

Unitary Federalism in Nigeria: Implications for Continued Corporate Existence of Nigeria

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Abstract : Currently, the two most economically viable states in Nigeria, Lagos State and Rivers, are challenging the National Government over the legality of the latter's continued collection and disbursement of the Value Added Tax (VAT) in their respective states. These states recently enacted laws empowering their respective states agencies to collect and administer the Value Added Tax (VAT) in their states. Before now, it was the Federal Inland Revenue Service (FIRS) that is mandated by the National Government to collect VAT throughout the Federation, and have same administered by the Federal Revenue Mobilization Allocation and Fiscal Commission, another Federal agency. Most states in the South-South and South-West geopolitical zones and a handful of states in the South-East are supportive of the actions taken by Lagos and Rivers states and are ready to follow suit. This action is seen as the beginning of resistance by the states over the continued strangulating over-centralized systems operating in the country. The Nigeria Federation has over the years operated a unitary system with grave consequences for development and possible implosion of the polity. The Quota System, the Federal Character policy, the control of the natural resources, and the security infrastructure by the National Government have been in place for decades with the attendant misgivings by some sections in the Nigeria Project. This paper evaluates the impact of the over-centralization power on the National Government with reference to fiscal policies, security, resource exploitation, infrastructural development, and national cohesion. It concludes that "unitary federalism" scuttles national development, inflames disunity, and stokes dissatisfaction among states in the federation. The paper concludes by suggesting a federation where power is devolved to the states, with the states as the federating units allowed to, each develop at its own pace.

Keywords : peace, conflict, insecurity, corporate existence, sustainable development, peaceful coexistence

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