

SUBNATIONAL GOVERNANCE AND SOCIO-ECONOMIC DEVELOPMENT IN A FEDERAL POLITICAL SYSTEM: A CASE STUDY OF LAGOS STATE, NIGERIA.

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ABSTRACT

The main objective of any responsible government is the provision of the good life to citizens. In a bid to achieve this important objective, political elites or external powers (as the case may be) have adopted various political arrangements which suit the structural, historical cultural and functional circumstances of the countries concerned. One of such political arrangements is federalism. Whereas explanatory framework connotes a political arrangement where each of the subordinate units has autonomy over their sphere of influence. Nigeria is one of three countries in Africa, whose federal arrangement has subsisted since it was first structured as such by the Littleton Constitution of 1954. Although the many years of military rule has done incalculable damage to the practice of federalism in the country, Nigeria remains a federal state till today. However, there are concerns over the ability of the state as presently constituted to deliver the common good to the people. Such concerns are connected to the persistent high rate of poverty, unemployment and insecurity. Previous and current scholarly works on socio-economic performance of the country have been focused on the national government. This approach overlooks the possibilities that sub-national governments, especially at the state level holds for socio-economic development in the country. The point of departure of this article is to fill this lacuna by examining the socio-economic development of Lagos state, especially since 1999. The choice of Lagos state as the unit of analysis is informed by its central position as the economic nerve centre of Nigeria, the strides that have been recorded in socio-economic development over the past seventeen years and the nature of politics in the state versus the national government, at least up till 2015. A focus on sub-national unit of the Nigerian federation is particularly critical at this period in the life of the nation when divergences in centripetal and centrifugal forces continue to threaten the corporate existence of the country. The geographical differences in terms of poverty and inequality level between the North and the South also lend credence to a study of this nature, with the hope that lessons on leadership style (exemplified by modes of succession and quality of leadership), civic duty of citizens and resource mobilisation can be learnt by other sub-national units of the federation.

Keywords: Federalism, Governance, Protectorates, Political elites

1. INTRODUCTION

The amalgamation of Southern and Northern Protectorates of Nigeria by British colonial power in 1914 created the largest single political entity in Africa (Adedeji, 2012). The sheer size of the country both in terms of geographical spread and population; the heterogeneity of its peoples, the dynamism of its centripetal and centrifugal forces and the need for stability motivated the nationalist leaders to negotiate a federal political arrangement with the departing colonial leaders (Jinadu, 1985). Although, the British colonial government effected the amalgamation of the northern and southern protectorates for its administrative convenience, federalism was seen as the best appropriate political framework for sustainable and mutually beneficial existence by the various nationalities that make up the country.

Federalism in Nigeria has passed through various phases and transformations. Despite the strains and the stress that are inherent in its adoption, it has endured till today (Suberu, 2010). Nigeria's federalism is a unique one whose existence and sustenance is to a large extent dependent on a single resource; oil (Olukoshi, 2003, Obi, 2002).

While early post-colonial leaders attempted and indeed, succeeded in applying fiscal federalism, based on the principle of derivation in Nigeria's first republic from 1963-1966, the many years of military rule led to increased centralisation of power and excessive control of the nation's resources by the central government. The cen-

tralised system has been blamed for the variety of problems that confront the country today such as insecurity, conflicts, poverty, and intra-group disunity which pose permanent threat to its continued corporate existence. For instance, as Adamolekun (2005 cited in Suberu 2010:459) laments, 'the Nigerian federalism is at a cross-roads and has two options: devolution or death'.

There have also been concerns from the international intelligence community that given the various conflicts and flashpoints such as Jos, Plateau state, insurgency in the Niger-Delta, the Boko Haram campaign of terror against the Federal Government in the Northern part of the country, the tendency towards destabilisation is very high in the country (International Crisis Group, 2006). The dysfunctional public institutions, high rate of corruption and lack of capacity to carry through many ill-thought out development programmes have combined to ensure that more than half of the country's estimated 160million people still live on than less one US\$ per day (NBS, 2011).

