March 2025

¹⁸ Constitution of the Federal Republic of Nigeria 1999 (as amended) section 2(2)

The legislative powers of the Federal Republic of Nigeria is vested in the National Assembly which consist of a Senate and House of Representatives,¹⁹ while the executive powers of the Federation is vested in the President.²⁰ Nigeria has experienced periods of military rule, but since 1999, it has made significant progress towards democratic governance.

Economic System: Nigeria has a mixed economy with petroleum and agriculture playing significant roles. It is one of the world's largest oil producers and relies heavily on its oil sector for revenue. However, the country faces challenges such as corruption, inadequate infrastructure and economic inequality.

Social System: Nigeria has over 250 ethnic groups, each with its own distinct languages and cultural practices. This diversity which contributes to the rich culture of the Nigerian society also presents challenges in terms of national unity. With a population of over 200 million people, abundant natural resources and a vibrant culture, Nigeria should be a leading force in the world today. However, the country continues to grapple with numerous challenges that hinder its progress. These challenges are deeply rooted in the country's political, economic and social systems, which has over the years been characterized by poverty, high rate of unemployment, and corruption threatening our socio-economic and political growth and development. This work will discuss some of these political and social problems in Nigeria:

2.1.1 Lack of Effective Governance

Political problems in Nigeria are evident in the lack of effective governance, corruption and a weak rule of law. The current political structure, inherited from the colonial era, has failed to adequately represent the diverse interest and aspirations of the Nigerian people. Power is concentrated at the federal level, leaving little room for meaningful participation and decision-making at the local and state levels.²¹ This has resulted in a disconnect between the government and the people, leading to lack of trust and accountability.

Nigeria's governance structures at all levels in all institutions, ministries and agencies have also been marred by inefficiency, lack of accountability and weak institutional capacity. The bureaucracy is often plagued by red tape, making it difficult for businesses to thrive and stifling economic growth. Additionally, the judiciary's independence is frequently compromised, undermining the rule of law and citizen's access to justice which clearly is not reflective of a democratic institution.

Good governance is measured with respect to the extent political power has been used to manage a country's social, economic, natural and human resources for the promotion of the greatest good for the greatest number.²² A level of transparency and accountability is therefore at the root of good governance. The failure of governance in Nigeria is further manifested in systemic risks such as election

¹⁹ CFRN section 4

²⁰ *Ibid* section 5

²¹ CFRN 1999 (as amended)

²² Alozie, C. C 'Nigeria and The Challenges of Governance and National Development in The 21st Century' [2017] *South East Journal of Political Science* 3(1)

fraud, banditry, terrorist attacks, police brutality amongst others and the failure to put in place the necessary infrastructure to gather relevant data for problem solving.²³ The inability of political leaders to address the challenges that Nigeria faces has heightened existing tensions in the country. For example, the “END SARS” protest against police brutality in 2020, the “END BAD GOVERNANCE” protest in August 2024, and “TAKE IT BACK MOVEMENT” in April 2025 are manifestations of bad governance in Nigeria.

2.1.2 Inadequate Electoral System

Another major political problem in Nigeria is its electoral system. The Nigerian electoral system over the years has been characterized by irregularities, voter intimidation, ballot box snatching, allegations of rigging, massive vote buying and violence which has eroded public trust in democratic institutions. Political elites in Nigeria also exploit the poverty and illiteracy of voters to mobilize them to vote by offering them food and money. The outcome of the 2019 and 2023 presidential elections further eroded public trust in the ability of the Independent National Electoral Commission (INEC) to organize free and credible elections. This has led to a cycle of disputed election results, legal battles by political parties and their candidates and political instability. These challenges are indicators of the systemic failure in Nigeria’s governance system. Nigeria needs a governance system that will enhance the education of its voters and the capability of its leaders.

