Background
Nigeria is Africa’s most populous country, and it is an economic giant within its local region. The population of the country is extremely diverse, comprising around 250 ethno-linguistic groups. The three main ethnic groups are the Hausa-Fulani, the Yoruba and the Igbo. Two additional elite groups represent the minorities of the Niger Delta and the Middle Belt.

Nigeria has been independent since 1960. Following a 1966 coup led by Igbo officers, which precipitated the Biafra Civil War of 1967–70, Nigeria was ruled by the military for almost 30 years, with the exception of the period 1979–83. In 1999, power transferred back to civil rule, and three democratic elections have since been held. These, however, have all been subject to corruption and political violence.

Since the Biafra Civil War, Nigeria has experienced extensive low-intensity and intercommunal conflicts. Moreover, violence has been esca-
lating since the return to civil rule in 1999. The graph clearly shows that violence in the country peaked immediately after the elections of 1999 and 2003. The main dispute within Nigeria relates to the oil resources of the Niger Delta. The Movement for Emancipation of the Niger Delta (MEND) insists that the people of the Niger Delta should enjoy a greater share of the benefits of their area’s oil resources, along with improved access to power. This conflict has been complicated by large-scale political violence in the delta area as well as drug-trafficking, armed robbery, extortion, oil-bunkering (theft of oil from pipelines) and street crime.

**Federalism**

Nigeria’s federal structure was inherited from the colonial period, though the number of states has increased from three to thirty-six since independence. This expansion in the number of states has been motivated by two forces. The first stems from the goal of creating a power balance between Nigeria’s ethnic minorities and majorities, by granting the ethnic minorities more states. However, today, the main ethnic groups dominate 22 of the 36 states. The larger ethnic groups gain a number of benefits from having control over several states, the most important being that they receive more funds from the Federal Account and gain a larger number of representatives within the government, governmental institutions and the civil service. Second, the processes of state creation have also been affected by the struggle between centralization and decentralization, local communities wanting to secure greater autonomy through having their own state, on the one hand, and the military regime wanting more central power, on the other.

**Distribution of Offices**

The second branch of Nigeria’s power-sharing system deals with the distribution of offices. A constitution drawn up in 1979 saw the introduction of the principle of ‘Federal Character’. The main purpose of this, according to Section 14(3) of the 1979 constitution, was to ensure ‘that there shall be no predominance of persons from a few states or from a few ethnic or other sectional groups in ... government or in any of its agencies’. This meant for example: (i) the government should have at least one minister from each state; (ii) the Independent National Electoral Commission should have a member from each state; (iii) gover-
nors from all states should be represented in the Council of State and the National Economic Council. In addition, political parties, the armed forces and the civil service were also to adopt the principle of Federal Character. In 1996, the Federal Character Commission was established to oversee the implementation and practice of the Federal Character.

The principle of Federal Character faces two main challenges: First, it relates to the states as the primary political entities, which does not necessarily ensure ethnic and religious balance within the country. Second, it deals with the inclusion of different groups; however, it does not address how to ensure that one group does not secure for itself all key positions of power.

Revenue-Sharing
The last part of Nigeria’s power-sharing arrangements is its system for distributing state revenue. In the late 1970s, when the Federal Account was established, all of the federation’s revenue and income was centrally collected, before being redistributed to the states and localities. This process was dealt with through two different revenue-distribution strategies. First, revenue was distributed through a vertical revenue-sharing formula, which decided how much the central government, the federal states and local governments should each receive. Then, the revenue allocated to the federal states was distributed among them through a horizontal revenue-sharing formula. The principles used to determine the horizontal distribution have been the source of much dispute and conflict. For example, Niger Delta states have argued that they should receive more than the current 13% of the revenues through derivation. On the other hand, the non oil-producing and more populous states (especially in the north) argue that Nigeria’s oil resources should benefit the entire country and that the principle of need should be the most important.

Lessons Learned from Power-sharing in Nigeria
After 50 years of power-sharing arrangements, Nigeria offers valuable lessons how power-sharing can work in the long run and what pitfalls it might encounter. We have chosen to highlight three lessons learned from the Nigerian case:

First, even though the states in the Niger Delta receive more revenue per capita from the Federal Account than any of the other regions in Nigeria, much of this revenue does not reach the people who are suffering the most on account of oil-extraction activities in the delta region, but disappears on the way through corruption. Nigeria’s oil resources have become a source of grievance in relation to poverty and unemployment, since the oil companies employ international rather than local workers. Further, environmental degradation caused by the oil-extraction process is creating grave problems within agriculture, fishery and health. These problems have led to perceptions of horizontal inequality and marginalization among the ethnic groups and federal states in the Niger Delta.

The second lesson is related to problems
caused by high levels of corruption. Corruption undermines the systems and institutions around which Nigeria’s power-sharing arrangements have been built, fostering things like political violence and oil theft. Widespread corruption also creates problems of trust and legitimacy for the central powers, particularly among marginalized groups. As a result, we see in Nigeria the growth of private security groups, shadow economies and militant political groups.

Third, the Federal Character and the process of state creation have increased the power of Nigeria’s ethnic majorities at the expense of ethnic minorities, who feel marginalized in the political sphere. Further, the Federal Character does not ensure that key offices are not monopolized by representatives from the same ethnic group or geographical region. Nigeria’s power-sharing systems have tried to address fear and suspicion among the country’s various ethnic groups for decades. However, corruption and large-scale, irresponsible exploitation of oil resources are making those systems weak, and in some instances counterproductive.

The violence in the Niger Delta poses a threat not only to the people in the area, but also to Nigeria’s fragile democracy as well as regional security in West Africa. Given the rising international demand for oil, a full-blown crisis in the Niger Delta could further destabilize the volatile crude oil market with far reaching consequences.

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