Nigeria operates three tier-level federalism, with one central government, 36 states and 774 local governments and a federal capital territory. As a mono-cultural and structurally disarticulated economy, most of these units of government can only survive on the allocations that the central government shares with them. The 1999 constitution upon which the fourth republic is based ensures that 'revenues in the Federation Account are distributed vertically in the proportions of 48.50%, 26.72%, 20.60% and 4.18% to the fed-

eral government, states, localities, and centrally controlled special funds, respectively' (Suberu, 2010:467). Despite the huge resources being allocated to all levels of government, Nigeria still occupies one of the lowest levels in the global charts for measuring socio-economic progress (See UNDP, 2013).

Consequently, there are concerns over the ability of the Nigerian state as presently constituted to deliver the common good to the people. Such concerns are connected to the persistent high rate of poverty, unemployment and insecurity. Previous and current scholarly works on socio-economic performance of the country have been focused on the national government. This approach overlooks the possibilities that sub-national governments, especially at the state level holds for socio-economic development in the country.

The point of departure of this article is to fill this lacuna by examining the socio-economic development of Lagos State, especially since 1999, when Nigeria returned to democratic governance. Lagos State has been an exception to the rot in Nigeria as the state has witnessed massive turn around in the areas of infrastructural development, job creation, increased institutional capacity for service delivery, security and social re-engineering. The choice of Lagos State as the unit of analysis is also informed by its central position as the economic nerve centre of Nigeria.

A focus on sub-national unit of the Nigerian federation is particularly critical

at this period in the life of the nation when divergences in centripetal and centrifugal forces continue to threaten the corporate existence of the country. The geographical differences in terms of poverty and inequality level between the North and the South also lend credence to a study of this nature, with the hope that lessons on leadership style, vision and citizens and resource mobilisation can be learnt by other sub-national units of the federation.

What is responsible for the high level of transformation that is currently going on in Lagos State in terms of politics-policy mix, leadership characteristics or party ideology? What are the strategies that have been adopted to achieve such levels of transformation and what the social costs are in terms of dislocations and adjustment to the changes? A theory of multi-level governance and fiscal theories of state are adopted while secondary data was used for analysis.

After this introduction, the rest of this article proceeds as follows: presenting the extant literature on federalism as an ideal form of government for a polyglot and heterogeneous country like Nigeria. Examining the relationship between federalism and sub-national governance is also examined in this section.

Analysing, the performance of Nigeria's federalism in terms of socio-economic development, interrogating Lagos State as a sub-national unit within the Nigerian federation and the socio-economic development that is

taking place in the state, especially since 1999, its challenges, strategies and outcomes. And conclude by recommending other sub-national units within the Nigerian federation.

2. FEDERALISM

Federalism has been defined by various scholars as political arrangements where the various subunits that make up a country are in each of their respective spheres of influence semi-autonomous (Wheare, 1963). Carl Friedrich (1968:6 cited in Gana, 2003)) defines a federation as 'a union of group selves, united by one or more common objectives but retaining their distinctive group being for other purposes. Federation is, on the inter-group level, while association is on the inter-personal level.

It unites without destroying the selves that are uniting, and it is meant to strengthen them in their mutual relations. Suberu (2009:68) defines a federation as a 'polity that is divided into territorial sub-units that enjoy constitutionally entrenched autonomy in some policy-making domains as well as representation within the machinery of the polity-wide government'.

The main distinguishing feature of federalism from either a unitary state or a nonfederal one is the power that the constitution grants to the sub-national units of government. Such constitutional empowerment demonstrates joint-ownership and shared responsibility. It shows complementarity rather than subservience in the relationship between the central government and

the state or local governments.

A Federal system of Government is usually adopted by countries with diverse nationalities such that the interests of the diverse units are adequately taken care of. For instance, with the particular case of Nigeria, Jindau (1985:73) has argued that 'Federalism as a system of concurrent regimes ... developed in Nigeria in response to problems of governance created by this ethnic configuration (and that) it is deliberately structured to provide the legal superstructure within which the various ethnic fractions of the political class seek access to state power, with a view to controlling or influencing its exercise'. While the explanation above may be true to some extent, the overriding objective for the introduction of federalism in Nigeria was the need for administrative convenience of the colonialists. Examples of countries that are practicing federalism in the modern world include Australia, Canada, Brazil, United States of America, Switzerland, India and Nigeria. Federal States usually have different levels or tiers of government. Sequel to the constitutional requirements for the division of powers in a federal system is the presence of sub-national units of government. This can be in various forms such as province, regions, state, districts, local government or county. Nigeria operates a three tier structure of government, which are the central, state and local governments.

