

Federalism and Poverty Reduction in Nigeria and Sudan the Politics of Local, State and Federal Relations

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I. INTRODUCTION

There is a large number of studies that has considered the impact of specific aspects of fiscal federalism and decentralized service delivery on poverty alleviation. Although a considerable number of empirical studies explored the direct relationship between federalism and poverty reduction, the results have not always been clear-cut. Notably, there have been very few attempts to bring federalism and poverty reduction together in a comprehensive study. The existing literature has approached the interaction between the two from a number of different aspects, each of which has its particular strengths and weaknesses. In many developing countries such as Nigeria and Sudan, federalism has been neglected by development policy makers and practitioners. There are weaknesses in the relationships between poverty reduction, states performance and institutional arrangements in federal settings.

Since implementing federalism, Nigeria and Sudan have started the process of transferring both power and some resources to their sub-national governments. The three levels of the government in these two countries allow the people to participate at various government levels: national, regional and local. But, the Federal Government is not best placed to respond to every issue faced by local communities in both countries. In Nigeria and Sudan the structure of intergovernmental transfers is probably weak and it may need to be strengthened through establishing strong incentives for better allocation of national financial resources.

Both Nigeria and Sudan have faced political instability and poor macroeconomic management. In addition both countries have inadequate infrastructures and more than half of their populations have been falling deeper into poverty. This perhaps is attributable mainly to the weakness of the politics of local- states and federal relations and poor national programs designed to fight poverty. Furthermore, both Nigerian and Sudanese governments at all levels have been unable to implement significant sustainable solutions to the problem of wide-spread poverty in spite of the fact that both countries have vast wealth and natural resource potentials wealth. Hence, the problem is deepest in Nigeria and Sudan where high proportions of people are poor and remain poor over long periods of time. This paper attempts to untangle some of the problems relevant to Nigeria and Sudan as two federal countries in Africa and to explore the implications of federal institutional arrangements, particularly fiscal federalism as a policy on poverty reduction.

The objectives of this paper are to understand the mechanism of federalism in Nigeria and Sudan, and the weakness of linkage between structures and various levels of government. Also the paper examines critically the politics of poverty reduction within the context of relations between the federal states and local governments, as well as to discuss the politics of local-state and federal relations in Nigeria and Sudan, and how it could be made robust and more effective. The paper raises the following questions: To what extent federalism is weak in establishing relations between the various levels of government in Nigeria and Sudan? What is poverty reduction and why it matters? Are there any considerable efforts exerted by the Nigerian and Sudanese governments to reduce the percentage of poverty within the federation? To what extent there are similarities and differences in terms of doctrine and policies in both countries? What are the imperatives for optimizing effective policies of poverty alleviation in Nigeria and Sudan? Eventually, the discussion will extend to the role of federalism in helping to improve the lives of the poor. The key arguments of the article are: 1) Current federal systems in Nigeria and Sudan are act like central government, and the fiscal relationships between various levels of government need to be strengthened. 2) National policies of poverty reduction in Nigeria and Sudan have failed to reduce the percentage of poverty into half in both countries. The research depends basically on three overlapping approaches: Historical, Descriptive and Comparative. It depends also on primary and secondary data, as well as on the internet as useful sources of information.

II. CHAPTER ONE: OVERVIEW OF FEDERALISM AND POVERTY

Federalism: Concepts and Practical Perspectives:

The concept of 'federalism' has been subject to differing meanings and applied to many different situational contexts. The term 'federalism' is used very loosely in political discussion and it is seldom given a meaning which at once clear and distinct. Most of those who used the term '*agree in this that they have in mind an association of states, which has been formed for certain common purposes, but in which the number of states retain a large measure of their original independence.*'¹

The concept is still quite vague in the common domain and it is used to refer to two quite different political ideas: federal government (i.e. the working mechanism which established a 'federation') and the Proudhonian vision of a federal society (i.e. a global vision of society founded on federalist values).² In respect to the definition of federalism, other researchers mainly concentrated on political arrangements and distribution of power between the various levels of government.

Federalism is a kind of political arrangements which has connected the small political units with general political system as a whole, among the distribution of government federal authority and second level of government, in a way which gives protection to the private authority to all levels of governance, and permit to contribute in decision-making.³

Anton defined federalism as "a system of rules for the division of public policy responsibilities among a number of autonomous governmental agencies. The rules define the scope of authority available to autonomous agencies – what they can do- and they provide a framework to govern relationship between and among agencies".⁴ Federalism may be conceived as a political device for establishing viable institution and flexible relations; intrastate linkages and inter-community cooperation.⁵ Some scholars argue:

*Federalism is also defended on the ground that it acts as political device for constraining centralized political power, especially executive power. The retention of ethnic minority group rights through territorial-institutional supports can therefore be defended on the ground that it protects minority interests against the tyranny of majority.*⁶

Most federal arrangements in Africa have aimed at settling the claims of the forces of society against the partisan control of state resources to the disadvantages of significant minority section whose separate existence is compelled and defined by some basic principles.⁷ Nevertheless, federalism or the federal system in this research refers to the philosophical or ideological idea that a political institution should seek to achieve both political integration and financial balance by combining shared rule on some matters and self-rule on others.

Practically, federalism helps to break the monopoly of power at the national level by bringing decision-making closer to people through localization of the decision making".⁸ In other words, it may provide better opportunities for local residents to participate effectively in decision-making. The federal system strengthens democracy. "*The citizens have more possibilities to participate in politics and to uphold their interests. They have the right to vote at several levels: at the federal, the Land (federal state) and, finally, at the local level*".⁹ In federal countries, rich states may offer more opportunities and benefits to its citizens than poor states can, widening the gap between rich and poor states. Since 1990, federalism is considered as an important part of the "Third Wave" of democracy and increasingly seen as an essential element of conflict resolution in divided societies.

However, the potential risks of the federal system are the high financial cost for the different institutions in the three levels of government. Federalism may increase susceptibility of some states to secede from their countries, as in the failed attempt of Biafra state in Nigeria 1963, and the case of Soviet Union in 1991. Some researchers argue that federalism may lead to duplication of government and inefficient,

¹ K. C. Wheare, "Federal Government", Oxford University Press, Second Edition, 1951, p. 1.

² Michael Burgess, "Federalism in Theory and Practice", Rutledge, 2007, p. 26.

³ Daniel A. Lazar, Federalism and Consociational, Jerusalem Center for public Affairs, 1985, p. 7.

⁴ T.J. Anton, "American Federalism and Public Policy", New York: Random House, 1989, p. 3.

⁵ Alain-G. Gagnon, "The Political uses of federalism, in 'Comparative Federalism and Federation", Michael Burgess and Alain-G. Gagnon, (edit), Biddles Ltd, Guildford and King's Lynn, Britain, 1993, p. 15.

⁶ Graham Smith, "Federalism: The multiethnic Challenge", Longman, New York, 1995, p. 17.