2.1.3 Ethnic and Religious Divisions

Nigeria is a diverse country with over 250 ethnic groups and roughly equal division between Christians and Muslims. However, these differences have often been exploited by politicians for personal gain, leading to ethnic and religious tensions. Political parties often align along ethnic and religious lines, further deepening divisions and hindering national unity. This has resulted in periodic outbreaks of violence, such as the Boko Haram insurgency in the northeast, clashes between farmers and herders in the middle belt region and agitations for the Indigenous People of Biafra in the south East.

2.1.4 Corruption

Corruption is deeply rooted in the country and affects all sectors of the economy. It hampers economic growth by diverting public funds meant for development projects into private pockets. Corruption also discourages foreign direct investment (FDI) as investors are wary of investing in a country with a high level of corruption. This Lack of investment further hinders economic growth and development.

Corruption has permeated the political landscape of Nigeria. The high rate of corruption has eroded public trust, undermined the rule of law and hindered economic growth. Despite efforts to combat corruption, it remains deeply entrenched in the system with embezzlement, bribery and nepotism prevalent in various sectors. This has resulted in lack of accountability, mismanagement of public funds and a growing wealth gap between the political elite and the majority of Nigerians.

²³Okoi, O. and Iwara, M. ‘The Failure of Governance in Nigeria: An Epistocratic Challenge’ [2021] *Georgetown Journal of International Affairs* <<https://www.gjia.georgetown.edu>> accessed 28th March 2025.

2.1.5 Heavy Oil Dependence-

Oil accounts for about 90 percent of Nigeria's foreign exchange earnings,²⁴ and oil revenue contributes to the developmental projects of government at all levels. Oil is the main stay of Nigeria's economy, and this over reliance on oil makes the economy vulnerable to fluctuations in global oil prices. When oil prices are high, Nigeria experiences economic growth, but when prices drop the economy stifles. This volatility makes it hard for states to plan their financial future because most states are funded mainly from federal allocation. This has also led to lack of diversification in the economy, leaving Nigeria vulnerable to external shocks,

2.1.6 Unemployment and Underemployment

this is another pressing economic and social problem in Nigeria. Despite having a large and resourceful population, the country struggles to create enough jobs to absorb its growing labour force. This leads to high level of unemployment and underemployment, particularly among the youths. The lack of employment opportunities not only hampers individual livelihood but also contributes to social unrest and insecurity which has been witnessed in the immeasurable kidnappings, killings and abductions in the country.

Socially, Nigeria's youth population is its greatest asset, but also a source of concern. The country's high level of unemployment, particularly among young people has led to increased frustrations and restiveness. The lack of job opportunities, coupled with limited access to quality education and skills training has left many young Nigerians disillusioned and vulnerable to social vices. Addressing youth unemployment and underemployment is crucial for social stability and economic growth.

2.1. 7 Inadequate Access to Finance

Having access to finance has always been a problem in Nigeria. Many small and medium-sized enterprises (SMEs) struggle to access affordable credit to expand their business. This limits their growth potential and hampers job creation. In the same vein, investors find it difficult to access loans to set up their business in Nigeria. This is compounded by the fact most banks in Nigeria usually demand for collateral before advancing credit, and majority of citizens and investors wishing to borrow money using land as security cannot find any.²⁵ The lack of access to finance also hinders entrepreneurship and innovation which are crucial for economic development.

2.1.8 Human Rights Abuse

Human rights abuse is another major problem in Nigeria. The imbalances in the Federal structure which has led to inequitable distribution of resources has resulted in deterioration of the standard of living of citizens and gross abuse of human rights. This socio-economic torture clearly negates the provisions of Chap 11 of the Constitution of the Federal Republic of Nigeria 1999 (as amended). This chapter guarantees to every citizen the right of economic participation and mandates the state to distribute her resources equitably and to operate the economic system in such a way as to ensure that wealth or means

²⁴Amadi, H . N. 'Regulation of the Oil and Gas Industry in Nigeria: A Challenge to Sustainable Development' [2019] *IMSU Journal of International Law and Jurisprudence* (4) 118-128.