3. SUB-NATIONAL GOVERNANCE

Sub-national governance is governance at the level below the na-

tion-state. It is important to state that while government is associated with the nation-state, 'the term governance is used here to describe a model in which social functions and processes are performed and implemented in different ways, by a variety of actors and at different levels' (Happaets, Van den Brande and Bruynincks, 2011:324). The role of subnational governments is significant for two reasons. First, they are often responsible for the implementation of national and international policies with regard to socio-economic development (Jørgensen 2007: 156; OECD 2001a: 51; 2002a: 19). Second, they are said to be closer to citizens and stakeholders, which is vital for socio-economic development of any country (Baker et al. 1997: 22). Berger and Steurer (2008: 32) therefore consider sub-national entities as the ideal level to tackle problems related to socio-economic development.

A study of sub-national governance is important because of the paucity of studies on this level of governance. The neglect of studies on sub-national governance has been noted by Gervason (2010:302) who argues that not much attention has been paid to this area of study. Yet, it is at the sub-national level of governance that the actions or inactions of government should be closely examined.

Most analysis on the actions or inactions of political actors on designing appropriate strategies for socio-economic development has been concentrated at the central level (Fayemi, 2013). Consequently, development indicators on Nigeria from both national

and international agencies such as the World Bank, National Office of Statistics and United Nations Development Programme and so on are usually based on national studies. One of the theories that have been used to explain the relationship between sub-national units of government and the central government is the fiscal theories of state. For instance, using this theory, Gervason (2010:302) posits that: Sub-national regimes are to a large extent explained by the magnitude and origin of their fiscal resources.

Low levels of democracy are to be expected where sub-national states enjoy plentiful central government subsidies and have a weak tax link with local citizens and business.

Gervason states the obvious that in resource rich countries, sub-national units often receive generous national subsidies and collect modest tax resources (Gervason. 2010). While this theory is true to a very significant extent with respect to many states in Nigeria, Lagos State is an exemption to this theory in many respects.

First, although the State receives monthly allocation from the Federal Government like any other State in the Nigerian federation, its economic viability and social responsibility to the state has been determined largely by the high internal revenue based, especially since 1999.

Tables 1 show the volume of internally generated revenue from Lagos State and allocations from the Federal Government from 2008-2012.

	2 0 0 8 NGN' Mil- lions	2 0 0 9 N G N ' Millions	2010 NGN' Millions	2011 NGN' 'Millions	2 0 1 2 NGN' Mil- lions
IGR	101,178	139,142	148,445	168,132	166,516
IGR Others	27,306	36,270	29,139	36,829	56,235
VAT	32,165	39,960	47,287	57,021	66,104
FAAC	49,777	42,426	48,213	61,806	61,395
Total Revenue	210,246	257,798	273,084	323,788	350,250

Source: Lagos State Government

From table 1 above, the Internally Generated Revenue of Lagos State was consistently higher than the allocation from the Federal Government. For instance, Lagos State share of federal revenue in 2008 (VAT +FAAC) was about #81billion while the internally generated revenue for the same year was about #128billion. In 2012, the Internally Generated Revenue in the state was well above #200billion. The capacity to generate revenue and manage it prudently is a far departure from what it obtains at the national level, where oil rents still constitute the larg-

est chunk of the federal government revenue. Although the Federal Inland Revenue Service has improved its capacity for tax collection, the degree of prudence in managing the collected tax is another issue entirely.

Second, Lagos State has been under the control of opposition party under various names such as the Alliance for Democracy, Action Congress, Action Congress of Nigeria and now All Progressive Congress. The State Government drew the ire of the Federal Government when in 2002, the then Governor Bola Tinubu government created additional 37 Local Government Areas. The controversy and the legal tussle that followed this decision, which is constitutionally allowed but political-

ly denied, led to the unconstitutional withholding of Federal Allocation to Lagos State by Olusegun Obasanjo who served as the President of Nigeria under the banner of the People's Democratic Party from 1999-2007. Notwithstanding the fact that Lagos state was denied access to its share of federal allocation for more than three years, it survived until the money was released by the instruction of the late President Yar'adua in 2007.