⁷ P. P. Ekeh and E.E. Osaghae, "Federal Character and Federalism in Nigeria", (edit), The Caxton Press (West Africa Limited) Ibadan, Nigeria, 1989, p. 20.

⁸ Anwar Shah, A primer on Fiscal Federalism, in ,Generating Growth and Making Fiscal Decentralization Work in Post-Conflict Sudan, Edited by: Saif El Din Daud, Khartoum, 2008, P. 8.

⁹ Klaus-Dieter Schnapauff, *The Federal System of the Federal Republic of Germany*, Published by the Forum of Federation, www.forumfed.org, 2010, p. 24.

overlapping or contradictory policies in various units of the governments.¹⁰ Furthermore, if the federal government gets too involved in local problems it may not meet the needs of all its citizens.

III. DEFINITIONS OF POVERTY AND WHY IT MATTERS:

Defining and measuring poverty is not an easy task. Many approaches could be considered and different definitions could be mentioned. Is the definition based on the perspective of the poor themselves (participatory approaches), or on an external analyst's perspective (conventional approaches)?¹¹ In general, some of the approaches are only descriptive, while others build on causal analysis. For instance, should the definition of the term '**Poverty**' be confined to material aspects of life, or include social and political aspects or perhaps other dimensions? How to draw a dividing line between the poor and the non-poor through the use of several poverty lines? The different approaches to poverty give different interpretations for developed and developing countries: '*At a theoretical level, the choice of a definition of poverty relies on a crucial assumption that there is some form of discontinuity between the poor and non-poor which can be reflected in poverty line.*'¹²

According to the World Bank, during the last decades the number of people living below international poverty lines set approximately at 1 and 2 Dollar a day levels has been falling. They argued that the problem of this method with calculation is optimistic and give biased assessments of poverty reduction.¹³ Some scholars have distinguished between many dimensions, which are: Economic, human, political, socio-cultural. The economic dimension identifies poverty as insufficient income to meet certain basic needs. The human dimension focuses directly on the question of an individual's access to basic needs, such as education and health. The political dimension refers to the deprivation of basic political and human rights as well as limited influence on public policy-making. The socio-cultural dimension indicates social exclusion and a lack of dignity within or between communities.¹⁴

More recent debates have added other elements to the poverty definition, including such intangibles as 'capabilities, dignity, autonomy, vulnerability, empowerment and participation.'¹⁵ Indeed, poverty is affected by a large set of complex and interrelated endogenous and exogenous factors.

Poverty reduction is a core objective not only to the poor countries but also to the World Bank and other development assistance agencies. Poverty reduction is a predominant theme in the current policy discussions relative to economic development in both developed and developing countries. In the last six years every issue of Human Development Report and World Development Report discussed the progress made toward poverty target. Moreover, in this respect the World Bank is working continuously to reduce poverty under the logo '**A World Free of Poverty**'.¹⁶ The most important roles of the Millennium Declaration are to alleviate poverty and hunger as well as halving the number of people living in extreme poverty by 2015.¹⁷ These basic goals require that governments in developing countries adopt rational policies to increase national production and address income disparities between different social groups.

The best definition of the term '**poverty**' appropriate to Africa and adopted in this paper is that "poverty as confined to material aspects of life particularly the primordial needs and political aspects".

¹⁰ Lea Baluyot, Federalism: It's Advantages and Disadvantages, February, 2007, www.bpspolitics.wordpress.com (Last visit, 6 March 2013).

¹¹ For more details about poverty meaning and participatory and conventional approaches see; Emmanuel Nkurunziza, *An overview of development studies*: Back ground paper, International Development Department, School of Public Policy, University of Birmingham, 2007, p, 20.

¹² Caterina Ruggeri Laderchi, Ruhi Saith and Frances Stewart, *Does it matter that we don't agree on the definition of poverty?*, Working paper Number 107, Queens Elizabeth House, University of Oxford, May 2007, P, 4.

¹³ Ray Kiely, Poverty reduction through liberalisation? Neo-liberalism and the myth of global convergence, Review of International Studies/ volume 33/ Issue 03| July 2007, p, 216.

¹⁴ Susan Steiner, Decentralization and Poverty Reduction: A conceptual Framework for Economic Impact, working paper, German overseas Institute, Hamburg, June 2005, p, 8.

¹⁵ Jameson Box and others, Fighting Poverty through Fiscal Decentralization, State Agency for International Development, Report prepared at Georgia State University for Development Alternative AND Boston Institute for Development Economies, USA, 2006, P, 3.

¹⁶ Rati Ram, Growth elasticity of poverty: direct estimates from recent data, Applied Economics ISSN 0003-6846 print/ISSN 1466-4283 online, Routledge, Taylor and Francis group 2011, p, 2433.

¹⁷ Dalia Cervantes-Gody, Joe Dewbre, Economic importance of Agriculture for Poverty Reduction, JEL Classification, OECD Publishing, 2010, p, 1.

IV. FEDERAL DEVELOPING COUNTRIES IN AFRICA AND THE CHALLENGE OF POVERTY REDUCTION:

While the history and evolution of federalism is rich and complex in the world in general, in developing countries and particularly in Africa, it is vulnerable. In Africa there are only four established federal political systems among the 54 states: Nigeria (1960), Sudan (1994) Ethiopia (1995), and South Africa (1996). In Nigeria, a mainstream federal discourse about federation in this country dated back at least to 1946 during the British colonial era with the application of federal principle as territorial reorganization of three different ethnic regions with their own governments and assemblies in the Richard constitution.¹⁸ In the case of Sudan, although Southern leaders demanded implementation of federalism shortly before independence in 1954, their demand had been neglected by all successive governments, but later implemented in 1994. The initial process of federal system in Ethiopia was formalized in the Constitution of 1995.

Ethiopia's multiethnic federal system is significant when set alongside other federal systems because it provides for the secession of any ethnic territorial unit. The secession clause is one of the most controversial issues in Ethiopia and its Diasporas communities today.¹⁹

The federal character of South Africa is that the municipalities are more powerful than the provinces, but there are signs that federal structures are influencing the functioning of the government party (African National Congress).²⁰ The four African countries used different approaches, social enterprises and policies within federal system to eradicate poverty among their populations. The outputs also differ from country to country. Given this, governments should adopt wide-reaching measures and policies designed to fight against exacerbated or perpetuated poverty and ensure the realization of economic, political and social rights of those living in poverty. Moreover, the impact of growth of per-capita income on poverty alleviation has been emphasized by almost all scholars and policymaker in developing countries in general. Federalism has provided political and economic power for those who run the federal government as opposed to poverty reduction.

