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Fiscal Federalism and Regional Inequality: A Political Economy Analysis of Northwestern Nigeria's Development Challenges

Prof. Yahaya A. Zakari & Abubakar Muhammad

Department of Economics, Zamafara State University Talata Mafara

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***Corresponding author:** Prof. Yahaya A. Zakari & Abubakar Muhammad

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Abstract **Original Research Article**

This study investigates how Nigeria's system of fiscal federalism contributes to ongoing regional inequality with specific reference to the Northwestern area. While fiscal federalism is meant to promote balanced development by allowing sub-national units access to financial resources, the Nigerian approach has often increased gaps due to centralized management, politicized income allocation and inadequate institutional procedures. Drawing on a range of secondary sources such as government papers, academic literature and development data, this study explores the patterns of federal allocations and the political economic variables that drive them. It finds that despite being rich in natural and human resources, Northwestern Nigeria suffers from persistent underdevelopment, in part because of how federal finances are negotiated and dispersed. The study argues that tackling these difficulties requires not only policy reform but also a shift in how power and fiscal authority are organised in Nigeria's federal setup.

Keywords: Fiscal Federalism, Regional Inequality, Northwestern Nigeria, Political Economy, Revenue Allocation.

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INTRODUCTION

Nigeria's federal system was developed to handle its diverse ethnic, cultural and regional mix by dispersing political and economic power among multiple tiers of government. In Fiscal federalism the division of public funds and expenditure responsibilities among the federal, state and local governments is fundamental to this system. Ideally, this approach should promote balanced development over regions by allowing subnational governments manage local needs and resource allocation. In reality, however, centralisation, political manipulation and weak institutions have defined Nigeria's fiscal federalism, leading to greater regional disparity (Arowolo, 2011). Including Sokoto, Kano, Kaduna, Katsina, Kebbi, Zamfara and Jigawa States, the Northwestern region examplifies these variations. With roughly 45.5 million people living in poverty there (Legit.ng, 2022), the North-West boasts the highest concentration of impoverished people in Nigeria according to the National Bureau of Statistics (NBS). With 91% (NBS, 2022), Sokoto State comes out as having the highest multidimensional poverty index among all the states. These figures underline the degree of regional underdevelopment. Even though factors like insecurity and inadequate administration cause challenges, the concept of fiscal federalism is quite crucial. Often neglecting the specific needs of regions such as the North-West, centralised administration defines the current revenue distribution structure and influences political issues (Duru, 2007). Stressing the developmental problems facing Northwestern Nigeria, this work investigates the relationship between regional inequality and fiscal federalism using political economics. By means of an analysis of past and contemporary income distribution policies, the study explores how political institutions and fiscal policies foster underdevelopment in the local context. Apart from such secondary sources, the study also depends on scholarly works, government statistics and economic data to present a full picture of the present issues.

OBJECTIVES OF THE STUDY

1. To examine the impact of vertical and horizontal income distribution on regional growth within Nigeria's fiscal federalism.
2. To examine the functions of the federal and state governments in Northwestern Nigeria on resource allocation and service provision.

3. To examine the role of fiscal federalism in creating disparities among regions in Northwestern Nigeria and propose equitable reform options.

METHODOLOGY

This study employed a qualitative research method to direct the investigation of secondary data. Valuable data was sourced from official government papers, policy briefings, academic journals, budget reports and research conducted by reputable institutions, including the National Bureau of Statistics (NBS), BudgIT and the International Crisis Group. Utilising political economic theory, the study looked at how elite behaviour, fiscal policies and government institutions affected development results in Northwestern Nigeria. Using thematic content analysis, the study looked at information on state spending, government policies, socioeconomic factors including local income levels. This approach clarified many interacting elements causing regional differences.