Third, contrary to the argument of the fiscal theory of state that citizens are generally detached from the governance at the sub-national level due to the lack of binding commitment to the State in form of taxation, Lagos State is a hotbed of civil society activism. The

large volume of Internally Generated Revenue shown above is largely attributed to the high level of tax compliance in the State. In order to ensure high level of compliance and to secure the cooperation of the citizens, the former Governor Raji Fashola regularly organised meetings with members of the organised private sector (OPS) and engaged in 100 days' media chat in which he briefed the citizens of the state on how the revenue collected was dispensed.

The fiscal theories of state also hold that provinces that are well-endowed resource wise or that received so much allocation from the central government are usually detached from their constituents, muzzling opposition and suffer from democratic deficit (Gervason. 2010). While this assertion may be true in some instances, the case of Lagos State is different. As mentioned above, there is a high level of connection between the government and the citizens through regular media briefings, town hall meetings and active social intervention programmes. The assumption that opposition political parties are muzzled in such a resource rich state like Lagos may also not be entirely correct.

In the various elections that have been held in the State since Nigeria returned to democracy in 1999, opposition political parties have been allowed to campaign for votes without molestation from the State government. In the general elections of 2015, the opposition political party (PDP) won several seats both to the state and national houses of assembly. However, the fact

that it has been extremely difficult for opposition parties to win any election in areas that are considered as the strongholds of the ruling party (APC), such as Alimosho Local government area of Lagos State raises some questions on the overall credibility of elections in Lagos State. For instance, this author is aware of the case involving Mr. Segun Adewale who contested for election to the Lagos House of Assembly under the Labour Party in 2007 and to the Federal House of Representatives under the PDP in 2011 and 2015, respectively.

In an informal discussion with him, he disclosed how the elections were rigged against him. Due to his popularity and mass-base support in the Alimosho Local Government area of the State, it was also assumed that he won the elections—at least by his personal account and those of the people who witnessed the elections. However, he was not declared the winner. His attempts to get justice from the electoral tribunals were not successful. In frustration, he told this author that he is quitting politics as it is almost impossible to win an election under the opposition party in the State. Although his account may be personal, the fact that the ruling party in Lagos State has been winning almost all the positions in the various elections in the State may seem to validate the theory as enunciated above. One may argue though, that the victory of the ruling party in the State may be on account of the performances of the elected officials.

The relationship between the Federal Government and other sub-national

units within the federation are defined by the constitution. The constitution spells out the functions of each level of government and provides the basis for resolving conflicts that may emanate from performing such functions. As Jinadu (1985) argues, the relationship that exists between the central government and the sub-national units of government in a country like Nigeria was a response to the polyglot and heterogeneous nature of the Nigerian society. The various mechanisms such as affirmative action in form of consideration for Federal Character in appointment for jobs or political offices, zoning formula and rotation of elective offices between North and South and among the various ethnic groups in the country are clear manifestations of the understanding of the architects of the Nigerian state to ensure equity and political stability in the country.

4. SOCIO-ECONOMIC DEVELOPMENT IN NIGERIA AND INDICATORS

The performance of Nigeria's federalism has been an issue of scholarly debate. While some scholars believe that the country has failed to live up to its huge potentials in terms of improvement in living conditions of the people, (See Adamolekun, 2005, Adebani and Obadare 2010), some believe that the country has performed well at least in terms of its political survival as a single indivisible entity more than fifty years after gaining political independence (Suberu 2010, 2009). For instances, Suberu (2009) compared Nigeria with other federations in Africa such as Democratic Republic of Congo and Sudan and concluded that

the country stands out in its ability to contain large scale disintegration and internal disorder that have been the lot of other federal experiments on the continent. He attributed the 'successes' to the unique structure of Nigeria's federation, which has gone through some changes in form of creation of states and local governments since 1960 (Suberu, 2009). But one may wish to ask the question that at what costs to the socio-economic development and improvement in the living conditions of the people has the country been kept together as one political entity?