²⁵ Amadi, H . N . 'Evaluation of the Local Content Act 2010' [2021] *Madonna University Nigeria, Faculty of Law Journal* (8) 116-128

of production is not concentrated in the hands of few individuals. There is also a plethora of International Instruments which provide for economic and social rights such as the African Charter on Human and Peoples Right and the International Covenant on Economic, Social and Cultural Right. These laws are aimed at enhancing the welfare and happiness of every individual.²⁶ Despite the existence of these laws, majority of the people in Nigeria live in abject poverty and many do not have access to basic amenities such as food, portable water, adequate shelter and health facilities which amounts to gross abuse of the rights of the people.

This state of affairs resulting from the imbalances in the Federal Structure have led to various calls for political restructuring, agitations for resource control and good governance. For example, in October, 2020, a protest tagged “ENDSARS” was organized in Nigeria against human rights abuse by the police. This protest and other agitations are proof to the fact that Federalism as practiced in Nigeria is not reflective of the interest and welfare of the people, there is need for a comprehensive transformation of the system.

3.1 Restructuring As A Panacea to Nigeria’s Social, Economic and Political Problems

This study has established that there is general discontent and dissatisfaction with the structure of Nigerian Federation. The study has also highlighted the problems associated with Federalism as practiced in Nigeria, and submits that restructuring or modification of the system will help to eliminate the unfairness or imbalance in the system. This work advocates for restructuring the following areas in Nigeria Federal system.

3.1.1 Revenue Allocation

the Constitution provides for the principle of derivation as being not less than 13% of the revenue accruing to the Federation account directly from any natural resources.²⁷ Furthermore, in *Attorney General of Abia State v. Attorney General of the Federation*²⁸- the Supreme Court decided on who owned the revenue derived from offshore oil exploration, whether it belonged to the Federal Government or the state. The states claimed it was their right to have it while the Federal Government claimed that since these resources were not taken from state land it was owned by the Federal Government. The Supreme Court decided in favour of the Federal Government which clearly caused discontent among the people. This research argues in favour of an upward review of the derivation formula. Presently, the Federal Government keeps 52.68% of the revenue, the state’s share 26.72% and local governments get 20.60%.²⁹ This work proposes an increase to 50% revenue for the states as it was in the past which made the regions economically self-sufficient. In an ideal Federal system, the federating units have more development functions and therefore deserve a higher share of revenue. Thus, an upward review of revenue will encourage states to embark on developmental projects which will align with the wishes and aspirations of the people.

²⁶ Amadi, H. N. and Amasiatu, I. ‘Realization of Economic and Social Rights in Nigeria: Challenges and Prospects’ [2023] *Journal of Jurisprudence, International Law and Contemporary Issues*, 17(1) 118-127

²⁷ CFRN 1999 (as amended) section 162(2)

²⁸ [2003] FWLR (pt 152) 131

²⁹ Isawa Elaigwu, J. The Federal Republic of Nigeria <<https://www.forumfed.org>> accessed 5th April 2025

3.1.2 Devolution of Powers

Under the Nigerian Constitution, powers are over concentrated at the center at the expense of the states. This research calls for devolution of powers from the central government to the states. It has been argued that devolution of power is designed to create a political environment in which power to access political, economical and social resources is distributed between the central government and lower levels of government.³⁰ It creates a fairer political atmosphere, protects groups and individual human rights, establishes check and balances to central power and prevents political violence among rival groups.³¹ This can be achieved in Nigeria by transferring some powers from the Federal government to the state government. Ceding more powers to the state will compel them to increase their internal generated revenue capacity by focusing on developing their agriculture, natural resources and solid minerals. It will also foster healthy competition among states, encouraging them to create wealth. This competition can lead to increased economic productivity and attract investments.