Federalism helps in poverty reduction in societies, while providing for the protection of minorities in divided societies. Many argue that federalism can have both political and economic benefits if it is applied consistently with its main principles and requirements (e.g. Rigid Constitution, Supreme Court, etc.). The target of many federal reforms is to empower local governments to provide a more equitable allocation of resources; and to confirm improvement in the delivery of public services, such as water, education and health care. Indeed, federalism facilitates rapid economic development and national control and also "... brings the government closer to the people, enhance participation, foster a more egalitarian society, promotes more effective community involvement, and increase solidarity by empowering ordinary people to make decision for their communities."²¹

Chapter Two: Federalism in Nigeria: The Oldest Federalism in Africa Nigeria: Historical Background:

Nigeria is situated on the southern coast of West Africa. It shares borders with Niger to the north, Cameroon and Chad to the east, Benin to the west and the Atlantic Ocean to the south. Nigeria has a land area of 923,733 square kilometers. The Country is home to more than 160 million people and made up of more than 250 ethnic groups, the three major ones being the Hausa/Fulani, the Yoruba and Igbo. Nigeria alone is home to more than one-sixth of the continent total population, and has both more Muslim and Christians than any other African country.²² The predominantly Christian Igbo, mostly inhabit the south-east, while the Muslim Hausa/Fulani mostly inhabit the North West. The Yorba religiously are a mixed group and live mostly in the south-west. Nigeria is a country endowed with diverse natural resources: the country has solid mineral and arable lands. The backbone of the Nigerian economy is the production and export of oil.

¹⁸ Michael Burgess, *Federalism in Africa*, The federal idea, A Quebec Think Tank on Federalism, January 2012, p, 8.

¹⁹ Alem Habtu, *Multiethnic Federalism in Ethiopia: A Study of the Secession Clause in the Constitution*, 6 March 2013, Oxford University Press and CSF Associates Inc. are collaborating with JSTOR to digitize, preserve and extend access to Publius. <http://www.jstor.org>, p, 313.

²⁰ See: George Anderson, President of the Forum of Federation, *The Political Relevance of Federalism in the Twenty-First Century*, www.forumfed.org.

²¹ *ibid.*

²² Ignatius Akaayar Ayua and Dakas C. J. Dakas, *Federal Republic of Nigeria*, in *A global Dialogue on Federation*, Volume 1, (Edited) by John Kincaid and G. Alan Tarr, McGill-Queen's University Press, 2005, p, 240.

Colonialism incorporated Nigeria into the world economic system through the expansion of capitalist development on a global scale: in the process, it provided the country with a countervailing and unifying force to potential internal political divisiveness.²³

In the pre-colonialism era, Nigeria was not recognized as one political community or one entity. The commercial view of Nigeria was reinforced by the Niger Company who more or less forced the British Government to take Nigeria in to the Empire. Then, Britain treated the North and South of the country differently. This differential treatment was perhaps due to recognition of the diversities of religion and culture. Indeed, "by adopting this method of administration, the British implicitly conceded to federalism as a mode of government Nigeria and to a symmetric differences in regional policies."²⁴ When Nigeria achieved its independence in 1960, the three regions (The North, Southeast and Southwest) gradually established all the organs of self-government and began to exercise legislative, executive and judicial powers. The eastern region of Nigeria was divided in 1967 into three states populated mostly by Igbo but two of these states were dominated by non-Igbo groups.

This led during 1967-70 to a federation that was ruptured by its first and so far only civil war as Igbo-led Biafra plunged Nigeria into protracted bloody war of violence...eventually to defeat the separatist and to learn the lesson that Nigeria's future *as a multi-nation could only be as federal unity*.²⁵

After the collapse of the first Republic in January 1966, and during the period of military rule from January 1966 to October 1979 problems of imbalance of power between the federal government and the four regions, wealth sharing and predominant political power of the Northern was reflected sharply in the political scene of Nigeria. In spite of all these problems, the military rule built some new affirmative institutions such as remedial colleges and schools of basic studies in various disadvantaged areas of the country.²⁶ Furthermore, this period witnessed many attempts to devise an appropriate reconciliation between participation and viability in local government administration by both state and federal governments.²⁷

V. FEDERAL CHARACTER AND FISCAL FEDERALISM IN NIGERIA:

The federal structures reflect the wide cultural and political differences of the three largest ethnolinguistic groups (Hausa/Fulani, Igbo and Yoruba) which constitute the majority of population in Northern, Eastern and Western regions respectively. One major character of Nigerian federalism in the late 1960s, was the fact that the three regions controlled their natural resources for many years. Indeed, the federating units within a federation system have a right to primarily control the natural resources within their borders, and to make an agreed contribution towards the maintenance of common services at the federal government.²⁸ The federal states in Nigeria could become useful in poverty reduction, although they weren't created as poverty alleviation mechanism. During the civil war, the country grew to twelve states; and by 1987, the number of states increased to twenty-one. Since 1996 and until now, the number is 36 states, with some 774 local government councils.²⁹ The current 1999 Constitution retained the provisions of 1979 Constitution of Nigeria with some amendments in section 4, the new Constitution recognizes three tiers of government: federal, state and local, and has made specific provisions relative to the constituent units of the federation and the representation of these units in the federal government.³⁰ While the functions of the states are in the concurrent list, those of the federal government are listed in the exclusive list.³¹

²³ S. Egite Oyovbaire, *Military Rule and the National Question in Nigeria*, in *Federal Character and Federalism in Nigeria*, Caxton Press (West Africa Limited) Ibadan, (Edited) by P. P. Ekeh and E. E. Osaghae, 1989, P, 387.

²⁴ Ignatius Akaayar Ayua and Dakas C. J. Dakas ,Op.Cit, 242.

²⁵ Michael Burgess, *Federalism in Africa*, The Federal Idea, A Quebec Think Tank on Federalism, January 2012, p, 14.

²⁶ S. Egite Oyovbaire, *Military Rule and the National Question in Nigeria*, in , *Federal Character and Federalism in Nigeria*, (Edited) P. P. Ekeh and E. E. Osaghae, Caxton Press (West Africa), Limited, Ibadan, 1989, p, 390.

²⁷ Alex Gboyega, The locality and the federal character principle, in, *Federal Character and Federalism in Nigeria*, (Edited) P. P. Ekeh and E. E. Osaghae, Caxton Press (West Africa), Limited, Ibadan, 1989, p, 398.

²⁸ Joseph C. Ebegebulem, *Federalism and politics of resource control in Nigeria; Critical analysis of Niger Delta crisis*, International Journal of Humanities and social science, Vol. I No.12: September 2012, p, 222.

²⁹ Akpan H. Ekpo, Federal Republic of Nigeria, p, 1. in www.forumed.org/libdoc/Golobal-Dialogue/Book_4/BK4-en

³⁰ See: Section 4, Constitution of 1999 and Constitution of 1979, National Assembly, Nigeria.

³¹ *ibid*, p, 2.

Between 1946 and today, nine commissions, six military decrees, one Act of the Legislature and two Supreme Court judgments have been resorted to in defining and modifying fiscal interrelationships among the component parts of the federation.³²

Some researches argue that centralized federalism in present-day Nigeria is one of the disruptive heritages of the last period of authoritarian government (1983-99). They believe that Military rules in Nigeria concentrated and centralized power and emasculated any pretension to federalism by their intervention in politics.³³ In fact, the military rules in Nigeria creating a new layer of government and then not funding states properly.