Despite being the eight largest exporter of petroleum in the world, Nigeria, in the words of Adebani and Obadare (2010) remains a nation in narration. It is a country mired in the contradictions of poverty in the midst of plenty, want in the midst of abundance, suffering in the midst of surplus. Acute governance deficits, which manifest in untrammelled and unconscionable degree of corruption, lack of willingness to implement policies to the benefits of the majority of people, political and bureaucratic ineptitude and a certain sense of spineless acquiescence to the logic of primitive and private accumulation under neo-liberal based global capitalism have kept the of country among low development groups of country (UNDP, 2013, Ihonvbere, 1989). Although by the logic of global capitalism in which economic growth has been substituted for development, Nigeria has been classified as a Middle Income country by the World Bank and was regarded as one of the fastest growing economies in Africa until

the recent collapse in the prices of crude oil (Economist, 2011), The rate of poverty in the country is still as high as 61 per cent (NBS, 2013)

Regionally, the Northern parts of the country are even worse as some of them have poverty rate of as high as 72 percent. The rate of unemployment is as high as 23 percent, while it is much higher among the youth (NBS, 2011). As Table 11 below shows, Nigeria was categorised alongside landlocked countries like Mali, Niger, Chad, Liberia and others as Low Development countries by the United Nations Development Programme (UNDP, 2013).

Table 2: Human Development in Africa

Very high and high human development	Medium human development	Low human development
Algeria	Botswana	Angola Liberia
Libya Arab Jamahiriya	Cape Verde	Benin Madagascar
Seychelles	Egypt	Burkina Faso Malawi
Tunisia	Equatorial Guinea	Burundi Mali
	Gabon	Cameroon Mauritania
	Ghana	Central African Rep Niger
	Morocco	Chad Mozambique
	Namibia	Comoros Nigeria
	South Africa	Congo Rwanda
	Swaziland	Congo Democratic Rep. Togo
		Cote d'Ivoire Sudan
		Djibouti SaoTome & Principe
		Eritrea Senegal
		Ethiopia Sierra Leone
		Gambia Tanzania
		Guinea-Bissau Uganda
		Kenya Zambia
		Lesotho Zimbabwe

Source: UNDP (2013).

Centralisation of power at the centre has produced concentration of corruption with negative multiplier effects at the other levels of government. Despite billions of dollars already expended on roads and generation of electricity, these infrastructures remain in disarray as road accidents and irregular power supplies remain the perennial experience of the country over the years. It is the context

of these contradictions of abundance and penury, surplus and lack in the assessment of the central government that the socio-economic transformations going on in Lagos State since 1999 are specifically examined below. How has Lagos State been able to achieve such a high level of infrastructures renewal, break new grounds in education and have been regular in payment of wages and salaries to its workers without default?

4.1 Socio-Economic Transformations in Lagos State: 1999-2013

Lagos State was created in 1967 by the military government under General Yakubu Gowon. It is located in the Southwestern part of Nigeria. As a mega city in the making, it is home to people from all ethnic groups from different parts of Nigeria and neighbouring countries. Until the military government of General Babangida relocated the administrative headquarters of Nigeria to Abuja in December 1991, Lagos State was the political capital of Nigeria.

Despite the relocation, it remains the economic nerve centre of the country as it boasts of three seaports, an international airport and a road linkage to neighboring African countries such as Benin Republic, Togo and Ghana. The head office of major Banks and multinational corporations in Nigeria are also located in the state. Its unique location and its sprawling population which is estimated at about 11.2 million people in 2011 (UN, 2011) but estimated by the New York Times at 21 million in 2012 (Campbell, 2012) make it an at-

tractive place for both business, skilled professionals looking for jobs and other categories of people.

4.2 Political and Governance of Lagos State: 1999-2013

Since the return to democratic governance in 1999, Lagos State has been governed by opposition parties under different names such as the Alliance for Democracy, Action Congress, Action Congress of Nigeria and now All Progressive Congress (APC). Although the names of the parties might have changed, with the exception of the former Alliance for Democracy, the personalities behind these parties have not changed much. One of the leading political figures in the opposition parties is Senator Asiwaju Ahmed Bola Tinubu. He was Governor of Lagos State from 1999 to 2003. He was the only Governor who survived the 'volcanic' onslaught of the ruling People's Democratic Party against the Southwestern states in 2003.