LITERATURE REVIEW

Regional Inequality in Northwestern Nigeria

Inequality among regions has long been an issue within Nigeria's governmental framework. It refers to the uneven distribution of public services, infrastructure, economic opportunities and the outcomes of human development throughout various regions of the world (Akintola, 2022). The concept of fiscal federalism was established to promote fair development yet, research indicates that Nigeria's Northwestern region is far less developed than other areas of the nation (Suberu, 2020; Akinola, 2022).

Poverty and Economic Inequality

The North-West is considered as one of Nigeria's poorest areas. While multidimensional poverty rates are below 20% in more developed states like Lagos and Anambra, the National Bureau of Statistics (NBS) shows that they approach 80% in Sokoto, Jigawa and Zamfara states. The region's economy mostly relies on informal trade with little investment in industrialisation, innovation or technology-driven sectors; additionally, it depends on rain-fed agriculture. This has limited not only income growth but also hampered job creation and wealth building (World Bank, 2022).

Educational Disparity

In Northwestern Nigeria, having access to high-quality education is both a result of and a cause of inequality. Particularly affecting women, about 70% of North West children have no access to education in school; those who are enrolled deal with insufficient infrastructure, a dearth of trained teachers and society barriers (UNICEF, 2023). In areas including Kebbi and Jigawa, additional, over 90% of adult women are illiterate while in the South West, female literacy rates are critically low with less than 30% literate (The Nation, 2023). By preventing human capital development and prolonging the cycle of poverty, educational gap reduces the economic competitiveness of the region against more developed places.

Healthcare Inequality

Northwestern Nigeria's healthcare situation is likewise rather poor. States like Katsina and Kano reportedly have some of the highest rates of mother and child death nationwide. The 2022 Multiple Indicator Cluster Survey (MICS) shows that, in contrast to over 80% in the South West (UNICEF, 2022), slightly more than 23% of newborns in the region receive care from qualified health professionals. According to Solacebase's 2024 study findings, many state governments in the area do not distribute or use funds allocated for health despite budgetary restrictions, resulting in declining infrastructure, insufficient medical supplies and personnel shortages.

Infrastructural Regress

Infrastructure is an essential driver of economic development but the North-west has historically been disadvantaged. Poor road networks, insufficient electrical supplies and inadequate water systems continue to impede economic development and public service delivery. The region has one of Nigeria's lowest power access rates with less than 30% of homes linked to the national grid in some rural areas (NERC, 2023). The differences in infrastructure development contributes to regional inequality and inhibits private investment.

Policy and Structural Failures

A lot of scholars argue that Nigeria's over-centralized fiscal system is the reason behind these variations. Although sub-national governments remain dependent on Federation Account allocations, the federal government controls most national income. This dependency reduces the financial authority of Northwestern states and their capacity to modify development strategies to fit their particular needs (Ibeanu, 2021; Arowolo, 2011). Furthermore, horizontal revenue sharing does not adequately compensate differences in internal income generating, therefore denying poorer states of a structured benefit. The data indicates to both historical neglect and modern policy deficiencies as causes of regional inequality in Northwestern Nigeria. Dealing with the situation calls for a restructuring of Nigeria's fiscal federalism to allow more fair resource allocation, better sub-national governance and concentrated interventions in infrastructure, health and education. lack of these changes, the region is probably going to stay caught in an underdevelopment and marginalising loop.

Overview of Fiscal Federalism in Nigeria

The intricate history of colonial and postcolonial government in Nigeria substantially influences the evolution of fiscal federalism in the nation. Nigeria's fiscal federalism, influenced by constitutional amendments, political motivations and economic necessities has seen significant transformations in this ethnically diverse nation characterised by pronounced regional disparities in resources, demographics and development.