Fiscal federalism in Nigeria is predicated on economic, political, local and cultural development. Clearly, the fiscal laws in Nigeria give significantly more tax powers to the federal government than the other levels of government (state and local government). In this respect, Nigeria's federalism is said to be highly centralised. All major sources of government revenue, including petroleum taxes and royalties, are paid into a central 'Federation Account' and controlled by the federal government, while state and local governments have jurisdiction only over minor and low-yielding revenue sources.³⁴ Ten percent of the national revenue is allocated directly to the local government, through the states. This fiscal dominance of the federal government is a very great challenge to fiscal federalism.⁷

Nigeria has a greater percentage of transferred revenue than any other federation, since nearly 90 percent of government revenue is allocated by the federal government from the oil companies and from the profits of the Nigeria National Petroleum Corporation.³⁵

Currently, fiscal federalism is at the core of the problems facing Nigeria. The Federal government should continue the dialogue, training and awareness-raising in order to aid the development of sound policies in area of fiscal federalism in all Nigerian's states and localities. For the foregoing therefore, it is then understood that fiscal federalism in Nigeria is faced with the four problems of lack of capacity, a weak implementation framework, extreme corruption and inadequate compliance mechanisms. In addition the agencies involved in fiscal management need to be strengthened structurally and financially. More importantly, laws should also be amended to give greater oversight functions to fiscal managers especially at the state level.

VI. PROBLEMS OF LOCAL- STATES AND FEDERAL RELATIONS:

Nigeria lacks formal intergovernmental and institutional structures. This situation is attributed to the current domination of the federal government and the resultant dependency of the states and localities. Interactions between or among the various levels of government within the federal system in Nigeria, and the institutions for intergovernmental policy coordination are weak and need to be strengthened.³⁶ While the local government should be an independent and act as an agent of national integrations, the constitutional provisions relating to power relations didn't enhance and robust the intergovernmental relations: "... the local governments to political simpletons always prostrating for political favours from centre as 66 specific and 2 omnibus items virtually covering the entire range of public affairs are placed in the Exclusive Legislative list."³⁷ Thus, the authorities and specialization of the local government councils are not extended. Therefore, intergovernmental relations should be improved and optimized horizontally in order to achieve the targets of federalism in the country.

The provisions of the 1999 Constitution have in all, emphasized vertical interaction among the three levels of government rather than horizontal relationship. This could impose limitation to the extent of

³² Joseph C. Ebegebulem, op.cit, p, 224.

³³ Aaron T. Gana, *Federalism and Civil Society in Africa: The Nigerian Experience*, World Forum on Democracy, Warsaw, Poland, 25-27 June 2000, p, 3, www.forumed.org.

³⁴ For more details about Allocation of revenues between the federal government and local government in Nigeria see:

³⁵ Martin Dent, *Ethnicity and Territorial Politics in Nigeria*, in, Graham Smith, *Federalism: the multiethnic challenge*, (Edited) Longman Publishing, New York, 1995, p, 148.

Ejikeme Nonso Alo, *Fiscal federalism and local government finance in Nigeria*, *World Journal of Education*, Vol. 2, No. 5; 2012, www.sciedu.ca/wje, P,23.

³⁶ For more details about intergovernmental structures see:

Forum of Federations, *Global Dialogue program on Federalism*, some members of Nigerian government, academics, activists and federalism practitioners from across Nigeria met to discuss intergovernmental relations in that sub-Saharan nation, the most populous in Africa, the roundtable took place on March 23, 2009 in Benin City.

³⁷ Ponnle Solomon Lawson, *Nigeria's 1999 Constitution and intergovernmental relations*, *Ozean Journal of Social Science* 4(3), ISSN 1943-2577, 2011, p, 202.

cooperation among the levels of government and instead promote a dependency structure that would promote the inclusive authority model of intergovernmental relations.³⁸

In a nutshell, in Nigeria the distribution of powers between the federal government and states governments may not be legally feasible.” However the delegation of authority, decongestion of federal offices and the establishment of framework of intergovernmental relations, provide new opportunities”.³⁹ Most local governments in federal Nigeria lack the adequate manpower to deliver on their functions efficiently and effectively due to the fact that some of its vital functions are encroached on by the federal and state governments.⁴⁰ Most of the state governments usually tend to control the fund of local government councils.

Chapter Four: Federalism in Sudan: Problems and Challenges

Sudan: Location, Population, Resources and Administrative System:

Before split into two states on 9th July 2011, Sudan was the largest country in Africa, and the tenth largest in the World (with an area of one million square miles). The area equals that of nine European countries combined: (England, France, Italy, Spain, Belgium, Norway, Denmark, Sweden, and Portugal). According to the 2008 Population Census, the total Population of Sudan was 39 million and one hundred thousand.⁴¹ Sudan was often depicted as Africa in microcosm, including multi- ethnic groups, multi-religious, multi-lingual and multi- cultural. There are around 60 different big tribes with different customs, traditions and languages. “Despite the continuous interaction among different ethnic groups throughout its history, an all-encompassing Sudanese identity has yet to be formulated or agreed upon”.⁴² Sudan is the only Arab country with roots striking deep into the Africa continent.

Sudan is rich in agricultural, mineral and petroleum resources. The greater Nile River - the longest River in the World - runs from South of Sudan to the North and across Egypt to the Mediterranean. In 1999, the country shipped its first barrel of oil to international markets.

Since it began to export oil in 1999, Sudan has become Africa’s third largest oil producer with 323,300 barrels per day (b/d) in 2005, putting it behind juggernaut producers Nigeria at 2.58 million b/d and Angola with 1.24 million b/d in the same year.⁴³

In November 1955, Southern elites in Sudan declared that they were going to endorse the proclamation of independence from the country, unless the South was granted considerable autonomy within a federal state. Unfortunately, no sooner had independence been declared, than the term federalism became a taboo in the political language of the Northern elite who on the eve of independence assured their Southern brothers that they sympathized with their cause.⁴⁴ Consequently, the North rejected the idea on the grounds that it was not appropriate for the country. Although Sudan attained political independence in January 1956, it has not enjoyed uninterrupted democratic governance since that long time like many other African countries.

The post-independence era witnessed various attempts towards decentralized administration in Sudan. In this direction, a host of acts were promulgated. This included: Provinces Administration Act (1960), the People Local Governments Act (1971), the Southern Region Self-Government Act (1972), and the People Local governments Act (Amendment 1981), and the Regional Government Act (1980).⁴⁵ Since federalism was implemented in 1994, Sudan has since struggled within this new administrative system to maintain a favorable macroeconomic environment for enhancing development and provide basic needs to the population and reduce poverty.

VII. THE RATIONALE FOR A FEDERAL SYSTEM IN SUDAN:

³⁸ *ibid*, p, 202.