3.1.3 Local Government Autonomy

The Constitution guarantees the system of Local government by democratically elected Local Government Councils.³² The issue of Local Government autonomy has been in the front burner for many years. The practice in Nigeria has been that funds allocated to states and local governments from the Federation Account are deposited into a joint account intended for both levels of government. By section 162 of the Constitution, each Local Government is supposed to receive its share directly from the Federation Account. Many state Governors in defiance have continued to receive these funds and either disbursed only a part of it or withheld it entirely. Some State Governors have also removed democratically elected Local Government Chairmen unconstitutionally and replaced them with “Caretaker Committees” which clearly undermines the democratic process. However, in a landmark decision delivered by the supreme court in *Attorney General of the Federation v Attorney General of Abia State & 35 ors* (SC/CV/343/2024) - the Supreme Court reinforced the autonomy of Local Governments in Nigeria, affirming their status as a distinct tier of government. The decision upheld the principle that Local Governments are constitutionally entitled to receive their share of funds directly, reinforcing their financial autonomy and independent role within Nigeria’s federal structure. In its considered and purposive decision, the court upheld the arguments presented by the AGF and concluded that:

- a. the retention and use of funds allocated to Local Governments from the Federation Account by State Governments is both unconstitutional and illegal and contravenes the principles intended to ensure that these funds benefit the Local Government directly.
- b. The FGN has the authority to make direct payments of allocations to Local Governments from the Federation Account, but these payments can also be made through State Governments, provided that the funds are fully and promptly transferred to Local Governments.

³⁰ Odigbo, J. ‘De-Constructing Decentralization and Devolution of power: Rethinking the Functionality of Local Government System in Nigeria’ [2013] *IOSR Journal of Humanities and Social Science* 15(1) 37-43 <doi:10.9790/0837-1513743> accessed 10th April 2025

³¹ *ibid*

³² CFRN 1999 (as amended) section 7(1)

- c. under section 7(1) of the Constitution, Local Governments are recognized as the third tier of Government and the leadership of Local Governments must be independent and democratically elected.

This significant judgement addressed the need for financial autonomy of Local Governments within Nigeria's Federal Structure. This research submits that the financial independence of Local Governments will enhance better service delivery tailored to the specific needs of the people. Citizens will experience improved access to essential services such as healthcare, education and other public utilities, leading to enhanced quality of life.

3.1.4 Resource Control

The struggle for resource control has been at the center for most agitations and calls for political restructuring of Nigeria. The Niger Delta region have championed various movements for control of the resources found in their region. The fight for resource control by the Niger Delta Militants created problems of insecurity and Kidnappings which increased the poverty and unemployment in the region. Section 162(2) of the Constitution which provides for the principle of derivation assigns 13% to the oil producing states. This work submits that the percentage share accruable to states should be increased and states should be allowed to control their natural and human resources. Consequently, through restructuring, states with specific resources may be given control over their resources, thereby having greater incentives to develop and maximize the potential of these resources leading to economic growth and prosperity. Hence, restructuring can be used to achieve better management and utilization of Nigeria's natural and mineral resources.

3.1.5 State Police

Centralization of Nigeria Police Force which is an impediment to law enforcement in Nigeria is another reason why this research calls for restructuring through the creation of state police. The Constitution of Nigeria provides that there shall be a Police Force for Nigeria known as the Nigeria Police Force.³³ The implication of this provision is that there is only one Police Force established for the Federation. The centralization of the Police Force has created problems of corruption and political interference in the force which are major setbacks to effective policing in Nigeria.³⁴ This work therefore calls for restructuring by creation of state police in every state in Nigeria. The creation of state police will help to vest control of the police force in the state government thus enhancing community policing. It will also give the states some form of control in the security structure of their state and improve partnership between the police and the community.³⁵

3.1.6 Power Rotation

The present system of sharing powers in Nigeria marginalizes minority ethnic groups who are clearly dissatisfied with the system where power is rotated only between dominant tribes in Nigeria. There have therefore been calls for restructuring to enable minority ethnic groups hold the seat of power in order

³³ CFRN 1999 (as amended) section 214

³⁴ Amadi, H. N. 'The Police and Law Enforcement in Nigeria: An Appraisal of the Issues, Prospects and Challenges' [2024] *Journal of Law and Policy*, Rivers State University 4(2) 75-87

³⁵ *ibid*

to give them a sense of belonging and promote national unity. This work submits that if power is rotated between the different regions in Nigeria, it will ensure that every section of the country has a fair representation in Government and promote peace and harmony in the country.