Colonial Background and the Derivation Principle (1946–1960):

When Nigeria was a British colony, its first official form of fiscal federalism took shape. This happened with the Richards Constitution of 1946, which established three areas: Eastern, Western, and Northern. Regionalism has its birth here. Legal changes allowed regional administrations to acquire administrative as well as financial authority. By allowing the provinces additional autonomy over their own tax bases and expenditure budgets, the Macpherson Constitution of 1951 and the Lyttleton Constitution of 1954 strengthened federalism even more (Ekpo & Ndebbio, 1998). The derivation concept dominated the way income was distributed at that period. This meant that within their borders, places made a lot of money from the resources inside. The Raisman Fiscal Commission in 1958 recommended that 50% of the money generated from mining leases and royalties go to the area where the resources originated as evidence that the colonial administration thought in fair resource management for every region (Suberu, 2001). The derivation principle promoted rivalry in public service delivery and in expansion. It also let each area flourish at its own speed.

Post-Independence Centralization and Military Rule (1960–1979):

The fiscal system retained specific federal elements at the time of independence in 1960. However, the escalating strife among the provinces that culminated in the 1966 coup and the Nigerian Civil War (1967–1970) altered budgetary priorities. Oil had grown to be Nigeria's most valuable resource by the late 1960s, hence the central government decided to unite authority over important income sources. The Distributable Pool Account (DPA) took population, state equality and necessity into account, therefore reducing the relevance of the derivation principle in the 1960 and 1963 constitutions. The military governments that followed 1966 to 1979 fundamentally changed the federal balance in Nigeria. Rising from 4 in 1963 to 19 by 1976, they established new states to challenge regional domination and support central authority (Kimenyi & Meagher, 2004). Subnational fiscal authority was limited and income distribution throughout this period grew ever more centralised.

Oil Boom and Fiscal Reliance (1970s–1980s):

The 1970s' oil boom reinforced centralising trends as oil profits came to govern national income. All mineral resources came under federal government ownership and control under the Petroleum Act of 1969 and later enhanced by the 1979 Constitution. States particularly in resource-strapped areas like the North-west started depending more on federal grants which led to a decrease in efforts at internal generated income (IGR) (Arowolo, 2011). Mostly benefiting fewer resource-endowed areas, the Aboyade Technical Committee (1977) and the Okigbo Commission (1980) advocated formulas that further marginalise the derivation principle in favour of national interest and necessity, hence generating conflict among oil-producing nations.

The 1999 Constitution and the Return to Civil Rule:

The return of democracy in 1999 spurred fresh debate on federalism, budgetary control, and resource management. Mostly addressing issues from the Niger Delta, the 1999 Constitution restored the 13% derivation criterion for governments claiming resources. This advantage, however, was not fairly shared in resource rich regions that do not produce oil such as the North-west. Though they have great agricultural and mineral potential, Northwestern states mostly rely on federal financing; they also show inadequate capacity and power to maximise local assets (Duru, 2007). Established to decide on revenue sharing policies, the Revenue Mobilisation Allocation and Fiscal Commission (RMAFC) has had little impact because of institutional inefficiencies and political intervention. For states, the vertical allocation formula of the federal government is 26.72%; for local governments, it is 20.60%; and for 2024 it is 52.68%. Critics of this approach have said it does not sufficiently empower local governments or encourage local revenue production.

Vertical and Horizontal Revenue Sharing in Nigeria’s Fiscal Federalism

The allocation of national funds across various governmental tiers and states predominantly influences the framework of fiscal federalism in Nigeria. Two main systems are used in this distribution: horizontal revenue sharing among the 36 states and 774 local government organisations and vertical income sharing among federal, state, and municipal governments. These systems are very political, reflecting and aggravating historical inequities especially in underdeveloped regions like the North-West; therefore, they go beyond simple management.

Vertical Revenue Sharing: Centralized Control and Regional Disempowerment

Three tiers of government split funds from the Federation Account based on vertical revenue sharing. With 13% allocated for mineral-producing states , the current approved formula gives 52.68% to the federal government, 26.72% to states and 20.60% to local governments (RMAFC, 2024). Critics say this system benefits the federal government, thereby giving it too much financial control at the expense of local governments nearer the grassroots and states.