³⁹ J. Isawa Elaigwu, Nigeria: the current state of the federation: some basic challenges, International conference on Federalism in honor of professor Ronald Watts, Organized by the Institute of Intergovernmental relations, Queens University, Kingston, Canada, October 18-12, 2007, p, 6.

⁴⁰ Ejikeme Nonso Alo, Fiscal federalism and local government finance in Nigeria, World Journal of Education, Vol. 2, No. 5; 2012, www.sciedu.ca/wje, P,22.

⁴¹ Sudan Census for the year 2008, Central Bureau of Statistics, Khartoum, 2008, p, 12.

⁴² Abdel Ghaffar Mohamed Ahmed, Sudan Peace Agreements: Current challenges and Future Prospects, Char Michelesen Institute, 2010, P, 2.

⁴³ For more details about oil in Sudan see:

Lake Patey, Oil development in Africa: Lessons for Sudan after the Comprehensive Peace Agreement,(Edited), DII Report, 2007:8, p, 5.

⁴⁴ Steve Odero Ouma, Federalism as a peacemaking device in Sudan’s Interim National Constitution, unpublished LLM, Centre for Human Rights, University of Pretoria, October 2005, p, 21.

⁴⁵ Al-Agab Ahmed al-Teraifi, “Decentralization in Sudan”, (Edit), Khartoum University Press, 1987,PP, 51-65.

Sudan is a huge and complex country with several ethnic, cultural, and religious diversities. Countries with similar diversities have adopted federalism as a system of administration (e.g. United States, Brazil, India and Nigeria). Sudan has suffered a lot from the long civil war in South, and strife in the East, Darfur and other peripheral districts.

In 1991 Sudan declared federalism, and in 1994 the Government of Sudan re-divided the country into 26 states to delegate more powers to local authorities, and distribute national resources more equally between the different parts of the country.⁴⁶ A federal system in Sudan is the most appropriate for balanced development between states, and for improved living standards, opposed to central system. Also, it may help to break the monopoly of powers at the national level by bringing decision-making closer to the people at local levels. In other words, it may provide better opportunities for local residents in Sudan to participate more effectively in decision-making within rigid Constitution.

According to the Interim National Constitution of Republic of Sudan (NCRS) 2005, (Act 24 of 2005) Sudan is a decentralized State with four levels of government: (1) the national level of government, which shall exercise authority with a view to protecting the national sovereignty, territorial integrity of the Sudan and promoting the welfare of its people; (2) Southern Sudan level of government, which shall exercise the authority in respect to the people and states in Southern Sudan; (3) the state level of government, which shall exercise the authority at the state level throughout the Sudan and render public services through the level closest to the people; (4) local level of government, which shall be throughout the Sudan.⁴⁷

Although this new change in the levels of federal system gives a new balance in the sharing of wealth and power, the states failed to achieve any satisfactory degree of development and service delivery. Indeed, the various states in northern Sudan complained of a lack of balanced services and development. The Southern states were neglected by the Southern government in terms of development although the Comprehensive Peace Agreement allocated 50 per cent of the oil revenue to the South during 2005 to 2011.⁴⁸ The number of states in Sudan was reduced from 25 to 15 after cessation. Later on in 2012, a presidential decree re-divided Darfur into five states making the total number 17 states. So, if the government of Sudan can't run federal system the re-distribution of states in Darfur and may be in Kordofan will be just dysfunctional layer of government.

VIII. THE PROBLEMS OF FISCAL FEDERALISM IN SUDAN:

Significant fiscal federalism of public finance system has taken place in Sudan since 1995 when the government established the National Fund for Support of the States. Since that time, the local governments have failed to operate effectively under the federal government. The financial relationship between the local governments and state government was not robust. In addition, the national federal government has dominated over the financial resources. This vague situation negatively affected the mechanisms of governance at local level and hence the basic provision of services. During the period of 1994 to 2005, federalism in Sudan faced many challenges. In spite of the fact that the federal system gave the legal personality to the state councils, the continuous intervention of the federal government and the lack of financial resources deeply disrupted development projects and public services delivery.

Sudan's fiscal federalism arrangements are currently attracting increasing attention from both policy makers and scholars. This is a reflection of the reality that respective economic policy reforms in the country are critically weak, considering inter-governmental arrangements. Moreover, the problem in federal system in Sudan has faced difficulties in controlling and managing critical national resources. The current fiscal laws give significantly more tax powers to the federal government than the state governments, and have predominated the functions and powers of local government councils.⁴⁹ In this respect, Sudan's federalism is said to be highly centralized. Above all, there is often a critical lack of managerial and technical capacity at the state and local levels to address new responsibilities under a system of fiscal federalism in Sudan.⁵⁰ The government in

⁴⁶ For more details about the adoption of federal system see:

Hassan Mushieka, *Development Management in Federal System: The case of Sudan*, Unpublished PhD Thesis, University of Khartoum, Sudan, 2010, p, 60.

⁴⁷ See: The Interim National Constitution of Sudan, (Act 24 of 2005), National Assembly, Omdurman, Sudan, 2005.

⁴⁸ Comprehensive Peace Agreement (CPA) 2005, the Protocols of wealth sharing between the Government of Sudan (GOS) and Sudan People's Liberation Movement (SPLM), Nivasha, Kenya, 2005.

⁴⁹ For more details about the marginalization of the local councils in the in Sudan see: The National Interim Constitution of Sudan 2005, and also see: The Commission of Distribution of Financial Resources, 2007.

⁵⁰ See: Michael E. Bell and Medani M. Ahmed, *Fiscal Decentralization in Sudan*, Working Paper Number 10, George Washington Institute of Public Policy (GWIPP), The George Washington University, 805 21st St. NW Washington, DC 20052, <http://www.gwu.edu/~gwipp/papers/wp010>. February 2005, p, 5

Khartoum always acts in funding as if the system is centralism not federalism and the states themselves act like central government and the victims always the localities.

Federalism can be an important tool for enhancing human development if implemented correctly and properly. Additionally, it may lead to the emergence of states and localities that positively seek for development of their communities. At present, the federal system in Sudan is at a crossroads. In terms of fair revenue allocation, Sudan government should consider population density, equality in distribution of resources between states, as well as internal revenue generation. Currently, peripheral states of Sudan are struggling to ensure greater equality to their population, while the federal government in Khartoum is not responding to their ambitions in reformulating fair fiscal federal relationships.

Chapter Five: Challenges of Poverty Reduction in Nigeria and Sudan Nigerian Government Programs for Poverty Reduction and Challenges:

Although Nigeria is ranked eighth as the largest exporter of crude oil in the world, yet, the percentage of its population living below poverty line is high.⁵¹ Available evidence shows that the proportion of poor people - on the basis of basic human needs - was 54.4 per cent of the total population in 2004.⁵² According to the survey data provided by Multidimensional Poverty Index (MPI) of 2008, 54.1 per cent of the Nigerian population suffer multiple deprivations while an additional 17.8 per cent are vulnerable to multiple deprivations.⁵³ Two most important reasons for that are: economic mismanagement, and a weak inter-governmental federal system.⁵⁴ Clearly, inflation rates are still too high, infrastructures are dilapidated, and the health sector is severely deteriorating. In spite of a significant improvement in the reduction of disease burden, hospitals still need rehabilitation, and financial access to good quality health services is also required.⁵⁵ Moreover, the education system is collapsing, and the reform process is slow in most of the states and localities.