To a great significant extent, Asiwaju Ahmed Tinubu laid the foundation for the transformation taking place in Lagos State today in terms of infrastructures, revenue generation and governance. On revenue generation for instance, Asiwaju Ahmed Tinubu built on the legacy of the military in using consultants to collect revenue from corporate organisations. Although this has been criticised as being undemocratic, the State has been able to improve significantly on its Internally Generated Revenue over the past fourteen years. According to Campbell, (2013), tax revenues now exceed \$92m per

month, up from \$3.7m per month in 1999. The decision of the Federal Government to ban the use of Consultants for collection on Monday 21, October 2013 had serious consequences for the revenue generating capacity of Lagos State (LSG, 2013)

On the governance of Lagos State, it is important to emphasize that the choice of the incumbent Governor Raji Fashola as the successor to Asiwaju Tinubu was a strategic one. Fashola has served as the Chief of Staff to former Governor Tinubu from 2003-2007. Such experiences provided him with the requisite skill to take over the leadership of the state.

Fashola is not an everyday politician and one can argue that his distinctiveness and sense of purpose is a fall out of this separate identity. Also, following Woodrow Wilson Politics-Policy dichotomy, I argue that the relative success of Governor Fashola in transforming Lagos State owe so much to the back office role of past Governor Bola Tinubu in handling the political issues in Lagos State while the former concentrate on governance.

In a way, Fashola is shielded from the distractions that everyday politics give to the Governors. Although the issue of godfatherism has been a vexed one in the context of Nigerian politics, somehow, the duo of Tinubu and Fashola has managed to handle this well. They have tried to replicate the political practice on the old Action Group, where party leaders gave direction to political office holders in the overall interest of the electorates.

4.3 Socio-Economic Development in Lagos State from 1999-2013

Lagos State has received local and international media attention for the silent but remarkable transformation that has been taking place in the State since 1999. For instance, writing in the *Atlantic* after a research trip to Lagos (in which this author was partially involved), Howard French (2013:2) writes thus:

For decades, Lagos suffered one of the worst images of any city in the world, known widely as a place of thieving politicians, streets that crackled with danger, rotting infrastructure and go 'slows'...But with the outside world having almost written it off, Lagos recently enjoyed a prolonged run of economic growth, swelling its GDP to twice the size of Kenya's, the richest and most important nation in East Africa. And while booming like this, Lagos has also begun to quietly develop a reputation for one of the most effective local governments in West Africa.

Although French's article was in respect of the growth of urban centres in West Africa, his observation about the transformation that is going on in Lagos State is very apt. The growth in the Gross Domestic Product and the improvement in provision of infrastructure are incontrovertible testimonies to the commitment of the government to transformational governance.

Joseph (2013) shed more light on how Lagos State has been able to achieve what he prefers to call 'transformational exercise'. Joseph states that:

In Lagos State, one of Nigeria's 36 states with a population comparable to Rwanda's of over 10 million, a comprehensive state-directed transformational exercise has been pursued since 1999 under former Governor Bola Tinubu (1999-2007) and especially his previous Chief-of-Staff and now Governor, Babatunde Fashola...Lagos State pursue a vast array of public-private partnerships along with a multiplicity of State created ventures in power generation, transportation, water supply, environment and physical security (Joseph, 2013:3).

It is instructive that while Lagos State has adopted a state-led development model, the central government has adopted various variants of neo-liberal economic doctrine such as deregulation, privatisation of state-owned enterprises and liberalisation of trade and finance. The policy making processes of the country has been under constant manipulation and control of the Bretton Wood Institutions, that is, the World Bank and the International Monetary Fund (Amuwo, 2008).

The differences in result and outcomes in terms of deliverables to the citizens at both levels of government can be traced to the type of development models that have been adopted. It will be difficult to capture all the whole gamut of transformational socio-economic development that has been taking place in Lagos State over the past fourteen years of return to civil rule. However, French gives a glimpse into this when he notes:

Under the leadership of a succession of

ambitious, modernising governors from the opposition Action Party, Lagos has embarked on an unprecedented construction spree, building freeways, sub-Saharan Africa's first metro system outside of South Africa, and public housing units on a large scale. At the same time, this formally rough place has even added subtler quality of life improvements like the proliferation of public green spaces (French, 2013:3)

Since assumption in office in 2007, Governor Babatunde Fashola has a practice of celebrating what his government has achieved within every successive 100 days in office. This practice shows a kind of business-like attitude to governance in the State as it also provides a means of receiving feedback from the electorates on the effects of the policies of the state on their daily lives.