3.1.7 Change in Education Policy

The present system of education in Nigeria does not encourage self-employment and should be changed. Nigeria should formulate education policies that are technically oriented and emphasis should be laid on acquisition of skills, vocation and entrepreneurship that would enable youths to be self-employed. It has been established that education is one of the basic criteria to measure the growth and development of any nation. It is therefore pertinent that factors which affect education system in Nigeria such as poor funding, lack of qualified teachers, lack of continuous training for teachers and poor standard of living amongst others should be adequately addressed.

3.1.8 Part- Time Legislative Duties

Legislators in Nigeria should serve on a part-time basis. This will not only reduce the cost of governance but will also discourage political gladiators from seeing elections as do or die affair. Besides, it will ensure that the huge amount budgeted for both the federal and state legislators as salaries and remuneration are channeled into other developmental projects. This will also discourage people from taking politics as a career rather than a platform for service. The practice in Nigeria where politicians move from one political seat to another and the circulation of old politicians in government would also be curbed.

3.1.9 Reorganization of Nigeria's Institutions

In addition to the above, there should be restructuring of Nigeria's institutions such as government agencies, ministries and departments. According to Nwodo, reorganizing, overhauling and revamping of Nigeria's institutions is the only way to solve the myriads of Nigeria's social, economic and political problems.³⁶ This paper submits that reorganization of government institutions can lead to better governance by enhancing transparency, accountability and efficiency in the performance of government duties at all levels. Restructuring of government institutions can also bring about the following:

1. **Improved Governance:** Restructuring of institutions can lead to better governance by reducing corruption, nepotism and bureaucratic red tape, which are major challenges in Nigeria as systems and process of work will be reviewed and upgraded for better functionality. it can also help to focus on improving service delivery in sectors like healthcare, education, infrastructure and public utilities; this can lead to better access, quality and affordability of essential services for the Nigerian population.
2. **Economic Development:** By restructuring institutions related to economic policies, trade, investment and business regulations, Nigerian can create a more conducive environment for economic growth. This can attract domestic and foreign investments, stimulate entrepreneurship,

³⁶ Nwodo, J. N. 'Restructuring Nigeria: Decentralization for National Cohesion' (Being a paper presented at the Royal Institute of International Affairs, Chatham House, London 2017)

and create job opportunities. Addressing the economic problems identified in this work requires proper institutional revamping, restructuring and overhaul in order to get lasting solutions. Nigerian financial institutions such as the ministry of finance, budget and planning etc. should be restructured in order to diversify the economy by promoting sectors such as agriculture, manufacturing and services. This will reduce the country's dependence on oil and create employment opportunities. Additionally, government must tackle corruption through the effective use of revamped and restructured anti-corruption agencies and measures that promote transparency and accountability.

3. **Conflict Resolution:** Nigeria faces various internal conflicts, such as ethnic tensions, religious clashes, and resource disputes. Institutional restructuring can help establish fair and impartial mechanisms for conflict resolutions such as arbitration, mediation and negotiation in order to promote social cohesion and ensure equal representation and participation of diverse groups.
4. **Investment in Infrastructure:** With the lack of adequate infrastructure in the country, restructuring government ministries and parastatals will help in the investment in infrastructural development in order to gain foreign investment and improve productivity. Government should also prioritize investment in education and skills development to bridge the skill gap and enhance productivity. Furthermore, government needs to restructure the processes, policies and operations of its institutions, agencies, ministries and parastatals to create an enabling environment for business to thrive. This can be done through the removal of unnecessary and exploitative taxes especially for small and medium –sized enterprises. It also includes improving access to finance for SMEs, simplifying bureaucratic processes and reducing the cost of doing business.