The main current challenges of Nigerian federation are: unequal resource distribution, and an unequal delivery of services. This situation of unfair distribution of financial resources is clear in the Niger Delta, an area that includes ten states in Southern Nigeria. Despite the fact that these states are rich in oil, this has not changed the standard of life of the local populations. The federal government has continuously failed to give the states of Niger Delta their fair share from the oil revenues, although the Constitution guarantees this right, and allocates 13 per cent of oil revenue to these states.

“On the horizontal level, there has been a crisis of ‘marginalization’ by all groups. The oil producing states of Niger Delta are angry that the dividends of oil produced area go to other parts of the country, without adequate concern for their own interests.”⁵⁶

In terms of fighting poverty in all states of the country, many programmes have been implemented such as: Better Life for Rural Women, and Family Economic Advancement Program that aimed at bettering the lives of the people and stabilizing social and economic growth. Unfortunately, these programmes did not see the light or achieve their goals due to mismanagement, ethnicity and political instability as well as weakness of the relationship between the federal government and sub national units. These programmes were established with a view to help eradicate unemployment and eventually poverty. Another important National Poverty Eradication Programme was established in Nigeria by the Federal Government in 2001 to coordinate and monitor all poverty eradication efforts of various levels of government, as well as those of the International Donor Agencies and Non-Governmental Organizations (NGOs). The main goal is to empower and assist eradicate poverty in Nigeria in line with the United Nations Millennium Goal of halving the proportion of people living in poverty by the year 2015.⁵⁷ After a decade of implementing this programme, the situation of poverty in most states is miserable.

⁵¹ Michael M. Ogbeidi, *Political Leadership and Corruption in Nigeria Since 1960: A Socio-economic Analysis*, *Journal of Nigeria Studies*, Vol. 1 Number 2, fall 2012, p, 3.

⁵² A S Oyekale, A I Adeoti and T O Oyekale, *Income Redistribution, Growth and Poverty Dynamics During the Period of Economic Reforms in Nigeria*, *The IUP Journal of Applied Economics*, Vol. X, No. 2, 2011, p, 5.

⁵³ Human Development Report 2011, *Sustainability and Equity: A Better Future for All*, Nigeria, Explanatory note on 2011 HDR composite indices, HDI values and rank changes in the 2011 Human Development Report, p, 4.

⁵⁴ Michael M. Ogbeidi, *Political Leadership and Corruption in Nigeria Since 1960: A Socio-economic Analysis*, *Journal of Nigeria Studies*, Volume 1 Number 2, 2012, p, 3

⁵⁵ International Monetary Bank (IMF), *Nigeria: Poverty Reduction Strategy Paper—Progress Report*, IMF Country Report No. 07/270, August 2007, PP, 9-14.

⁵⁶ J. Isawa Elaigwu, *Op.cit*, 11.

⁵⁷ *ibid*, pp, 96-102.

It appears that the situation is not better than what was it before the advent of democracy in 1999. Majority of Nigerian cannot even have potable water despite the high sums of money invested in poverty alleviation programmes.⁵⁸

In spite of poverty being a serious problem in Nigerian states, especially in Niger Delta states as noted earlier, it does not seem to have received appropriate attention from the government to make considerable impact on the lives of people.⁵⁹The basic reasons for failure of poverty alleviation programmes in Nigeria are: inadequate funding, intergovernmental problems, misdirected focus of plans and lack of political will. Overall, the current programmes are now facing the problems of sustainability, lack of proper coordination, and commitments.

IX. POVERTY REDUCTION AND PROBLEMS OF NATIONAL POLICIES IN SUDAN:

It's difficult for researchers to have an accurate estimation of the level of poverty in Sudan to identify the poor population and measure the severity of poverty. This is due to lack of data relevant to measurement of poverty. But, some studies estimated that a vast majority of populations in Sudan are living under the poverty line because of the poor economic policies that prevailed for a long period of time. Others showed a decline in extreme poverty incidence in the country.

About 60-75% of the population in the North in 2006 was living below the poverty line of US \$ 1 a day. Estimates in 2007 indicated a decline in extreme poverty incidence in the whole country from 85% in the 1990s to 60% in 2007.⁶⁰

A number of studies showed that the index of deprivation of knowledge among the rural/urban population in Sudan is common to all states and afflicts both rural and urban areas.⁶¹ Poverty is an acute problem in Sudan attributable partly to the impact of the long civil war in the South, poor planning and political instability in the country. All these factors, together with unfair national policies have hampered the economic growth and development in all the country particularly Darfur, the East and Greater Kordofan states during the last two decades of federalism. Nevertheless, in the area of poverty reduction, the local governments are facing resistance from their state governments.⁶² Clearly, the domination of federal government and monopoly of most financial resources led to poor capacity of the states and inability to implement proper programs in order to achieve poverty alleviation in their respective localities. Indeed "The central government has been systematically allocating only limited shares of its budget to social services such as education and health".⁶³ During the period (2001-2003), federal government in Sudan allocated an average of 6.3 per cent of total expenditure to social services (Water 0.3 per cent, health 1.6 per cent and education 4.4 percent).⁶⁴ This irrational financial distribution was not beneficial to the poor in urban and rural areas in various States of Sudan. Moreover, later on in the strategy of poverty reduction for 2004, the expenditure levels in the national budget on education and health were below expectations.⁶⁵ Recently, the government designed a few programs to face the lack of basic public services delivery, particularly in education and health. Unfortunately, the government repeated the same mistakes by allocating low funding to these sectors.⁶⁶

National governmental monetary policies targeted the poor by allocating 12 per cent of commercial banks ceilings to finance microfinance projects. Although these projects have evolved in most states of Sudan as alternative means of widening access to finance by micro entrepreneurs and the poor, they failed to contribute

⁵⁸ Morayo O. Agbi, Poverty Alleviation Programmers in Nigeria, The National Assembly Legislative Report, Vol. 2, 2009.

⁵⁹ Ntunde, Flora O. and Oteh, Chukwuemeka O, Taking Stock of Poverty Reduction Efforts in Nigeria, Canadian Social Science, Vol. 7, No. 6, 2011, pp. 96-102.

⁶⁰ The Sudan Institutional Capacity Program Food Security Information for Action, Poverty in Sudan, Policy Brief, 2011, p, 2.