The federal government's duty for defence, foreign policy, national infrastructure, debt servicing justifies, in theory the centralised distribution. In reality, though, this centralising has undermined subnational governance and resulted in over reliance on the federal purse. In Northwestern Nigeria which comprises states including Zamfara, Sokoto, Kebbi, Katsina and Jigawa, this system drastically reduces the ability of state and local administrations to carry out development initiatives. Of those states, most get over 80% of their income from federal allocations (NBS, 2022). Fiscal impotence aggravates low school enrolment, inadequate infrastructure, high rates of mother mortality and food insecurity all of which have serious consequences.

Horizontal Revenue Sharing: Formulas, Politics and Inequity

Horizontal revenue sharing is the distribution among states and local governments the fraction of federal money allotted to them. The basis of this sharing criteria include:

Equality of states – 40%, Population – 30%, Landmass and terrain – 10%, Internally Generated Revenue (IGR) effort – 10% and Social development indicators – 10% (RMAFC, 2024).

This approach seems fair but it fails to function well in places like the North-west. For instance, the IGR criterion naturally helps states with strong economies like Lagos and Rivers which already benefit from better facilities and business hubs. By comparison, most Northwestern states have low IGR because of poor industrial bases, a large informal sector, and continuous insecurity especially in rural farming areas (World Bank, 2023).

The region experiences challenges in sectors typically associated with informal political conflicts on resource distribution: education, healthcare and economic competitiveness; however, it does well in terms of population and land area. The formula emphasises rather than mitigates existing inequities.

Revenue Allocation and Intergovernmental Roles: A Power Imbalance

In addition to revenue, the Nigerian federal government governs policymaking, economic planning and public expenditure objectives. The federal government establishes and frequently executes initiatives that should ideally be administered by state and local governments through entities such as the Federal Ministry of Finance, Central Bank of Nigeria and National Planning Commission (Suberu, 2001).

States, meanwhile, have constitutional responsibility for important areas including agriculture, primary healthcare and education. Many North-west states, however, have battled to provide essential services efficiently with limited resources and authority. For instance, although Kebbi State's potential to improve water infrastructure is limited by budgetary constraints, over 60% of rural populations in the state lack access to clean drinking water (UNICEF, 2023). Far less than the advised 15% and 20% criteria specified by WHO and UNESCO respectively, Zamfara and Sokoto States typically invest less than 12% of their yearly budgets to health and education combined (BudgIT, 2023).

Several local governments in Katsina and Jigawa are unable to pay teacher salaries or invest in school facilities without federal assistance (ActionAid Nigeria, 2022). The resulting governance deficit has enabled non-state entities such as religious extremists and criminal organisations to prosper in the absence of governmental authority. Consequently, in the North-west, fiscal marginalisation presents both an economic and a security issue.

Political Economy Dynamics of Regional Inequality in Northwestern Nigeria

Role of Political Elites and Patronage Systems:

In Northwestern Nigeria, political leaders have a big impact on how things develop. Sometimes, they put personal and ethnic loyalty ahead of regional development. As a result of working within patron-client networks, these elites—governors, lawmakers, and traditional power brokers see public office more as a way to get rich and give money to supporters than as a way to provide services (Albert, 2022; Joseph, 1987). The result is a political system that helps keep things from getting better. Contracts and projects are often awarded and carried out based on loyalty rather than ability, especially in important fields like healthcare and education. This causes projects to be overrun or scrapped. A 2023 BudgIT study found that almost 40% of capital projects in the education sector in states like Zamfara and Sokoto were either abandoned or didn't happen at all, even though they had full budgetary allocations. Establishments are also hurt by political favouritism. Local elections and civil service appointments are sometimes rigged to keep the elite in power, which shuts out views that support development that benefits everyone. This focus on elite interests over public good highlights inequality and makes people not trust government processes (Olasupo & Fayomi, 2019).