4.0 Conclusion

This study has established that there is general discontent from different sections of the country with the structure of the Nigerian Federation as presently constituted. The work has also shown that there have been several calls and agitations for restructuring of the Nigerian state by scholars, stakeholders and different sections of the country. It has also been revealed that the agitations for restructuring is due to the inequitable distribution of resources and marginalization of certain ethnic groups which has characterized the Federal structure. This research has demonstrated that the imbalances in the Federal structure is heightened by the high level of corruption in Nigeria and thus resulted in poverty, unemployment, insecurity, socio-economic torture and human rights abuses for the citizens. The work has shown that the several calls for restructuring of the Federal system is centered around the political structure of Nigeria which include issues such as the over centralization of powers in the central government at the expense of the states, the issue of resource control, revenue allocation and local government autonomy amongst others. Other issues that have been in the front burner for restructuring are issues of corruption, bureaucratic bottlenecks and inefficiency in government institutions such as agencies, ministries, parastatals etcetera, hence, the restructuring and reorganization of these institutions is necessary for enhancing good governance, transparency and efficiency at all levels of government in Nigeria. Against this background, this research submits that restructuring is an imperative for Nigeria's economic recovery and sustainable development and therefore makes the following recommendations.

- Upward review of revenue allocation- the present revenue sharing formula which assigns more revenue to the Federal Government should be reviewed in favour of the states. Presently, the

Federal Government receives higher revenue at the expense of the states. Giving the state's higher revenue accords with the spirit of true federalism where the federating units have more development functions and deserve higher share of revenue allocation. This increase in revenue will encourage states to embark on developmental projects. Hence, restructuring is a necessary tool to promote competition, efficiency and productivity.

- The principle of derivation under the Nigerian Constitution which presently assigns 13% derivation to oil producing states should be increased considerably. States should also be allowed to control a substantial part of their natural and mineral resources and pay tax to the Federal Government as practiced in other jurisdictions like the United States. This will encourage states to explore their resources and agricultural endowments in order to develop their state. It will also help to reduce the dependence on Federal allocation and increase wealth in every state.
- The decision of the Supreme Court on the financial autonomy of Local Governments should be respected. Local Government Councils in Nigeria should be given financial independence as guaranteed in the Constitution of the Federal Republic of Nigeria 1999 (as amended). They should also be given autonomy to perform their development functions as guaranteed by the Constitution. This will help to increase development at the grass root level as well as bring the people closer to those in government. The practice of suspending duly elected Local Government Chairmen and appointing sole administrators and constituting Caretaker Committees for the councils should be discouraged.
- There should be devolution of powers from the Federal Government to the states. This can be achieved by transferring some items on the Exclusive Legislative List to the states and Local Governments. This research submits that issues that are best suited for the States and Local Government such as health care, education and agriculture should be transferred to them in order to ensure that there is better access, quality, effective delivery and development at the grassroots level. This transfer of powers and responsibilities should be accompanied by a corresponding review of the revenue accruable to the States and Local Government. In other words, the revenue allocation to States and Local Government should be reviewed upwards to enable them discharge their responsibilities effectively.
- There should be decentralization of Nigeria Police Force through the creation of state police. This will help to vest control of the police force in the state government which will enhance community policing. It will also ensure that states have some form of control in the security structure of their states and improve partnership between the police and the community. This will help to address problems of insecurity such as kidnapping, armed robbery and other forms of banditry which has aggravated the agitations and calls for restructuring.



- It is recommended that government ministries and parastatals should be reduced to the barest minimum. Two or more ministries with duplication of duties should be merged together in order to reduce the cost of governance. This work also recommends that the position of junior minister should be scrapped.
- There should be rotation of power among the different regions in Nigeria. This will help to give citizens a sense of belonging in the Federal arrangement. Power rotation in Nigeria constitutes one of the most important components of the agitations for restructuring. This work submits that sharing powers between the various regions will not only help to promote national unity but will also address issues of marginalization by some minority ethnic groups.