⁶¹ Sudan Interim Poverty Reduction Strategy Paper 2004-2006, IPRSR/Draft, 2007,

⁶² For more details see:

UNDP First Forum on Legislative Coordination in a Federal System in Sudan, and the debate of former member of the German National Parliament Ms Anna Luhrmann, Khartoum, 12-13 December 2010

⁶³ See: Macroeconomic Policies for Poverty Reduction: The case of Sudan, United Nations development Programme in Sudan, Khartoum, Sudan, 2006, p, 49.

⁶⁴ *ibid.* P, 49.

⁶⁵ World Bank, Public Expenditure Review Sudan, (PER), Poverty Reduction and Economic Management Unit, Africa Region, 2007, p, 39.

⁶⁶ See: Interim poverty Strategy Paper 2004-2006, pp, 24-200, and also see:

significantly to job creation and poverty reduction in the country.⁶⁷ Under the present circumstances, the prospects for Sudan to achieve the Millennium Development Goal (MDG) of halving the number of the poor between 1990 and 2015 seem to be dim.⁶⁸ “Starting from 2001 as a base year it is shown that Sudan needs to attain, and sustain, a GDP growth rate of about 7 percent per annum to achieve the MDG on poverty”.⁶⁹ The federal government’s poverty eradication programmers in Sudan have so far failed to tackle the problem. The country needs to work seriously on the economy to reduce poverty and achieve sustainable development.

X. CHAPTER SIX: NIGERIA AND SUDAN: SIMILARITIES AND DIFFERENCES IN FEDERALISM AND POVERTY REDUCTION

Both Nigeria and Sudan were ruled by British colonialism, but the period of colonialism in Nigeria was shorter than in Sudan. The two countries were governed differently by British, and they had different structures of government. The colonial administration succeeded to establish federalism in Nigeria since 1946, while it did not implement it in Sudan, but later on after almost half a century, in 1994, Sudan has chosen federalism as an appropriate administrative system to govern the country. Although the federal structures have reflected the wide cultural and political differences in Nigeria and Sudan, federalism in both countries remains vulnerable and falls short of meeting the needs of people in different aspects, particularly as regards alleviation or reduction of poverty.

Nigeria and Sudan adopted many different National Constitutions and they were both governed by democratic as well as by military regimes throughout their modern history. Nigeria is still governed by the 1999 Constitution, while Sudan has established a new interim Constitution of 2005. The political elites are struggling in Sudan to design a rigid Constitution. Despite the fact that the three levels of government in Nigeria and Sudan allow people to participate in the various levels of government, the federal governments are not best placed to respond to issues faced by the local communities. In Nigeria and Sudan the federal governments are more powerful than the states governments, but there are signs that federal structures are influencing the functioning of governments. One of the big disadvantages of the federal system in the two countries is that fewer resources have actually been transferred to support states and localities to cope with their rising obligations to provide essential social services. Moreover, the fiscal laws in the two countries give significantly more tax powers to the federal governments than to other levels of government. In Nigeria, most local governments lack the adequate manpower to deliver on efficient and effective functions, due to the fact that federal and states governments encroach on most of its functions. In Sudan, local governments have failed to operate smoothly under the federal government because most of localities are created and established without acceptable available prerequisites. There is also unfair financial relationship between the local governments and state government.

In Nigeria and Sudan there are weak interactions between the National and sub-national levels of government within the federal systems, and fragile institutions for intergovernmental policy coordination. Above all, fiscal federalism in both countries is faced with problems of lack of capacity, weak implementation framework and inadequate compliance mechanisms.

The lack of data and relationships between growth on one hand, and income poverty on the other, has so far hampered poverty line in Nigeria and Sudan. Some indicators show little degree of poverty reduction in both countries in recent years. The two countries won’t be able to achieve the Millennium Development Goal on poverty judging through present growth performance. Reducing poverty into half by 2015 necessitates that the governments consider effective development programs and provide an adequate delivery of services throughout all states. Unemployment, particularly among the poor, has become an endemic problem in both countries. If the two governments don’t create employment opportunities and consider it a priority, present unemployment rates will diffuse negative manifestations and leads to dangerous pitfalls. Yet, reducing unemployment is a daunting challenge. However, if Nigeria and Sudan succeed in achieving that goal, it will have a positive impact on poverty alleviation.

The over-politicization of social life in Sudan has hampered sustainable development. Despite the powers given by Constitution to local governments, they rarely reflect their local livelihood systems, and are generally not responsive to local resource users. The political instability and poor macroeconomic management

⁶⁷ Adam B. Elhiraika and Khalid Abu Ismail, Financial Sector Policy and Poverty Reduction in Sudan, Working Paper 0411, Economic Affairs Officer, Economic and Social Policy Division, UN Economic Commission for Africa, Addis Ababa, Ethiopia, p, 15.

⁶⁸ Hatim Ameer Mahran, Public Policy and Poverty Reduction in Sudan: 1971-2002, www.cmi.no/.../Public%20policy%20and%20poverty%20reduction.p. (Last visit on 9th March, 2013).

⁶⁹ For more details about poverty reduction in present and near future in Sudan in terms of the Millennium Development Goal, see:

Ali Abdel Gader Ali” Can the Sudan Reduce Poverty by Half by the Year 2015? ”API/WPS

have negative impact on national policy for fighting poverty in Nigeria and Sudan. National policies are different in the two countries. In Nigeria, many programs are implemented that are aimed at bettering the lives of people and stabilizing social and economic growth. Unfortunately, most of these programs have failed to achieve their goals due to mismanagement, lack of funding and political instability, as well as to weak relationships between the federal government and sub national units.

'In the south, poverty is higher in Akwa Ibom, Delta and Edo states and in the north in Bauchi, Jigawa and Yobe. This variation underscores the need to pay attention to regional differences when designing policy interventions to alleviate poverty.'⁷⁰

In Sudan, the federal government designed few programs in terms of lack of basic public delivery services, particularly education and health in peripheral states. But, the lack of significant progress in these two sectors (Education and health) was due to the extremely low level of public expenditures. This is also partly due to hesitation on the side of the federal government to proceed to a robust devolution of authorities to the states and localities, despite its federalist orientation and provision of the 1998 Constitution and the 2005 Interim constitution.⁷¹ Although the national governmental monetary policies targeted the poor by allocating 12 per cent of commercial banks ceilings to finance microfinance projects, these projects have failed to contribute significantly to extreme job creation and poverty alleviation in the country.

There are spatial differences between Sudan and Nigeria, while Sudan has a relatively small population with small concentration in huge area; Nigeria has a huge population with few sparsely populated regions.