Impact of State Capture and Rent-Seeking:

Public capture refers to the inappropriate influence of economic interests on public institutions and decision-making processes. In Northwestern Nigeria, political and business elites often conspire to monopolise public resources, including federal allocations, special grants and donor-funded initiatives. This process is driven by rent-seeking behaviour, wherein elites exploit unproductive advantages through the manipulation of governmental mechanisms, especially in resource distribution and contract grants (Kura, 2012). The mining industry in Zamfara serves as a typical illustration. Instead of promoting widespread prosperity, gold mining has become a refuge for elite greed and the financing of armed groups. The lack of regulatory enforcement and transparency has allowed influential entities to monopolise these resources, intensifying regional inequality and insecurity (ICG, 2022). Rent-seeking diminishes accountability. In various jurisdictions, budget tracking by civil society organisations indicates a consistent trend of misappropriated funds being misused or not disbursed at all. The Nigerian Extractive Industries Transparency Initiative (NEITI, 2023) reports that around ₦250 billion designated for development in the North-west from ecological funds, mining taxes and VAT for 2021-2022 remains unaccounted for due to obscure bureaucratic practices and elite exploitation.

Budgetary Politics and Federal Allocations:

Nigeria's budgetary politics have a big impact on how money is distributed to different places, especially at the federal level. The yearly budgeting process is often very political. It is where lawmakers negotiate spending cuts based less on need and more on political power and party affiliations (Suberu, 2020). The North-west sometimes gets unfairly little capital funds even though it is very poor and needs to be developed. Budget Office of the Federation (2023) says that in the 2023 federal budget, capital projects worth almost ₦500 billion were given to Lagos while less than ₦300 billion was given to Sokoto, Zamfara, Kebbi and Katsina put together. This imbalance is made worse by the fact that there are not many technocratic voices from the area in federal agencies and ministries.
Budget fights within states are also a problem. A number of states in the North-west don't have open, data-driven, or public budgeting processes. According to the Open Budget Index Nigeria (2022), only Kano has a budget that is more than 40% open. The average for the other states in the area was less than 25%. This lack of inclusive, evidence-based planning makes it harder to provide good services and keeps limited resources from being used in the right way.

THEORETICAL FRAMEWORK

This study analyses fiscal federalism in Nigeria, a federated state, via the lens of Decentralisation Theory. Decentralisation Theory posits that conferring political, administrative and fiscal authority to subnational governments improves governance, accountability and equity (Rondinelli, 1981). The theory posits that proximity to those they affect enhances decision-making and resource management efficacy. Decentralisation enables subordinate governmental tiers to mitigate regional disparities by tailoring policies and resource allocation to local needs and objectives. Decentralisation in Nigeria empowers states and local governments with significant authority over resources to address their developmental requirements. Nigerian fiscal federalism has deviated significantly from these ideal benchmarks. The majority of national money is held by the federal government and allocated through a formulaic system that prioritises political expediency above developmental equity (Ogunna, 1996). Particularly in the North-West, this centralisation diminishes the benefits of decentralisation and complicates the ability of subnational governments to address poverty, infrastructural issues and insufficient public services.
The Decentralisation Theory is relevant to this research due to its focus on financial autonomy and developmental results. The analysis elucidates the reasons for the underdevelopment of Northwestern Nigeria despite its status as a federal nation. Regional disparities arise partly from institutional capacity, insufficient financial autonomy and elite-driven distribution mechanisms. This approach facilitates essential analysis of how institutional and political elements obstruct fiscal federalism in Nigeria.

FINDINGS OF THE STUDY

The analysis of secondary data sources, thematic coding and comparative measures shows important results that show how deeply rooted inequality is in Northwestern Nigeria. These results show that problems with systemic governance, political structures dominated by elites and poor use of funds are the main causes of underdevelopment in the region.

1. Entrenched Inequality Despite Allocations:

Northwestern Nigeria is still among the most underdeveloped areas in the nation despite significant federal funding and intervention projects. With high multidimensional poverty rates reaching 80%, states including Zamfara, Sokoto and Kebbi often rank lowest in Human Development Index (HDI) measures according to the National Bureau of Statistics (2022). For example, the highest in the nation, Zamfara noted in the 2022 NBS report a 91% multidimensional poverty incidence. This gap between outcome and allocation draws attention to a mismatch in developmental priorities and fiscal management.