He also continued with the programme of his predecessor in organising an annual strategic session called Ehingbeti, where the State Government meets and dialogue with development partners in the private sector and the international community.

The intervention of the political leadership of Lagos State in its ongoing transformation covers various sectors such as education, infrastructure, transportation, power generation, security, agriculture, job creation, housing, industrialization, urban water provisions, and health care services. On education for instance, the Lagos State have a policy of compulsory free education from primary to secondary school levels. The State Government also pays the

examination fees of final year students at the Senior Secondary School level. Although the school imposed a prohibitive school fees at its only owned university, (the Lagos State University), which led to wide spread protest in 2011, the State makes provision for bursary for students. But in as much as the bursary cannot reach all the students, the prohibitively high school fees will prevent many brilliant but indigent students from pursuing their ambition. The Government has also strengthened the technical and vocational school to enhance that less brilliant students have access to alternative education.

The PATH Programme, which is an acronym for the four areas of priority of the administration include Power, Agriculture, Transportation and Housing. On Power, the state government has invested in power generation to enhance rural electrification and access to power in the urban areas through its Independent Power Project (IPP). Other programmes of the State Government are seeing in concerted efforts to boost food production through massive investment in farming and fishing.

The State has also acquired public buses under the Lagbus and Bus Rapid Transit scheme to aid movement of people within the state. Thousands of roads have been constructed while old ones are being re-habilitated. The 10-lane Lagos-Badagry expressway is an ambitious project that has high impact value in terms of cross-border trade and investment flow.

The fact that this is complemented by light rail mass transit routes has further

potential of easing the transportation challenges that the people of Lagos face. The efforts of the government on transportation are not limited to road construction as the administration also focused on water transportation. A new international airport is also being constructed in Lekki area of the State, where a multi-billion-naira Free Trade Zone is also being located.

Security of lives and property is a big challenge in any city of the size of Lagos State. The Government creatively engaged different stakeholders in the state to contribute to a Lagos State Security Trust Fund. This Fund has afforded the State Government to provide logistic support to the federally controlled but poorly funded Police Force.

The resultant effects of this was the drastic reduction in armed robbery by 75% and an unprecedented 85% achievement rate on recovery of stolen vehicles in the State. The State Government has also established a micro-finance institution, which give grants to small scale enterprises. Against the backdrop of the difficulty in access to finance in Nigeria, this initiative has contributed to employment generation in the State.

Lastly, the State Government has made provision of health for all and sundry, one of the keys objectives of the administration. The Government has expanded free health screening diagnostic and treatment services and strengthened emergency services through the provision of Mobile Intensive Care Units and a Toll free help line (LASG, 2013).

5. SOCIAL COSTS OF THE TRANSFORMATION

There is no doubt that the various social-economic transformations going on in Lagos State have some social costs to the people. While this may be deemed to be an inevitable outcome of a reform process, it is expected that the government should pay more attention to the plight of the poor and vulnerable members of the society, who are adversely affected by such changes. One of the main issues of social costs in the State is displacement of people whose houses are affected by road constructions. Although the State government pays compensation in some instances, it is not in all cases that this is done. In view of the fact that, many of the affected people depend on rents from such houses for their livelihood made their conditions to be unduly dire.

In a bid to rid the State of criminals and hoodlums, the Government has made several laws which affected the poor people adversely. For instance, the Ban on the use of commercial motorcycle in different parts of the State has affected several young people who depend on this trade for the survival. The ban was even more problematic within the context of the mass unemployment in the country. While it is important to keep the city of Lagos safe, the high rate of joblessness, which the ban on motorcycle brings can actually worsen the insecurity of the people in the State as many displaced people may be forced to take into criminality. Although the State Government has established many training schools

to train the displaced people, many were of the opinion that they should have been trained before being banned from operating in the State. Apart from the job effect of the ban, many citizens of Lagos State who live in the fringes of the city are facing difficult time commuting from their various houses to the offices.

The beautification project of the State has also affected many artisans and petty traders as they have been displaced from their places of daily job. The massive cases of social displacement have made some people to argue that the whole idea of Lagos mega city project is class-oriented, in which case the city is being prepared for the comfort of the rich people at expense of the poor (Adelakun, 2013). This has implications for social harmony and cohesion. It may also have political consequences for the ruling party in future elections.