XI. IMPERATIVES FOR OPTIMIZING EFFECTIVE POLICES OF POVERTY ALLEVIATION:

The need for change of intergovernmental relations, not only in Nigeria and Sudan, but also in all federal systems in this Millennium is essential to respond to issues faced by local communities. "Even though the institutional support historically provided at the federal level for intergovernmental collaboration has been less than perfect, it has been even further eroded during the past decade."⁷² Sub national governments should have adequate revenues to discharge designated responsibilities and not be constrained by the categories structures of programs and uncertainty with decision-making at the centre.⁷³

To develop a seamless and high quality system of federalism in Nigeria and Sudan, the federal, state and local governments must work together in fundamentally more effective ways than they do at present. One of the most important roles that the federal government should play is to provide technical assistance to the executive and legislative branches of the state and local levels. Governmental functions, responsibilities and revenues among sub-national governments should be clear-cut in both Sudan and Nigeria. It is more important for these two countries to reformulate the fiscal relations and simplify tax laws in order to achieve less competition between the various levels of government. Fiscal federalism in Nigeria and Sudan should be strengthened, and intergovernmental transfers be accelerated to all levels of government. Furthermore "General economic policies need to be reformulated in order to sustain more rapid economic growth, broader employment generation and deeper poverty reduction."⁷⁴ Moreover, the federal government should not control all phases of public services such as water, healthcare and education, but inevitably delegate to the lower levels of government their full powers in accordance with the constitutional arrangements to share effectively in all aspects of the operations and delivery of services.

Change, economic growth and poverty reduction require experienced public servants that understand the dynamics of the society and economy are committed to change and have the respect of the political establishment and the civil society.⁷⁵

⁷⁰ Ben E. Aigbokhan, *Poverty, Growth and Inequality in Nigeria: A Case Study*.

⁷¹ For more information about Policies and Institutions Concerning Natural Resource and Conflict Management in Sudan and particularly in Kordofan see: El Fatih Ali Siddig, halid El-Harizi, And Bettina Prato, *Managing Conflict over Natural Resources in Greater Kordofan, Sudan: Some Recurrent Patterns and Governance Implications*, IFPRI Discussion Paper 00711 August 2007, pp. 23-28.

⁷² Stever James, *The Growth and Decline of Executive-Centered Intergovernmental Management*, Publius Vol. 23 (Winter 1993), pp. 71-84.

⁷³ Robin Boadway and Anwar Shah, *Intergovernmental Relation Fiscal Transfers*, (Edited) Public Sector Governance and Accountability Series, International Bank for Reconstruction and Development, The World Bank, Washington DC, 2007, P, 15.

⁷⁴ See: *Macroeconomic Policies for Poverty Reduction: The case of Sudan*, op.cit, p, 115.

⁷⁵ Chukwuma Obidegwu, *Post-Conflict Peace Building in Africa the Challenge of Socio-Economic Recovery and Development*, African Region, Paper series No.73, World Bank, Washington DC, October 2004, p.44.

Its optimum for the government of Nigeria should to improve the issues that include the needs of the people and responsibility for cooperation in macroeconomic management – especially in the light of rising oil prices – and

revenue sharing between federal, state and local levels of government. Federalism will play a critical role in facilitating economic projects in the states and localities thereby reducing poverty as it offers greater opportunity for power sharing to the various groups and self-development for the various states. It's also necessary for the federal governments to raise budget appropriations to pay for new equipment and materials, as well as to attract and keep high-quality teachers, nurses and doctors in schools and health centers in poor states in the countries.

“It is obvious that rural areas cannot attract qualified personnel if salaries are lower than in urban areas. Recruitment is a problem even when the salaries offered are the same, because most teachers and doctors prefer to work in the city than in poor and remote villages.”⁷⁶

Nigerian and Sudanese citizens living in the various states have the right to receive satisfying and equal services. The states, therefore, are obliged to have more than the standard expenditure needed to receive subsidy to make up for the gap. To meet such a challenge, the federal government, by virtue of its role in national development transfers, should grant to the states sufficient funds, and encourage them design effective policies to be implemented through sub-national units for poverty alleviation. In both countries, appropriate legislations and adequate laws are good tools for achieving balance in the relations between the federal and local-state governments. Eventually, the vexed question about how to alleviate poverty into half by 2015 in Nigeria and Sudan needs great efforts to be exerted by both countries through designing and implementing more novel effective programs to achieve the goals in the coming two years.

XII. SUMMARY AND CONCLUSIONS

This paper has sought to examine the processes of federal systems and the linkages between structures and various levels of government in Nigeria and Sudan. Moreover, the paper has attempted to untangle some of the problems relevant to the federal system in both countries, particularly the fiscal intergovernmental relations. Also, the paper has discussed critically the politics of poverty reduction within the framework federal systems in Nigeria and Sudan. Earlier discussion showed that, although Nigeria and Sudan have vast potential wealth in most of their states, the two countries have been unable to implement sustainable significant solutions to extreme poverty. This means that the two systems are ineffective in the management of the national economy. A number of national policies, programs and interventions for reducing poverty are identified in this paper. The analysis has shown that most of poverty reduction efforts have had no significant impact on the lives of the poor in Nigeria and Sudan. The crux of the problem in both countries is that fiscal federalism is mainly central, lower responsibilities delegated to the sub-national levels of government, and ineffective programs for fighting poverty. The paper highlighted that the federal system is appropriate to both countries because of their wide cultural and political differences and the large ethno-linguistic diversity in both societies. Although, within the two federal systems, political institutions should seek to achieve both political integration and financial balance by combining shared rule on some matters and self-rule on others, they failed to make that end, and thus failed to reduce poverty to plausible percentages.

Following the analysis in this paper, there are some similarities and differences between Nigerian and Sudanese experiences, particularly centralized federalism, weakness of intergovernmental linkages, and lack of funding projects for fighting poverty. As imperatives for optimizing effective policies of poverty alleviation in Nigeria and Sudan, the paper gave some suggestions. The most important is that the two federal systems should discuss options and have strong consensus and concrete plans to address poverty reduction. The findings indicate that dialogue is the only way to resolve the challenges facing Nigeria and Sudan fiscal federalism practice. And good dialogue can only come with quality information to both countries. Not only this but also, the local governments should fit into broader context of intergovernmental relations. Revenue allocation in Nigeria and Sudan should be reformulated on the basis of equitable distribution of national financial resources to ensure poverty eradication.

Overall, to make the federal system in both countries a political device for establishing flexible relations and inter-community cooperation, the two countries should work hard and reformulate their intergovernmental relations to reach these significant goals. The effective implementation of reforming federal systems in the two states often requires financial resources to build institutional capacities in the sub-national levels, increase public services in all poor states, and design comprehensive development projects to offset poverty. As the above analysis indicates, persistent dialogue in Nigeria - and the one to be started in Sudan - is

⁷⁶ Christian Morrison, Health, Education and Poverty Reduction, Policy Brief, No. 19, OECD, 2002, p, 23.

essential at all levels of government to improve performance of legislature councils, laws and to build support for the needed reform process. Above all, service delivery is held to be important for state legitimacy and if this is not being done then it might imply that legitimacy is not important whereas the state might be seen as a means to appropriate income. This would mean that institutional change might limit the ability of anyone to influence poverty reduction.

Hassan Mushieka. “Federalism and Poverty Reduction in Nigeria and Sudan the Politics of Local, State and Federal Relations” *International Journal of Business and Management Invention (IJBMI)* , vol. 07, no. 03, 2018, pp. 01–14.