2. Political Patronage Undermines Equitable Development

Findings show that public resource allocation in the area is dominated by elite capture and patronage networks. Political officeholders give loyalty-based resource distribution top priority over based on merit or needs-based planning. This has resulted in:

i. Ghost or non-functional projects especially in rural areas

ii. A political class disproportionately consuming public finances.

iii. Exclusion of community perspectives in development and budgeting processes

BudgIT (2023) revealed significant rent-seeking, finding that over thirty percent of constituency activities in the region were either replicated in state budgets or unaccounted for within them.

3. Weak Institutional Oversight

The frameworks for accountability and transparency exhibit persistent deficiencies. Numerous state budgets are deficient in comprehensive implementation notes or online accessibility. In the 2022 Open Budget Index survey, only Kano State exceeded 40%. Furthermore, states rarely adhere to the Budgetary Responsibility Act

(2007), so undermining efforts for effective fiscal discipline and public oversight.

4. Distorted Federal Distributions and Insufficient Domestic Revenue Generation

The findings also reveal that federal capital distributions favour politically powerful or economically active states, therefore benefiting the North-west at the disadvantage. Lagos State got almost ₦500 billion in federal capital projects in 2023; the entire North-west zone comprising seven states collectively got around ₦400 billion (Budget Office of the Federation, 2023). Low IGR in the area meanwhile results from inadequate institutional tax systems and over-reliance on federal transfers. For instance, the generated IGR in Sokoto and Kebbi states in 2022 (NBS, 2023) less than ₦10 billion each.

5. Security-Development Trade-Off

The ongoing security crisis characterized by banditry, abduction and resource-driven violence has depleted official resources and diminished service provision. Despite receiving billions in funding especially in Zamfara and Katsina States, minimal progress has been observed in security. The International Crisis Group (2022) observes that insecurity has diverted funds from sectors such as health and education, dissuaded private investment and displaced thousands of agricultural villages, so exacerbating poverty.

DISCUSSION OF FINDINGS

This study's findings affirm that the political economy framework of the Nigerian state distinctly illustrates regional imbalance in Northwestern Nigeria. Despite the existence of government payments and standard development initiatives, institutional deficiencies, rent-seeking behaviour and exploitation by elites serve to diminish their impact.

The results of the study fit the core argument of political economics theory which holds that the distribution of political power shapes institutions and economic results (North, Wallis & Weingast, 2009). Political elites in Northwestern Nigeria have successfully kept public institutions under control by means of project distribution and budget management, hence strengthening loyalty-based networks. This patron-client relationship distorts public resources towards elite interests instead of developmental needs and impairs democratic responsibility (Joseph, 1987; Kura, 2012). For instance, the frequency of untraceable or duplicated projects in Zamfara and Sokoto States as highlighted in BudgIT (2023) showcases how public money is weaponized for patronage. Such policies limit fair access to services, hence strengthening cycles of poverty and exclusion.

The region's resource mismanagement clearly shows the phenomena of state capture where limited interest groups shape public policies for private benefit. This fits the idea of "limited access orders," in which political and financial privileges are concentrated among elites, therefore restricting inclusive progress. One obvious example is the Zamfara artisan mining industry, which despite its promise has turned into a venue for elite enrichment and intense rivalry (ICG, 2022). Mining activities often go to private hands or support armed organisations instead of creating public income and jobs. The result is not only a development gap but also a security dilemma that further drains the inadequate public resources of the area.

Furthermore evident was the slanted character of fiscal federalism. The vertical imbalance where the federal government controls mass income and prescribes redistribution limit the capacity of subnational governments to propel growth according to their particular demands. Northwestern states are thus structurally disadvantaged by the horizontal allocation system which mostly rewards population size without strong indicators for performance or needs; this is particularly true considering their great reliance on federal allocations (Suberu, 2020). This has led to a chronic underinvestment in human capital development and bad fiscal results. Low internally produced revenue states such as Kebbi and Katsina are caught in a fiscal dependency trap and cannot fund major social facilities or handle local crises without Abuja's intervention (NBS, 2023).