While the revenue drive of Lagos State has been widely commended, it also has social costs to the members of the Organized Private Sector, who often complain about multiple taxations that they are made to pay by the State Government. During the World Bank's Investment Climate Program, in which this author was involved in 2007 and 2008, issue of multiple taxation both at the federal, State and Local Government levels was a constant one cited as being a hindrance to smooth operation of business in Lagos State.

Payment of tolls at expressways in the State has also been an issue of contestation. For instance, the State Gov-

ernment embarked on a Public Private Partnership arrangement for the construction of Lekki-Epe expressway on the understanding that the people will pay tolls for using the roads. Until this arrangement was terminated in 2013, payment of tolls by drivers, peasants, cleaners and other low income earners was at a high social cost to the people. Although an alternative route was made for those who cannot afford the tolls, many affected citizens of the State believe that as long as they pay their taxes, it remains the responsibility of the government to provide them with functional infrastructures, including roads.

Despite the general belief among the people and external observers such as Joseph (2013), that Lagos is being run on the principles of probity and accountability, there are people from the civil society who contend that the administration of the State is riddle with corruption and excessive spending on projects that are not beneficial to the poor. For instance according to Comrade Debo Adeniran, the Executive Chairman of the Coalition Against Corrupt Leaders, Lagos State Government 'has been characterized with unnecessary and excessive donations, lack of due process in budget implementation, illegal deduction and diversion of statutory allocated funds as well as inflation of costs of contracts (African Examiner, November 5, 2013).

While some of these allegations may be hard to prove as the State Government has consistently denied them, the issue of excessive, if illegal, control over federal allocations to the local

governments by the Lagos State government has been confirmed to this author by Local Government officials in the State. At two different encounters with Local Government Chairmen, Deputy Chairmen and Councilors in 2009 and 2011, these elected officers confirmed to this author that they have no control over the Federal allocations to the local governments. The Lagos State Government only release to the Local Governments what it deems fit (Per. Interview, 2009 and 2011). Such practices are key characteristic of the type of politics that is unique to the opposition party, which controls the State. Although it is patently illegal as it violates the letter and the spirit of 1999 constitution, whether such deductions from local government revenues has assisted the State Government in carrying out its socio-economic economic transformation is an issue for further research.

8. CONCLUSION AND RECOMMENDATIONS

This article has examined sub-national governance within a Federal political system, with Lagos State as a case study within the Nigerian federation. In contradistinction to the general high level of poverty and inequality in Nigeria, the chapter shows how Lagos State Government, which is controlled by an opposition party has achieved some remarkable transformation over the past fourteen years of the return to democratic rule in the country. The high capacity of State Government to generate Internal Revenue from taxes and dues was highlighted. The socio-economic transformation

going on in the State was attributed to many factors. One of these is the politics-policy dichotomy in which the former Governor Asiwaju Bola Tinubu, (unofficially known as the Governor Emeritus) is pre-occupied with political issues, while his successor, Governor Babatunde Fashola face the business of governance squarely.

In view of the dependence of many of States in Nigeria on Federal allocations, Lagos State commends itself to an example of how a sub-national unit of a federation can work towards improvement in revenue generation. Although it can be argued that the peculiar position and location of Lagos State are partly responsible for its success rate, other States in Nigeria surely have unique resources and locations that they can tap into to make them less reliant on the federal government.

In order to continue the socio-economic transformation going on in the State, it is recommended that citizens of Lagos State should continue to ensure that capable people in terms of intelligence, selflessness and vision for a societal transformation are voted as the leaders in the State. The State should also continue to explore various avenues to shore its revenue base and expand opportunities for economic activities for its teeming population. In view of the identified social-costs of transformation and reforms, the State Government must put in place palliative measures to cushion the effects. Despite the high profile of Internally Generated Revenue in the State, Lagos State deserves to be treated with special status by the Federal Govern-

ment. As a former administrative capital of Nigeria, many roads in the State as well as the ports belong to the Federal Government. For too long these have been neglected, thereby adding to the financial burden of the State. Consequently, it is incumbent on the Lagos State Government to continue to engage the Federal Government to seek for its cooperation in granting additional funding to Lagos State.

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