The weak institutional capacity of state governments, particularly regarding budget transparency, public involvement and financial accountability, has also been demonstrated. Most Northwestern states fail to publish comprehensive budget performance reports, so allowing political interference to undermine legislative oversight. The absence of accountability mechanisms fosters public discontent, corruption and inefficiency (Open Budget Index Nigeria, 2022). The underfunding of civil society and the media which may serve as watchdogs along with the lack of access to essential data, further complicates efforts to hold political actors accountable.

The nasty circle between underdevelopment and insecurity is maybe the most alarming dynamic. Public resources in states like Zamfara and Kaduna are increasingly directed into security operations with little long-term effect. While insecurity reduces public and private investment (ICG, 2022), displaced people, damaged infrastructure and low agricultural production aggravate poverty. This cycle fits Collier's (2007) thesis on "conflict traps," in which underdevelopment and weak government systems raise the chance of war hence reinforcing poverty and state fragility.

POLICY RECOMMENDATIONS

Inequality between regions in Northwestern Nigeria needs policies that work at many levels and in many areas. These policies should be based on changing institutions, reorganising the budget and making government more open to everyone. Based on the study's findings and investigation, the following policy suggestions can be made:

1. Evaluating the current vertical and horizontal income distribution frameworks might enhance the budgetary autonomy of subnational governments. Performance-

based and needs-based indicators such as infrastructure deficits, poverty rates and domestically generated revenue initiatives ought to be incorporated into the allocation formula by the federal government in collaboration with the Revenue Mobilisation Allocation and Fiscal Commission (RMAFC). This will promote efficiency and reduce dependence on government subsidies.

2. Budget transparency, democratic governance and fiscal accountability must be institutionalised in Northwestern states. This encompasses: Generating mid-year and annual budget performance reports, Digitalisation of procurement and expenditure monitoring, empowering audit institutions and state legislators to take independent action, and also Civil society organisations and development partners should support citizen-led budget monitoring initiatives focused on governmental accountability.

3. Electoral changes that lower the expense of politics and raise voter knowledge will help to correct patronage-based politics which skew budgetary priorities. Strengthening internal party democracy and independent candidature will help to enable qualified, reform-minded leaders to surface at the state level. Anti-corruption authorities have to look at and punish instances of stolen constituency and security money at the same time especially in areas devastated by conflict like Zamfara and Katsina States.

4. Spending on security needs to be linked to long-term plans for growth. The federal and state governments should work with local leaders to fund programmes that help get rid of weapons, improve community policing and make peace. Along with military operations, the most important thing should be to give stabilisation money to areas that need to be rebuilt after a war and to people who lost their jobs.

5. The states in this region must commit a lot more funds to job creation, education and healthcare. Working collaboratively with private businesses and donor organisations can help to break the cycle of poverty by building additional facilities and simplifying access to services especially in rural and hazardous locations. Those who have been compelled to relocate ought to be entitled to increased social help and conditional monetary transfers.

CONCLUSION

The study examined the political and economic dimensions of regional disparity in Northwestern Nigeria. It demonstrated how fragile institutions, elite capture and poor fiscal federalism continue to affect the region's development. The north-west states require more than consistent federal funding and assistance; they remain trapped in a network of political favouritism, rent-seeking and instability. The data indicates that disparity in the region is mostly an issue of management rather than only a matter of resources. States have to reconsider the distribution of governmental power, resources and responsibilities across all levels. In the absence of significant alterations to the region's economy, governance and institutions, it may become increasingly isolated, jeopardising national stability and collective progress. This study addresses Nigeria's enduring regional issues by initially examining the most vulnerable locations, thereby situating them within a broader political economy framework.

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